



NB Global Monthly Income Fund Limited

(Formerly NB Global Floating Rate Income Fund Limited)

2020 ANNUAL REPORT

Audited Financial Statements
For the Year Ended 31 December 2020

NEUBERGER BERMAN

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Features

NB Global Monthly Income Fund Limited (the “Company”), formerly NB Global Floating Rate Income Fund Limited

The Company is a closed-ended investment company incorporated and registered in Guernsey on 10 March 2011 with registered number 53155. The Company is governed under the provisions of the Companies (Guernsey) Law, 2008 as amended (the “Law”), and the Registered Collective Investment Scheme Rules 2018 issued by the Guernsey Financial Services Commission. It is a non-cellular company limited by shares and has been declared by the Guernsey Financial Services Commission to be a registered closed-ended collective investment scheme. On 20 April 2011, the Company was admitted to the Official List of the UK Listing Authority with a premium listing trading on the Main Market of the London Stock Exchange (“LSE”). The Company changed its name from NB Global Floating Rate Income Fund Limited to NB Global Monthly Income Fund Limited on 8 September 2020.

Alternative Investment Fund Manager (“AIFM”) and Manager

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

Investment Objective

Following an Extraordinary General Meeting of the Company held on 8 September 2020, the Company’s investment objective was amended. It is to provide the Company’s shareholders with consistent levels of monthly income, while maintaining or increasing the Net Asset Value (“NAV”) per Share over time. Details of the Company’s previous investment objective and investment policy for the period 1 January 2020 to 7 September 2020 can be found on the Company’s website www.nbgmif.com.

Investment Policy and Strategy

To pursue its amended investment objective, the Company will invest in credit assets with the following target portfolio allocations: (i) 50-70% in traditional credit, meaning high yield bonds, floating rate loans and investment grade corporate bonds; and (ii) 30-50% in alternative credit, meaning “special situations” (consisting generally of tradeable but less liquid debt securities, such as stressed credit and CLO debt tranches), mezzanine debt, “club” loan transactions (being syndicated lending opportunities presented through the Company’s or Investment Manager’s relationship with loan arrangers and/or borrowers) and private corporate loans issued directly to borrowers. Investments in alternative credit will not represent more than 50% of Net Asset Value at the time of investment.

The Company’s investments will be issued in U.S. Dollars, Sterling and Euros by corporations, partnerships and other business issuers based primarily in North America, the UK and Europe. At the time of investment these loans, bonds and other debt instruments will often be non-investment grade.

The Company expects that it will typically hold the majority of its assets directly, however where the Investment Manager considers it appropriate the Company may obtain investment exposure to loans, bonds and other debt instruments through investments in other collective investment vehicles. The Company will not invest more than 15 per cent. of its total assets in other listed closed-ended investment funds at any time.

Capital Structure

As at 31 December 2020, the Company’s share capital comprised 323,268,152 Sterling Ordinary Shares (“NBMI”) of no par value (of which 76,083,114 were held in treasury). On 3 August 2020, the Company compulsorily converted all U.S. Dollar Ordinary Shares into Sterling Ordinary Shares and subsequently closed the U.S. Dollar Share Class. Further, in tandem with the proposals made at the EGM held on 8 September, the Company offered to its investors a cash exit offer (the meaning of which is given in the EGM Circular dated 17 August 2020 available on the Company’s website) and redeemed 40% of the issued share capital on 8 September 2020 to those investors who had elected to participate in the cash exit offer.

Non-Mainstream Pooled Investments

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

The Company's shares are excluded from the FCA's restrictions, which apply to non-mainstream pooled investment products.

LIBOR

The Financial Conduct Authority announced in 2017 it would not compel or persuade panel banks to make LIBOR submissions after 2021. LIBOR is therefore expected to cease from the end of 2021 impacting trillions of USD financial instruments globally. Whilst there is no single agreed alternative at the present time, the Investment Manager is examining the implications of a transition on the Company and its portfolio and will manage the transition on behalf of the Company.

Dividends

Until 30 September 2020, dividends were paid quarterly. Effective 1 October 2020, dividends are paid monthly. The Company's dividend policy, as at 31 December 2020, is detailed on page 33. Details of the dividend policy prior to the EGM held on 8 September 2020 can be found on the Company's website at <https://www.nbgmif.com/en/archive> detailed in the Annual Report and Financial Statements for the year ended 31 December 2019 on page 29.

The rolling 12 month dividend yield (based on the dividends declared in respect of the period and share price as at 31 December 2020) was 4.78%.

Financial Statements

Up until 31 December 2019, the Company had a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l., which in turn held a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. On 31 December 2019, the two subsidiaries were liquidated.

The Company's Financial Statements to 31 December 2020 are therefore on a standalone basis, whilst the comparatives are consolidated as they comprise the Company and its wholly owned subsidiary undertakings.

Purpose and Values

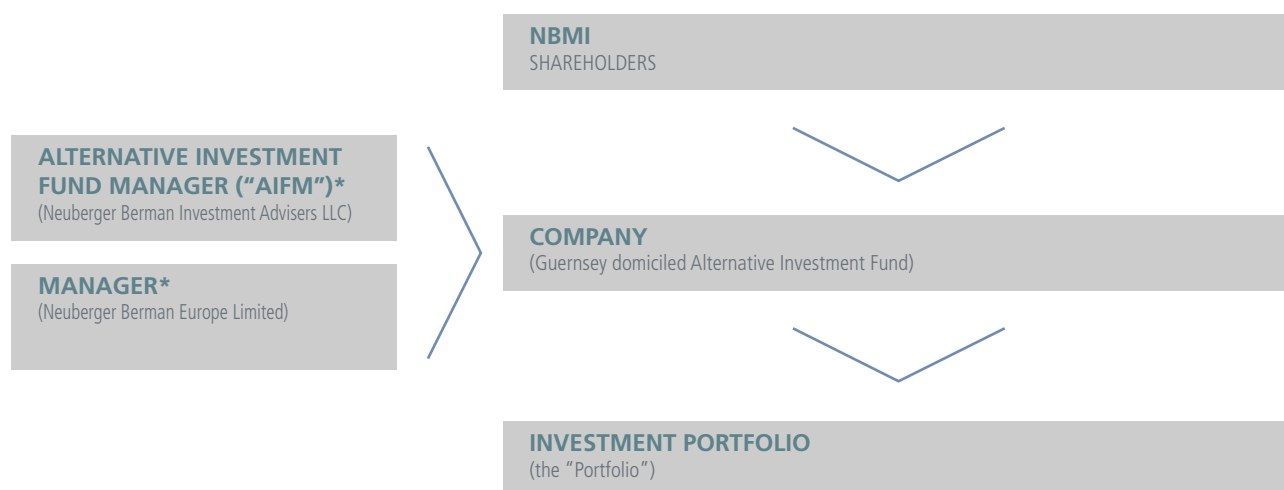
The purpose of the Company is to carry out business as an investment company and to provide returns to shareholders through achieving its investment objective as described on page 2.

The Values of the Company are discussed and agreed upon by the Board. The Board seeks to run the Company with a culture of openness, high integrity and accountability. It is conscious that it demonstrates the values through its behaviour both within itself and its dealings with its stakeholders. It seeks to act in the spirit of mutual respect, trust and fairness. The Board is robust in its challenge of the Investment Manager and other providers but tries always to be constructive and collegiate. The Board expects its members to exhibit an independence of mind and not to be wary of asking the tough questions. Moreover, it expects and encourages its key service providers to exhibit similar values.

Principal Activities and Structure

The chart below sets out the ownership, organisational and investment structure of the Company.

INVESTMENT STRUCTURE OF THE COMPANY



* Further information on the Company's investment management arrangements can be found on page 30.

Global Diversification

The Investment Manager seeks to manage risk through in-depth credit research utilising proprietary analytical processes. It seeks to build an actively managed portfolio diversified by region, industry, credit quality and issuer. Sector weightings are adjusted based on economic and market analysis. Typically, no industry will represent more than 15 per cent. of Net Asset Value at the time of investment. At the time of investment, no more than 5 per cent. of Net Asset Value shall be concentrated in a single issuer.

Defensive Qualities

The Company's portfolio of investments is intended to focus on those industries regarded as defensive. Defensive industries are those the Investment Manager believes are less affected by changes in economic conditions and that are likely to demonstrate the strongest capital preservation.

Following changes to the investment objective, which were effective from 8 September 2020, the Company's investments are now broadly summarised as traditional credit and alternative credit investments.

Traditional Credit Investments

Traditional credit describes the Company's investments in high yield bonds, investment grade corporate bonds and senior secured floating rate loans.

High Yield Bonds

The high yield strategy is an actively managed fixed income strategy that is geared to generate returns from multiple sources by investing in a diversified portfolio of below investment grade corporate debt and includes both secured and unsecured securities. The primary goal of the Investment Manager's security selection process seeks to avoid deteriorating credits. In addition, the portfolio management team combines sector and quality rotation with the aim of capturing additional returns.

The strategy's universe is a screened sub-set of the broad high yield market. From the combined broad high yield rated universe, the Investment Manager screens out issuers with less than \$500 million in publicly traded debt outstanding, defaulted securities, and issuers with less than \$100 million in EBITDA. It also eliminates outliers including severely distressed and one-time issuers. The remaining group (representing about 90% of the market as captured by the ICE BofA Global High Yield Constrained Index) is subject to the Investment Manager's credit and relative value process to select its best ideas.

Investment Grade Corporate Bonds

An investment grade corporate bond is a corporate bond rated BBB– or above by a third party ratings agency and has a lower risk of default than non-investment grade bonds.

The investment grade credit strategy is actively managed and seeks to add value from multiple sources, including sector allocation decisions, security selection and duration/yield curve positioning.

The universe from which the portfolio management team selects securities in the strategy comprises a broad spectrum of investment grade bonds that are included in (or consistent with those included in) the primary published bond market indexes. The team starts with securities included in the Bloomberg Barclays U.S. Credit Index, and adds: 1) issues that may not qualify for inclusion due to size or registration, 2) issues that may not qualify based on nuances of rating requirements, 3) unique structures, and 4) credit default swaps. This universe comprises the broad spectrum of issue types primarily with a minimum rating of BBB–/Baa3.

Senior Secured Floating Rate Loans

Senior secured floating rate loans, also known as floating rate secured loans or leveraged loans, are debt obligations originated and arranged by banks or other financial entities (also known as an arranger) on behalf of corporations, partnerships and other business issuers to finance activities such as mergers and acquisitions, leveraged buyouts, recapitalisations, refinancings, capital expenditure or for other general corporate purposes.

These will typically be syndicated to a pool of lenders that collaborate to provide financing for the borrower. Once the bank loan is issued, lenders have the option to hold their portion for the life of the loan or to sell it to other investors in the secondary market.

The senior secured floating rate loans that the Company invests in are generally non-investment grade that is rated at or below BB+ by a third party rating agency.

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

If the reference interest rate exceeds the floor then such loans pay the prevailing reference interest rate as well as the credit spread. The return is generated by reference interest rate or the reference interest rate floor, the spread over reference interest rate paid by the borrower due to the terms of the underlying loan and the discount. The discount occurs because new issues are commonly priced, in the Investment Managers' experience, at a discount to the par value of the loan.

Alternative Credit Investments

Alternative credit describes the Company's investments in the following categories of alternative credit products:

- Stressed Credit;
- CLO debt tranches;
- Club loan transactions; and
- Private corporate loans.

Stressed Credit

The inclusion of investments which are classified as 'stressed credit' is to provide the Company with attractive risk adjusted returns through opportunistic stressed, distressed and "special situation" investments. The Investment Manager's investment team will seek to identify mispriced or otherwise overlooked securities or assets in dislocated sectors that lack liquidity and in circumstances in which "unnatural holders" of such securities or assets are under economic as well as regulatory pressure to sell, and where acquiring such securities or assets has, in the team's judgment, the potential to produce attractive absolute returns while also providing substantial downside protection.

The Investment Manager will seek to source such opportunities through Neuberger Berman's \$45 billion Non-Investment Grade Credit platform (bank loans, high yield, and special situations) and from financial institutions, banks, companies and funds, which find themselves holding non-performing loans or other types of assets that are not consistent with their portfolio objectives or constraints, making such investors "unnatural holders," and under both economic and regulatory pressure to reduce their exposure to these dislocated or troubled asset classes. The Investment Manager believes that these opportunities, if properly managed, have the potential to offer attractive returns to investors that understand the risks and uncertainty of such investments, have the necessary capital (so as to be able to absorb the illiquidity of such investments) and are able to accept a longer-term time horizon for these holdings.

Type of investments: Stressed credit assets include: bankruptcy situations; out-of-court restructurings and workouts; as well as "special situations".

- **Bankruptcy situations:** primarily in public and private securities of bankrupt companies and/or companies that have recently emerged from bankruptcy. The primary focus is on senior and senior secured debt.
- **Out-of-court restructurings/workouts:** from time to time, the Company may invest in out-of-court restructuring or a workout scenario, in which the Investment Manager believes there an opportunity to influence the process to increase the value.
- **Special situations:** Refers to investments in stressed or event-driven situations where the Investment Manager identifies significantly under-valued assets either in loan or bond format.

In general, the Company will acquire assets in the secondary market, however, in certain circumstances; the Investment Manager may also invest directly in portfolio companies, such as making direct loans in circumstances where the Investment Manager believes that the risk reward parameters are compelling.

CLO Debt Tranches/Mezzanine Notes

The Company's investments in Collateralised Loan Obligations ("CLO") debt tranches will be in mezzanine notes. These are typically rated either BB or high single B.

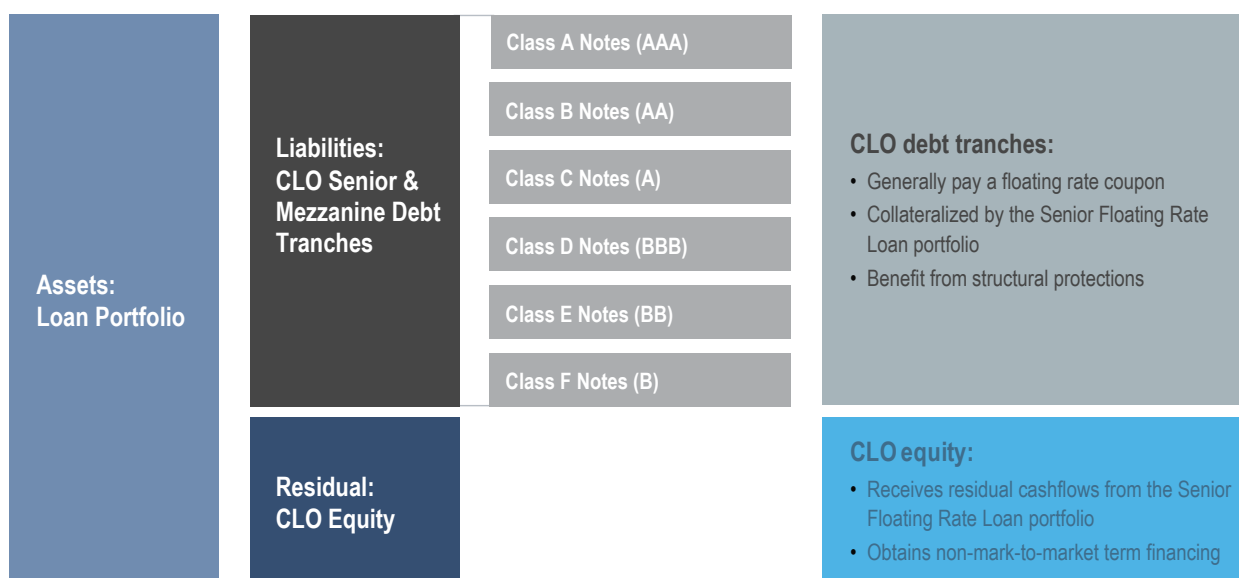
A CLO is a type of asset backed security supported by interest and principal payments generated from a pool of non-investment grade loan and debt instruments. The issue of CLO securities involves a form of securitisation, where principal and interest payments from multiple corporate loans and debt instruments are pooled together, packaged into securities in various tranches. A CLO security is a securitised asset.

The pools of loans and debt instruments are managed by a collateral manager appointed by the CLO. The collateral manager is responsible for selecting the loans and debt instruments to be purchased and sold and for determining the timing of such purchases and sales in accordance with the CLO's governing documents.

CLOs typically issue securities in three tranches, each of which offers distinct risk and return profiles. Each tranche varies in terms of the priority and rate at which its holders will be paid out when income is received by the CLO, from the underlying loans. The senior tranche securities will receive income in priority to all other tranches but will receive the lowest rate, while the most junior tranche will not receive any income payment but will benefit from any increases in the value of the pool of underlying loans and will bear the primary risk of defaults in this pool. In order of priority of receipt of income, the tranches are: senior, mezzanine and equity tranches. Mezzanine notes are typically issued by a CLO with original ratings ranging from A/A2 to B-/B3.

The Company will hold mezzanine notes and so will receive income only after payments to the CLO's senior notes have been made in full. Additionally, if an individual CLO's coverage ratio and/or portfolio tests are not met, cash flow that would otherwise have been available to apply towards the mezzanine notes may instead be used to redeem senior notes and/or purchase additional collateral. This may result in the deferral, reduction or elimination of interest and/or principal due to the holders of mezzanine notes. The Company will not have recourse against a CLO for any such deferral, reduction or elimination made in accordance with the terms of a CLO's structuring documents. The Investment Manager's review of the CLO incorporates detailed scenario analysis which will include the assessment of the CLO's coverage ratio tests and the potential impact on the CLO's expected cash flows. An individual CLO's coverage ratio serves to preserve the collective value of the CLO's underlying portfolio of loans for the benefit of debt investors at the expense of the equity investors in case of a certain level of credit stress in the underlying loan portfolio.

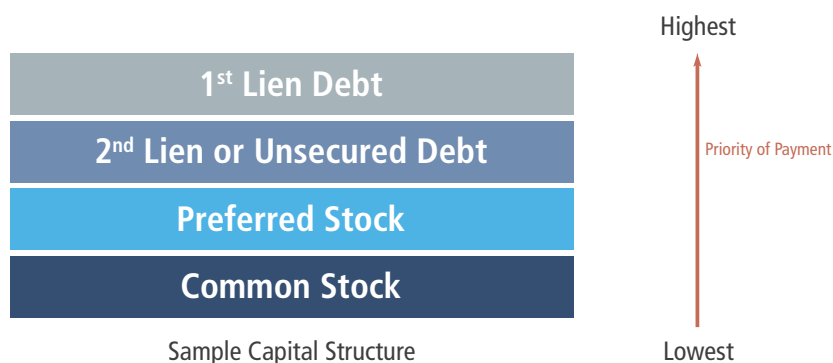
CLO BALANCE SHEET



'Club' Loan Transactions

The Investment Manager, through its relationship with loan arrangers and/or borrowers, from time to time is presented with syndicated lending opportunities, which are referred to in this report as 'Club' loan transactions. These are secured floating rate loans, which usually rank second in priority in the creditor waterfall.

CREDITOR WATERFALL



In the leveraged loan market, it is common for issuers with larger size capital structures to seek to include a portion of junior capital in the structure, however these instruments are not always syndicated widely. Additionally, liquidity in these instruments will usually be lower than in the first lien equivalent debt tranches. Junior or 2nd lien tranches pay a higher coupon to holders than is available to 1st lien debt holders to compensate for the relative subordination.

Private Corporate Loans

The Investment Manager’s European private loans team have expertise in arranging and investing in primary, non-sponsored private corporate loans issued through a pan-European network of co-investing banks to borrowers. All deals are directly acquired on behalf of investors via true-sale and rank senior in the capital structure. Most of these deals are fitted with financial covenants.

The objective is to provide investors with a viable alternative to publicly traded investment grade and crossover bonds while generating higher returns. The Investment Manager expects to achieve this by rigorous analysis and selection when investing in private loans to generally A- to BB-rated European private or public companies (not private equity sponsor-owned) with attractive relative value in line with loan tenor, rating and structural considerations (e.g. seniority, covenants, collateral). By targeting this relatively conservative market segment, the Investment Manager believes it can mitigate the impact of deteriorating credits.

The table below summarizes the main characteristics of a representative loan:

Representative Loan Characteristics ¹	
Company Profile	Well-established firms with clear track records, stable business models and conservative financial ratios
Borrower Size	Minimum turnover : EUR 100m
Ownership Structure	Predominantly privately owned or listed companies
Format	Bi-laterally negotiated senior corporate loans: Secured or Unsecured, Fixed or Floating rate
Term	5-10 years, amortizing or bullet repayment
Loan Size	EUR 25 – 150m, although potentially higher
Typical Covenant Set	Pari Passu, Cross Default, Negative Pledge, Change of Control, Max. Leverage, Min. Equity, Interest Coverage
Typical Use of Proceeds	Smaller acquisitions, extending debt maturity profile, strategic capex or refinancing while avoiding market publicity, diversification of funding sources
Credit Rating	Investment Grade/Crossover (A– to BB). Each loan externally rated by Solvency II compliant rating agency

¹ These characteristics are deduced from former market experience but can be optimized depending on deal features and are subject to change.

Investment Process

The Investment Manager focuses on experience-based, in-depth credit and industry analyses, disciplined portfolio construction and ongoing portfolio surveillance.

For both traditional and alternative credit, the portfolio management team’s investment process begins with the screening of the broad opportunity set to identify the securities that the team will consider for purchase and then narrow down to a set of “best ideas.” The goal is to reduce the broad universe to a manageable size of potential investments that the team will subject to its detailed fundamental analysis. The analysts then carry out in-depth proprietary credit research. The Investment Manager believes this is the most important component for successful fixed income credit investing. The team’s credit research is fundamental and focuses on understanding an issuer’s financial strength.

Investment Philosophy

The Investment Manager believes that attractive investment results can be achieved throughout all market cycles using a proactive investment process that incorporates experience and investment judgment supported by risk management techniques. The Investment Manager further believes that successful investing in non-investment grade credit is driven by a strict discipline that seeks to: avoid credit deterioration, select securities in which the spread is attractive on a relative value basis, and rotate across credit tiers and industry sectors.

Risk management is an important element of the Investment Manager’s philosophy. The Investment Manager employs proprietary models and systems to seek to manage risk so that risk levels are consistent with the Company’s investment objective.

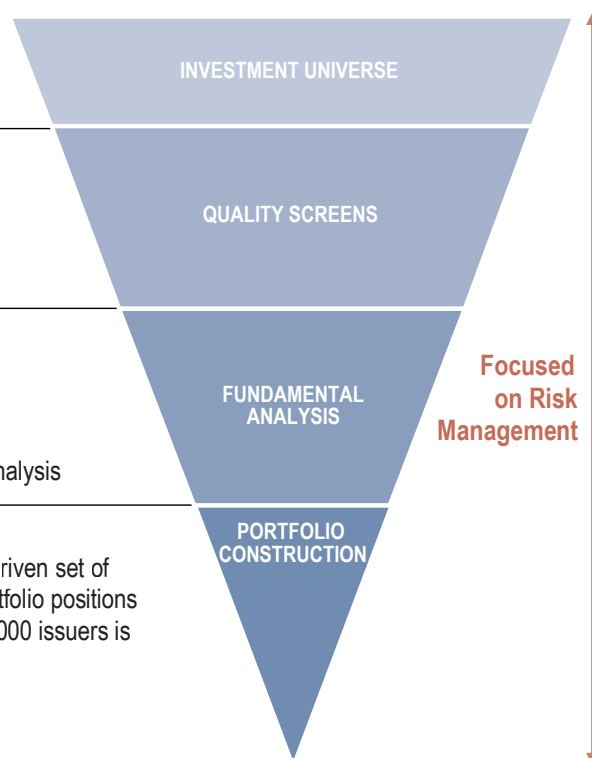
Investment Selection

The Investment Manager’s investment process begins with the screening of the market to identify the securities that the team will consider for purchase. The team’s goal is to reduce the universe of investable issuers to a manageable size of potential investments that the team will subject to its detailed fundamental analysis. The screening process will differ by type of investment, be it Traditional or Alternative credit products. Taking

US High Yield as an example, from the combined broad high yield rated universe (roughly 900 issuers), analysts screen out issuers with less than \$500 million in publicly-traded debt outstanding, defaulted securities, and issuers with less than \$100 million in EBITDA. When establishing the universe of eligible investments, the team also eliminates issuers that it is currently biased against owning such as unsecured airlines, fashion-oriented retailers and certain finance companies. Outliers including severely distressed and one-time issuers are also eliminated. The remaining group of about 600 issuers (representing about 90% of the dollar value of the ICE BofA Global High Yield Constrained Index) is then subject to the Investment Manager's credit and relative value process to select its best ideas.

INVESTMENT PROCESS – US HIGH YIELD EXAMPLE¹

- All corporate securities rated below BBB
 - Approximately 900 issuers
-
- Focused on companies with historically stable cash flows, liquidity and access to capital
 - Seek to eliminate:
 - Less liquid issuers (EBITDA <\$100MM)
 - Outliers and high default potential issuers
-
- **Macroeconomic Analysis:** State of global economy, credit cycle, political factors, etc
 - **Industry Analysis:** Competitive landscape, life cycle, regulatory environment etc
 - **Credit Analysis:** Cash flow analysis, default analysis, recovery analysis
-
- **Focus on Best Ideas**
 - Credit analysis capabilities are complemented with a technology driven set of proprietary analytical processes to identify, select and monitor portfolio positions
 - A customized database containing detailed information on over 2,000 issuers is leveraged.



The Investment Manager utilises its Credit Best Practices checklist to try to ensure that analysts cover important aspects of credit research. This covers the material credit aspects of the investment decision, including:

- Financial review with specific attention to revenue and cost drivers, predictability of cash flows; internal cash flow generation and the implications for interest and principal payments and capital expenditures
- Deal structure and covenants
- Environmental Social and Governance ("ESG") Scorecard
- Sources of liquidity such as bank lines, cash on hand, access to capital markets, and asset sales
- In-depth inspection of applicable filings with an eye toward any outstanding litigation and other commentary germane to the investment decision
- Thorough review of any other indentures
- Assessment of relative valuation based on its internally generated credit quality rating and prevailing spreads for the industries and quality tiers

In addition to thoroughly understanding the company from a financial point of view, the team focuses on knowing a company's management. Analysts visit with management at least twice per year (currently virtually but under normal circumstances at their offices or at road shows and conferences) and speak with their company contacts at least quarterly. The Investment Manager believes it is extremely important to know the management team, in addition to analysing their financials. Furthermore, a full ESG analysis is completed by the Investment Manager's research analysts, incorporating customised, industry specific factors and leveraging the Sustainability Accounting Standards Board ("SASB") Alliance framework to develop our own proprietary ESG score for every company in which the Investment Manager invests.

An important output of the Investment Manager's credit research is its internal rating system. Research analysts assign an internal credit rating to each potential investment and use that rating to compare the security's value to other securities in the same industry and similarly rated securities across other industries. The internal rating is a key driver in the valuation process and analysts use it to combine insightful relative valuation work with disciplined credit analysis. The team supplements their internal rating with third-party ratings when analysing relative value.

Finally, the analyst reviews the investment's relative value. The team seeks opportunities that it believes offer adequate compensation for risk and avoids ones that do not. Investment decisions are heavily influenced by the issue's yield relative to market yields for the relevant quality rating category (as assigned by public domain rating agencies and, more importantly as assigned by the team's analysts) and industry sector.

Once the analyst has completed thorough due diligence on the opportunity and made a recommendation, the idea is reviewed within the appropriate sector team where different analyst perspectives are assessed in the evaluation process.

After an investment idea has been thoroughly evaluated by the Investment Manager's sector team (Consumer, Technology & Media, Healthcare & Metals, Homebuilding & Industrials, Energy, Telecommunications, Cable & Broadcasting and Cyclical & Transportation), it is then reviewed by the senior professionals who constitute the Investment Manager's credit committee.

Once the credit is approved, the final step is implementation. After an investment idea is approved by the credit committee, implementation is the responsibility of the Portfolio Construction Team (portfolio managers and traders) that establishes overall portfolio structure. This team evaluates the various ideas that are available for implementation within the context of each client's investment objectives and specific investment guidelines. Please refer to the diagram below for an illustrated description of the Investment Manager's investment process.

Research

Proprietary research is a critical element of the Investment Manager's process and is the basis for the team's investment decisions. The Investment Manager's research teams are structured along sector lines. Each analyst has significant industry and company-specific knowledge and is responsible for understanding an issuer's capital structure, from the most senior to the most junior of securities. To leverage its credit resources, the team also works closely with the team of global investment grade analysts.

Each analyst carries out detailed credit analysis through the Investment Manager's proprietary credit best practices checklist (the "Checklist"). The Checklist covers the qualitative and quantitative aspects that the portfolio management team believes is vital to making an investment decision. The Investment Manager's credit research is fundamental and focuses on understanding a company's financial strength as it is reflected in interest coverage ratios and free cash flow generation. Analysts look at reported results and also project forward, using scenario analysis, to seek to understand the issuer's likely credit profile in the future.

Credit Best Practices Checklist

The Investment Manager's Checklist provides the framework for a rigorous and repeatable investment process that seeks to incorporate relevant top-down and bottom-up data and analysis.

Economy: Key Data Points

- Economic indicators
- Globalization trends
- Regional GDP/economic forecasts
- Fiscal Stimulus
- Monetary Policy
- Spreads relative to historical levels
- Underwriting trends
- Credit market conditions
- Banking industry conditions
- Fiscal policy
- Election cycle
- Implications on foreign policy

Industry: Key Data Points

- Position in industry life cycle and secular outlook
- Competitive landscape and issuer market position
- Industry consolidation trends
- Regulatory environment
- Industry value chain
- Supply and demand drivers
- Industry size and growth
- Rating agency trends
- Level of cyclicality
- ESG considerations

Issuer: Key Considerations

BOTTOM-UP ANALYSIS

Business Fundamentals

- Issuer track record
- Scale and diversification
- Enterprise value
- Differentiation relative to peers
- Cyclicity
- Position on cost curve

Quality of Cash Flow

- Assess quality of EBITDA and cash conversion
- Variability of cost structure
- Capital efficiency
- Maintenance capex
- Ability to delay commitments

Scenario Analysis

- Understand how base/downside/upside case impacts cash flow, credit metrics, ratings, enterprise value and trading levels
- Evaluate the impact of potential M&A or divestitures on the credit profile and trading levels

Capital Structure

- Evaluate management's ability and willingness to reduce leverage
- Assess leverage profile and equity cushion relative to business and industry trends
- Capital structure reflects cyclicality and broader cash flow risk of issuer

Liquidity

- Minimum cash required to operate business
- Ability to access bank line, particularly under a downside scenario
- Covenant analysis and likelihood of a waiver in a downside scenario
- Non-core asset sales
- Other sources of cash

ESG Scorecard

- Proprietary ESG Scoring System
- Assess industry specific Environmental and Social factors
- Management and Governance assessment
- Customized sector weightings

¹ This material is intended as a broad overview of the portfolio managers' style, philosophy and investment process and is subject to change without notice.

For each company, the analyst models the financials across three scenarios: base case, upside case and downside case. Analysts monitor each company relative to the scenarios and keep close tabs on relevant information (commodity prices, economic statistics, etc.) that the analysts believe could cause a change in each company's ability to service its debt.

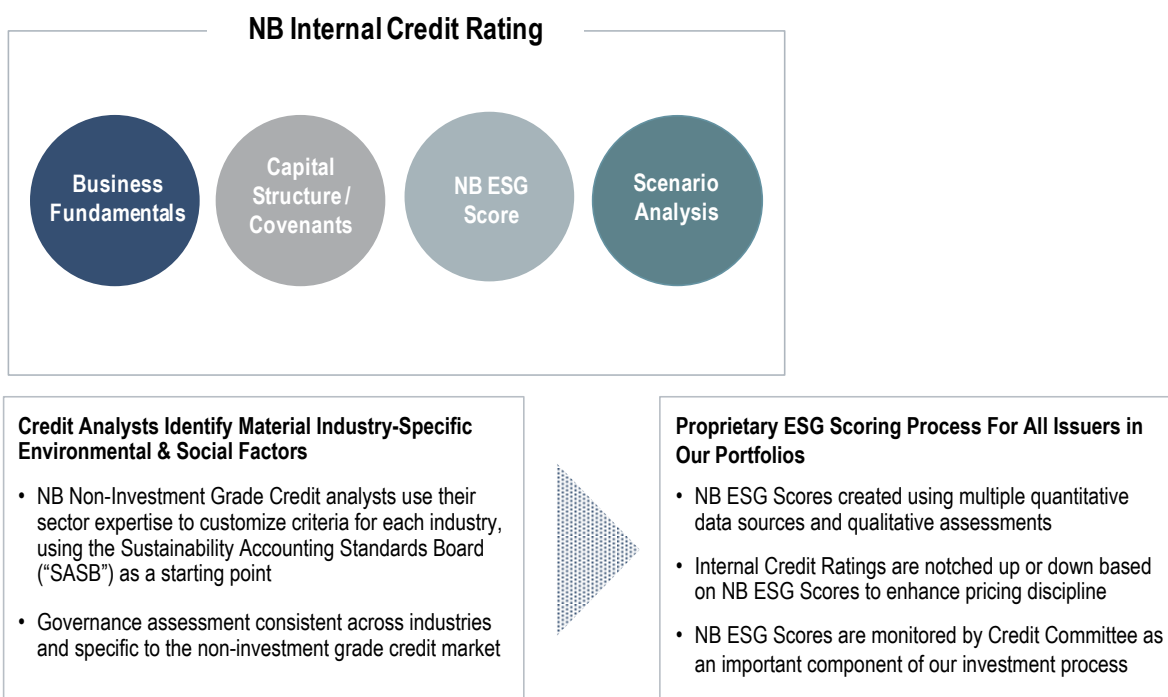
In addition to thoroughly understanding the company from a financial point of view, the analysts focus on assessing the material ESG risks and opportunities of the company through bottom-up fundamental analysis and the completion of an NB ESG Scorecard. ESG research is a critical component of the team’s fundamental research process that determines Internal Credit Ratings. The team believes that the integration of ESG factors in its investment process adds value as it helps to identify risks generally not captured by traditional corporate credit analysis and to analyse the non-financial aspects of businesses. ESG analysis is performed by the Non-Investment Grade Credit research team, not outsourced to a centralised group within the firm or to a third party ESG rating service. The Investment Manager’s proprietary ESG scoring process is completed for all issuers in portfolios and ESG weightings are customised based on specific industry criteria identified by the research analysts. The team monitors performance attribution in order to determine whether the ESG analysis has identified risks and opportunities as expected.

Integration of ESG Analysis into the Investment Process

Principles for Responsible Investment (“PRI”) (<https://www.unpri.org/>) has awarded Neuberger Berman an A+ for its fixed income ESG integration.

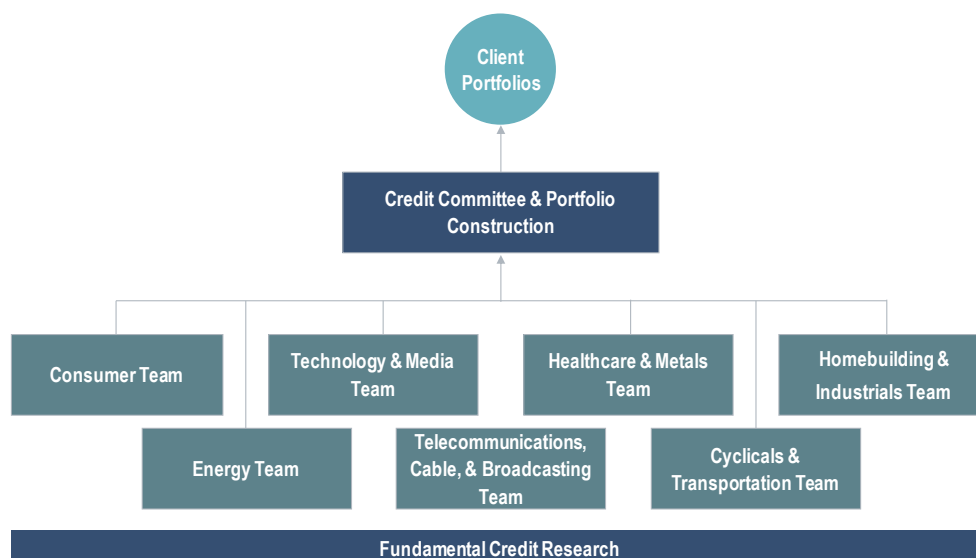
Differentiated ESG Process

- **ESG is a critical component of the fundamental research process** that determines Internal Credit Ratings
- **ESG analysis is performed by the Non-Investment Grade Credit research team**, not outsourced to a centralized group within Neuberger Berman or third party ESG rating service
- **Proactive engagement** with issuers to enhance disclosure, improve ESG analysis, and effect positive change
- **Quarterly ESG Review** with Credit Committee
- **Performance attribution** is monitored to determine the impact of ESG analysis



Finally, the analyst reviews the investment’s relative value. The team seeks opportunities that it believes offer adequate compensation for risk and seeks to avoid ones that do not. Investment decisions are heavily influenced by the issue’s spread relative to market spreads for the relevant quality rating category (as assigned by public domain rating agencies and, more importantly, as assigned by analysts) and industry sector. An important component of the portfolio management team’s buy and sell discipline is its internal rating system. The team does not merely rely on third-party ratings when analysing relative value. Instead, a rating is determined for each issuer’s securities based on an analyst’s financial analysis. This rating is used for spread comparisons across quality and industry levels.

Neuberger Berman's credit research team is divided into industry verticals as illustrated below. Ideas are fed up to the Investment Manager's credit committee, which consists of the senior portfolio managers from across the non-investment grade platform.



Further information on the Company's investment strategy and process can be found in the Company's most recent prospectuses, which are available on the Company's website at www.nbgmif.com under the "Investor Information" tab.

Hedging

As the Company's shares are denominated in Pound Sterling (Sterling Ordinary Shares) and investments are denominated in U.S. Dollars, Euro or Pound Sterling, holders of the Company's shares would be indirectly exposed to foreign currency fluctuations between the currency in which such shares are denominated and the currency of the non-Pound Sterling 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, at its sole and absolute discretion.

Gearing and Derivatives

The Company may use derivatives for hedging as well as for efficient portfolio management, including managing currency risks between cash flows from its investments and Sterling being the currency of the Shares. The Company is expected to be managed primarily on an ungeared basis, however the Company may, from time to time, be geared tactically through the use of borrowings for investment and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20 per cent. of Net Asset Value at the time of drawdown.

Cash Exit Facility

The Company may, at the Board's absolute discretion, offer to eligible Shareholders the opportunity to tender up to 25 per cent. of their holdings (a "Cash Exit Facility Offer") at a price equal to the prevailing Net Asset Value per Share, less two per cent. If the Board resolves to exercise its discretion (as they expect to do if the Company is trading at a discount to NAV per Ordinary Share of greater than 2 per cent. as at the date of any Cash Exit Facility Offer), the first Cash Exit Facility Offer is expected to close on 30 June 2022 and subsequent Cash Exit Facility Offers every six months thereafter. Further details and the terms and conditions applicable to the first Cash Exit Facility Offer, if made, will be published in a Shareholder circular in advance of the close date (the "Cash Exit Facility Circular"). In connection with any subsequent Cash Exit Facility Offers, the Company will publish an RIS announcement notifying Shareholders of the Board's decision to make a Cash Exit Facility Offer.

Winding Up

From the end of June 2022, should the Company's NAV fall below £150m and taking into account market conditions, the Directors intend to propose a wind up of the Company.

Financial Highlights

Key Figures

(U.S. Dollars in millions, except per share data)	AS AT 31 DECEMBER 2020	AS AT 31 DECEMBER 2019
Net Asset Value¹		
– Sterling Ordinary Shares	\$317.4	\$550.7
– U.S. Dollar Ordinary Shares ²	–	\$27.4
Net Asset Value per share		
– Sterling Ordinary Shares	£0.9394	£0.9594
– U.S. Dollar Ordinary Shares ²	–	\$0.9872
Share price		
– Sterling Ordinary Shares	£0.8160	£0.9280
– U.S. Dollar Ordinary Shares ²	–	\$0.95
Discount to Net Asset Value³		
– Sterling Ordinary Shares	(13.14%)	(3.27%)
– U.S. Dollar Ordinary Shares ²	–	(3.77%)
Investments	\$297.7	\$525.6
Dividends per share⁴		
– Sterling Ordinary Shares	3.90 pence	4.77 pence
– U.S. Dollar Ordinary Shares ²	–	4.91 cents
Current Gross Portfolio Yield³	6.08%	5.31%
12 month rolling dividend yield³		
– Sterling Ordinary Shares	4.78%	5.14%
– U.S. Dollar Ordinary Shares ²	–	5.17%
NAV Total Return³		
– Sterling Ordinary Shares	2.99%	9.27%
– U.S. Dollar Ordinary Shares ²	–	9.43%
Share Price Return³		
– Sterling Ordinary Shares	(6.97%)	10.62%
– U.S. Dollar Ordinary Shares ²	–	8.03%
On-Going Charges³		
– Sterling Ordinary Shares	1.11%	1.10%
– U.S. Dollar Ordinary Shares ²	–	1.08%

1 In the year ended 31 December 2020, the Company re-purchased 206.95m Sterling Ordinary Shares at a total U.S. Dollar equivalent cost of \$237.85m and 1.9m U.S. Dollar Ordinary Shares at a total cost of \$1.77m.

2 U.S. Dollar Class Shares were compulsorily converted to Sterling Ordinary Shares on 3 August 2020 and the U.S. Dollar Class was subsequently closed.

3 Further explanation and definitions of the calculation is continued in the section “Alternative Performance Measures” on page 27.

4 Dividends are those that were declared in respect of the period.

Chairman's Statement

Dear Shareholder,

It is with pleasure that I present to you the Annual Report of NB Global Monthly Income Fund Limited for the year ended 31 December 2020, which was one of the most difficult economic, market and business environments in our lifetimes with a profound human and global economic impact. The Investment Manager has navigated these waters with adaptability and flexibility continuing to provide our shareholders with an attractive regular income distribution whilst maintaining our focus on protection of capital by avoidance of defaults and, our service providers have demonstrated exceptional operational resilience during the COVID-19 global pandemic.

Strategic Changes

On 5 August 2020, following extensive consultation with shareholders, the Board proposed an amendment to the investment policy and objective. We proposed to amend the Company's investment policy to support a move to pay income to shareholders on a monthly basis. A backdrop of equity dividend cuts and reductions in bond yields has heightened income investors' needs for a portfolio designed to deliver predictable, monthly income at attractive levels given the prevailing low interest rate environment. We believe these changes will provide shareholders with a proposition that will deliver more attractive risk-adjusted returns, than under the old policy. Shareholders voted overwhelmingly in favour of the resolutions proposed at the Extraordinary General Meeting ("EGM") held on 8 September. Further, in tandem with the proposals made at the EGM, the Company offered to its investors a cash exit offer (the meaning of which is given in the EGM Circular dated 17 August 2020 available on the Company's website) and redeemed 40% of the issued share capital on 8 September 2020 to those investors who had elected to participate in the cash exit offer.

The new investment policy allows the Company to invest in a wider range of credit assets, including alternative credit, thereby increasing the expected income from the portfolio whilst leveraging the breadth of the Investment Manager's global platform and enables the Company to pay dividends to shareholders on a monthly basis, delivering predictable, monthly income at attractive levels.

The Company retained its ability to invest in senior secured floating rate loans but transitioned to also investing in a broad range of other credit assets, including but not limited to high yield and investment grade bonds and alternative credit comprising of distressed debt, mezzanine debt and private corporate loans. Protection and preservation of capital remains of paramount importance.

On 3 August 2020, the Company compulsorily converted all U.S. Dollar Ordinary Shares into Sterling Ordinary Shares and subsequently closed the U.S. Dollar Share Class. In light of the small and shrinking size of the share class which made it relatively expensive to maintain, the Board exercised its authority under Article 47.6 of the Company's Articles to close the class.

Performance

Over the year, the Company's share price total return was (6.97%) per Sterling Ordinary Share (2019: 10.62%). The Company's Net Asset Value ("NAV") total return per share for the year was 2.99% (2019: 9.27%). As at 31 December 2020, the Portfolio's current yield was 6.08%, and the yield to maturity was 6.27%. The Company's Alternative Performance Measures are further discussed on Page 27 of this report.

The performance of the Company was impacted by the cash exit offer which was over-subscribed resulting in some investors remaining in the Company who had wishes to exit in full. In addition, the market was observing whether the Company would deliver on its change in strategy. Both of these factors resulted in a significant widening of the discount impacting the total return per share. However, we are encouraged that the discount has modestly narrowed as new shareholders come on to the register.

Dividends

Dividends declared in respect of the year to 31 December 2020 totalled 3.9 pence per share down from 4.77 pence for the year to 31 December 2019, due to declining income from the Company's Portfolio as yields in the senior floating rate loan market decreased over the period. Quarterly dividends per share for the first three quarters of the year, ranged between £0.0084 and £0.0111 and monthly dividends declared to 31 December 2020 ranged between £0.0034 and £0.0037. The Company continued to meet its objective of providing regular and sustainable dividends.

Chairman's Statement (continued)

We were pleased to announce on 14 January 2021 a dividend target rate for 2021 of 5% of NAV as at 11 January 2021 per annum, which equates to 0.39 pence per share paid monthly. I would like to take the opportunity to remind our shareholders that the Company, as a consequence of the passing of the resolutions at the EGM on 8 September 2020, became an "offshore fund" for UK tax purposes under the UK's offshore fund rules with effect from 1 January 2020. The Company obtained approval by HMRC to treat the Company as a "reporting fund" for these purposes, details of which can be found in the EGM circular available on the Company's website. As such, the Company is treated as a reporting fund from 1 January 2020¹.

Portfolio Construction

As at 31 December 2020, the allocation in the portfolio was broadly 75% to traditional credit and 25% to alternative credit. Floating Rate Loans remained the portfolio's largest allocation at almost 50% followed by High Yield Bonds and Private Debt. In terms of rating by credit quality, as at year end the portfolio held an allocation of 17.3% in BBB/BB rated securities, 54.5% in B rated securities and with an allocation of 23.1% to securities rated CCC and below.

Discount Management

During the year ended 31 December 2020, the Company's discount ranged between (29.18%) and (3.42%) per Sterling Ordinary Share finishing the year at a (13.14%) discount. During the year, the Company repurchased 42,161,281 Sterling Ordinary Shares at a total cost of £37,733,821 and 1,906,000 U.S. Dollar Ordinary Shares at a total cost of \$1,773,073 representing 47.76% of the Sterling Ordinary Shares in issue and 6.88% of the U.S. Dollar Ordinary Shares in issue, at 1 January 2020. The weighted average discount of the buyback was 5.02% for the Sterling Ordinary Shares and 4.54% for the U.S. Dollar Ordinary Shares with an accretion to the NAV (as at 1 January 2020) of each share class of 0.5% and 0.33% respectively. On 3 August 2020, the U.S. Dollar Ordinary Shares were compulsorily converted into Sterling Ordinary Shares and the U.S. Dollar share class was subsequently closed.

In tandem with the amendment to the Company's investment objective we provided a cash exit offer to our investors. As a result, 40% of the issued share capital was redeemed on 8 September 2020 by those investors who had elected to participate which equated to the redemption of 164,790,024 Sterling Ordinary Shares at a total cost of £145,097,615.

On 3 March 2020 and on 11 June 2020 we sought shareholder approval to renew the authority for the Company to make market purchases of its own Shares, which was duly granted. The Board will seek to renew this authority, as required, to provide the flexibility to act on an opportunistic basis.

With effect from 8 September the annual continuation vote and redemption triggers were withdrawn and replaced with, at the discretion on the Board, a bi-annual tender the first of which, if offered, will close at the end of June 2022 (see page 13 for more details). In addition, from the end of June 2022, should the NAV fall below £150m the Board will consider, subject to prevailing market conditions, proposing that the Company be wound up.

Shareholder Engagement

During the year, the Investment Manager, Broker and I contacted a significant number of our major shareholders on a one-to-one basis to discuss the Company and to understand investor views on our strategy.

In January 2020, we advised that we would cease the quarterly update calls with the Investment Manager as the way in which we engage with shareholders had evolved with an increase in bilateral meetings and more focussed webinars. Following the EGM held on 8 September 2020, we temporarily paused the formal monthly factsheets until such time as the portfolio had fully transitioned to the new strategy allocation. In the interim, we provided shareholders with regular updates on progress and are pleased that the monthly fact sheets resumed in January 2021 signifying the end of the transition into our new investment strategy. In order to keep our shareholders abreast of performance over the year, we will be introducing monthly video updates with the Investment Manager.

¹ Given the nature of its investments, the Company is also considered to be a "bond fund" for the purposes of UK taxation. In this regard, Shareholders are referred to Chapter 3 Part 6 of the UK Corporation Tax Act 2009 and Section 378A Income Tax (Trading and other Income) Act 2005. Shareholders who are in any doubt as to their tax position should consult an independent professional adviser.

I, and the Senior Independent Director David Staples, remain available to discuss any aspect of the Company with investors should they so wish. Further details on how the Board has considered its stakeholders as a whole can be found on page 38.

Costs

We are pleased with the substantial cost savings achieved during the last two years. We believe that these changes demonstrate the Board's efforts to lowering the Ongoing Charges of the Company and the desire to remain commercially competitive. In aggregate, we believe that we will have reduced annual overhead expenditure on a run rate basis by some \$1.28m since 2019.

Board Composition and Succession Planning

During the year, the Board continued to enact its succession plan, which was outlined in the 2018 Annual Report. At the 2020 AGM, Richard Battey stepped down as a director having not put himself forward for re-election and David Staples replaced him as Senior Independent Director. On 25 November 2020, we appointed Laure Duhot to the Board who brings a wealth of experience and knowledge of debt and equity capital markets, operations and financing which are complementary to the Board. At the 2021 AGM, Sandra Platts will not put herself forward for re-election and will stand down as a director. We thank Sandra for her tenure and leadership of both the Remuneration Committee and Management Engagement Committee Chair and for her significant contribution and dedication to the Company since its inception.

We consider that the recent board changes will maintain diversity of tenure and responsibilities and with Sandra's departure, the Board will have 33% female representation in line with the expectations of the Hampton-Alexander review, the aims of which the Board support. We will continue to assess independence and replenish the Board over the coming years. Further detail on the Board's succession plan and diversity policy can be found in the Corporate Governance Report on page 40 and the Report of the Remuneration and Nomination Committee on pages 53 to 54.

Brexit

The United Kingdom entered the transition period for leaving the European Union on 31 January 2020 which ended on 31 December 2020. The United Kingdom agreed a trade deal with the EU with effect from 1 January 2021 (the "Trade Agreement"). This has not impacted our operations in any material manner. Having reviewed the portfolio extensively, we do not believe there will be any significant impact following the approval of the Trade Agreement.

COVID-19

The coronavirus ("COVID-19") outbreak and related uncertainties have increased risk to the global economy. At this stage we cannot predict with any great degree of confidence the longer-term impact on the operating results of the majority of issuers in our portfolios (aside from near-term impacts from commodity price volatility) although we highlight that the Company has continued to perform in line with its objectives despite the global pandemic. We will continue to monitor the effectiveness of efforts to contain the spread of the virus and the implications for economic activity. I am pleased to be able to report that our key service providers have continued to provide services, without interruption, to the Company throughout the pandemic and thank them for their efforts in maintaining our operational resilience.

COVID-19 has, among other things, caused significant disruption to global travel and supply chains and adversely impacted many of the businesses in which the Company invests. The Investment Manager's fundamental approach to credit analysis and decision making has been thoroughly tested during this period of heightened volatility. Access to a large team of research analysts who specialise on a sectoral basis provided an advantage to the Company through this period we believe. Identifying the winners and losers early and spotting the likely path of recovery, sector by sector, combined with judicious risk management has been of utmost importance in investment selection.

Climate Change

We are conscious of our own impact on the environment, despite being an investment company with no employees. The Board committed to offset its carbon-emissions arising from air travel relating to the members of the Board undertaking Company related business. Due to travel restrictions in place during 2020 arising from COVID-19, business travel was all but non-existent. The Board makes extensive use of video conferencing facilities, limiting the amount of travel, all board papers are produced and hosted digitally via a dedicated board portal and the Board makes relevant enquiries to its key service providers during face-to-face meetings about their initiatives and attitudes to climate change. Please refer to pages 8 and 9 for further information on the Investment Manager's consideration of climate change in stock selection. Finally, the Board moved toward electronic communication with Shareholders thereby reducing our paper usage and its adverse impact on the environment.

Chairman's Statement (continued)

Outlook

Your Board believes that the current dividend yield of 5.47% as at 19 April 2021, on the Company's shares at the current share price is attractive on a risk-adjusted basis given the current low interest rate environment and taking into account the prudent investment approach taken by the Investment Manager. The Board is targeting increased dividends for 2021, currently 0.39 pence per month, equivalent to 4.68 pence per share for the year (2020, 3.9 pence per share). We believe the Company continues to offer a favourable risk-adjusted total return and is confident with the Investment Manager's performance to date in executing the revised strategy.

We expect that the combination of strong fiscal and monetary support combined with the high personal saving rates and the unleashing of pent-up demand will continue to deliver improved economic growth in 2021. In this environment, non-investment grade credit is likely to continue to see favourable demand given the search for yield in a very low interest environment. Despite the progress against the virus from vaccinations, short-term volatility could be the result of new COVID-19 variants and delays in vaccine deliveries. However, we believe that our fundamental credit research, focus on relative valuations and aim to avoid defaults position us well to take advantage of any market volatility.

Thank you for your continued support.

Rupert Dorey

Chairman

19 April 2021

Investment Manager's Report

Market and Macroeconomic Environment

The year 2020, marked by the COVID-19 pandemic, was a tale of two markets. The initial high velocity drawdown caused by mandated lockdowns to slow the spread of the virus was followed by a significant risk-on rally as a result of massive fiscal and monetary stimulus in April/May. While the second half of the year saw some pockets of volatility, the trillions in global monetary and fiscal support put in place before mid-year worked well to remove extreme tail risk. Capital markets were wide open in the second half of the year and companies had been aggressive in cutting costs, so many issuers were better positioned and able to bridge the challenging operating environment until the economy was in recovery mode. With the news of two viable vaccines in November, the market started looking through the pandemic toward the eventual full reopening of the global economy. In the final part of the year, two important political developments occurred: the Democratic sweep in the US election and the reaching of a 'Brexit' deal between the UK and the EU: The former event arguably of greater importance for the Company than the latter given the geographic mix of investments held.

Non-investment grade credit markets finished the year in positive territory. Credit selection, downside mitigation, default avoidance and opportunistic positioning across credit sectors were some of the key factors to performance in 2020. Throughout the period, issuer fundamentals diverged greatly which presented opportunities from a credit selection perspective but generally remained more resilient than many had feared. Most issuers successfully navigated the various stages of the pandemic. Strong cost controls in the second quarter led to a better than expected third quarter earnings season aligning with robust new issuance allowing companies to stabilize margins and improve balance sheets.

For the year ended 31 December 2020, the S&P U.S. Leveraged Loan Index ("LLI") returned 3.12% (in USD terms) and the European Leveraged Loan Indexes ("ELLI") returned 2.74% (excluding currency). The average bid price for the LLI and ELLI finished at 96.19 and 97.55, up 10.8 and 14.7 points, respectively, from their respective lows in March and April. For the full year, higher quality loans underperformed lower quality loans as securities rated BB and B in the S&P LLI returned 0.75% and 3.80%, respectively, and securities rated CCC returned 4.35%. This outcome of lower rated issuers outperforming was primarily driven by the very strong fourth quarter risk-on rally driven by the vaccine announcements. Over the full year, the ICE BofA Global High Yield Constrained Index returned 6.48% and the higher credit quality rating tiers also underperformed lower quality for the full year as a result of the 4th quarter rally in lower credit rating tiers as investors bid up prices of higher yielding securities.

High yield and loan default rates started the year below the long-term average, spiking as a result of lockdowns and then declining towards the end of the year. In December 2020, the par weighted trailing 12-month U.S. high yield default rate was 6.17%, well above the long-term average of 3.50% based on annual default rates back to 1980. For the loan market, the trailing 12-month U.S. default rate was 3.83% at the end of December, which was 245 basis points higher than the closing figure for 2019, and above the 2.89% historical annual average based on data going back to 1999. The pace of defaults in both Europe and the U.S. has stabilized over the past few months, a pattern that is consistent with the recovery and improving balance sheet fundamentals. Default estimates for 2021 are around 1-2% for European loans and just under 2% for U.S. senior floating rate loans and under 1.5% for U.S. high yield. The distressed ratio in both the U.S. and European loan markets also continues to trend down and as of year-end was 2.2% and 2.5%, respectively. Additionally, there has been a substantial decline in the pace of downgrades in both loans and high yield.

Strategic Changes

On the 8 September 2020, the NB Global Floating Rate Income Fund Limited was renamed to the NB Global Monthly Income Fund Limited and a revised investment strategy was approved by shareholders at an EGM. The performance of the NB Global Floating Rate Income Fund Limited is presented for the period of 1 January 2020 to 8 September 2020 and the performance of the NB Global Monthly Income Fund Limited is presented for the period of 9 September 2020 to 31 December 2020.

Performance 1 January 2020 – 8 September 2020

For the period of 1 January 2020 to 8 September 2020, the NAV total return of the NB Global Monthly Income Fund – Sterling Share Class GBP was (1.83%).

During the period, holdings in the Electronics (Technology), Healthcare and Drugs sectors were the most significant drivers of performance whilst the Broadcast Radio & TV, Retailers and Hotels & Casinos sector holdings were the biggest detractors. The Company's positioning in ratings BBB, CCC and below issuers contributed most to performance while positioning in BB and Non-Rated issuers detracted the most over the period.

Investment Manager's Report (continued)

As at 8 September 2020, Floating Rate Loans was the portfolio's largest allocation at 83.9% followed by High Yield Bonds at 16.1%. The Company's allocation to BBB/BB rated credits was at 16.1% while our exposure to CCC and below rated issuers finished the period at 9.8%. Regarding sector allocation, the top three weights included Healthcare, Electronics (Technology) and Business Equipment & Services, while the bottom three weights included Home Furnishings, Food Products and Clothing & Textiles.

Over the period 1 January 2020 to 8 September 2020, dividend per share decreased, representing a yield of 4.84% using the share price as at 30 September 2020, due to declining income from the Company's Portfolio as yields in the senior floating rate loan market decreased over the period. Also, there was a decrease in the cost of hedging USD/GBP exchange rates in the first half of the year as a result of heightened volatility due to COVID-19 and the decline in relative terms in USD LIBOR and then rates stayed broadly flat over the remainder of 2020.

Performance 9 September 2020 – 31 December 2020

For the period of 9 September 2020 to 31 December 2020, the NAV total return of the NB Global Monthly Income Fund – Sterling Share Class GBP was 4.91%.

During the period, the Oil & Gas, Healthcare and Broadcast Radio & TV sectors were the most significant drivers of performance whilst the biggest detractors were the Home Furnishings, Food Products and Food Service sectors. Primary drivers of performance in the ratings positioning were B, CCC and below and BB rated issuers added the least to performance over the period.

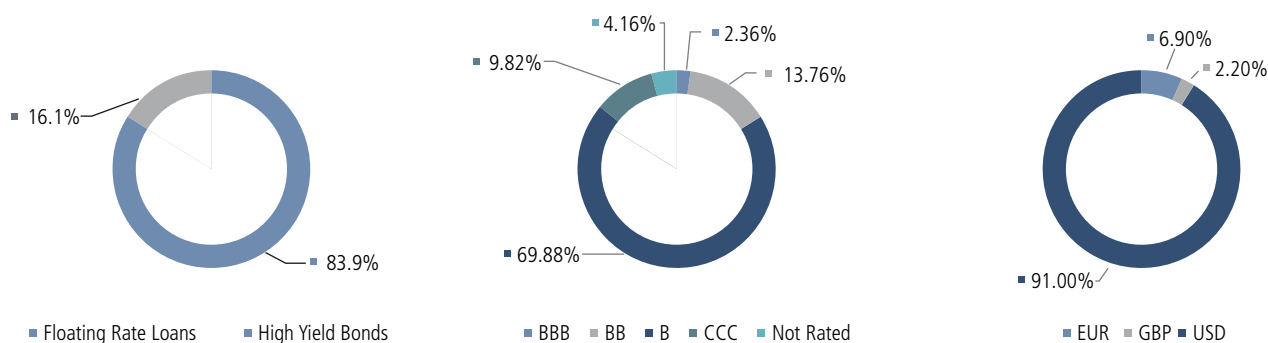
While the exposure to Floating Rate Loans has reduced since the change of the Company's strategy as of 9 September 2020 and as other types of fixed income were added, Floating Rate Loans remained the portfolio's largest allocation at 47.97% followed by High Yield Bonds 26.11% and Private Debt at 11.57% as at 31 December 2020. As credit markets rallied in the final part of the year, the Investment Manager found value in and continued to allocate towards Traditional Credit products and so the allocation to Alternative Credit at 31st December 2020 of 25% ended modestly lower than the 30-50% targeted range.

The allocation to BBB/BB rated credits ended the year at 17.31% while our exposure to CCC and below rated issuers finished the year at 23.11%. Regarding sector allocation, the top three weights included Healthcare, Oil & Gas, and Financial Intermediaries (CLOs) while the bottom three weights included Equipment Leasing, Clothing & Textiles and Drugs.

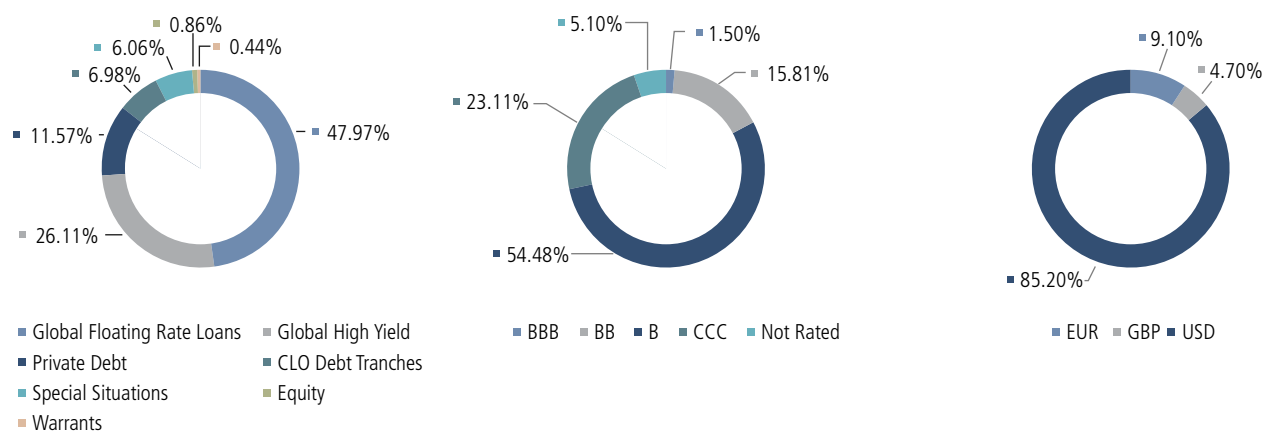
With respect to the period 9 September 2020 to 31 December 2020, dividends increased on an annualised basis, with dividend announcements as at 5 November 2020, 3 December 2020 and 14 January 2021 representing an annualised yield of 5.39% based on the 31 December 2020 share price due to growing income from the Company's Portfolio, the reduction in the cost of hedging and favourable USD/GBP exchange rates over the period. The Investment Manager believes that the benefit from declining hedging costs will continue in the near term.

Portfolio Positioning

NBMI as at 8 September 2020



NBMI as at 31 December 2020



Outlook

Progress against the virus from vaccinations, high personal saving rates and the unleashing of pent-up demand combining with strong fiscal & monetary policy support should continue to deliver improving economic growth in 2021. We continue to monitor the developments of the pandemic, the economic recovery and changes in policy as a result of the US elections and Brexit. We continue to find compelling investment opportunities in non-investment grade on a credit by credit basis. While the recent appearance of new COVID-19 variants and any delays in vaccine delivery could result in pockets of short-term volatility, we believe our deep fundamental credit research, focus on relative valuations, seeking to avoid defaults and “best ideas” portfolio construction approach, position us well to tactically take advantage of any volatility.

Neuberger Berman Investment Advisers LLC

19 April 2021

Neuberger Berman Europe Limited

19 April 2021

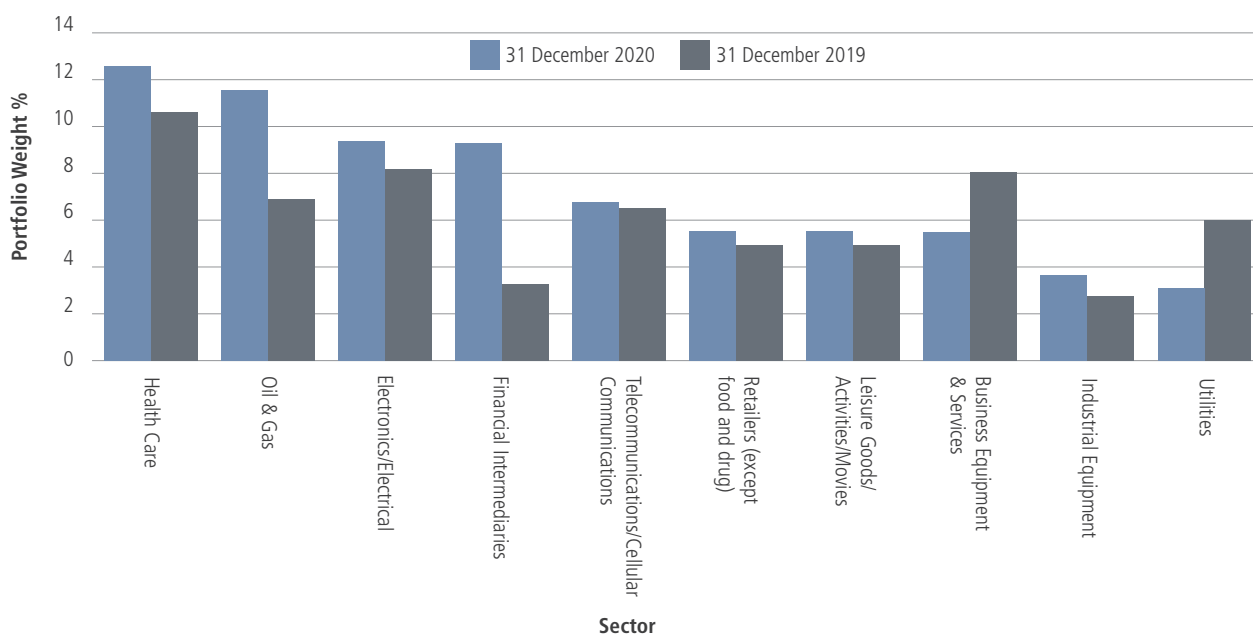
Portfolio Information

Credit Sector Breakdown

Top 10 Issuers as at 31 December 2020 (excluding cash)

ISSUER	SECTOR	FAIR VALUE (\$)	PORTFOLIO WEIGHT
Intelsat Jackson Holdings SA	Telecommunications/Cellular Communications	5,847,093	1.96%
Bass Pro Group LLC	Retailers (Except Food And Drug)	5,766,992	1.94%
VVC Holding Corp	Health Care	5,170,918	1.74%
Brock Holdings III Inc	Business Equipment & Services	4,993,182	1.68%
GTT Communications Inc	Telecommunications/Cellular Communications	4,700,707	1.58%
Kleopatra Holdings 2 Sca	Containers & Glass Products	4,663,721	1.57%
Carnival Corp	Leisure Goods/Activities/Movies	4,319,501	1.45%
EG Finco Ltd	Retailers (Except Food And Drug)	4,088,060	1.37%
Epicor Software Corp	Electronics/Electrical	3,691,163	1.24%
Aveanna Healthcare LLC	Health Care	3,466,024	1.16%

Top 10 S&P Sector Breakdown



Key Statistics as at 31 December 2020

Current Gross Portfolio Yield ¹	6.08%
Number of Investments	245
Number of Issuers	197

¹ The Company's Current Gross Portfolio Yield is a market-value weighted average of the current yields of the holdings in the portfolio, calculated as the coupon (base rate plus spread) divided by current price. The calculation does not take into account any fees, fund expenses or sales charges paid, which would reduce the results. The Current Gross Portfolio Yield for the Company will fluctuate from month to month. The Current Gross Portfolio Yield should be regarded as an estimate of the Company's rate of investment income and it will not equal what is distributed by way of dividends by the Company.

Strategic Report

Investment Objective and Business Model

The Company's investment objective and business model have been discussed on pages 2 and 4 respectively.

Principal Risks and Risk Management

The Board is responsible for the Company's system of internal financial and operating controls and for reviewing its effectiveness. The Board has satisfied its responsibility by using the Company's risk matrix as its core element in establishing the Company's system of internal financial and reporting controls while monitoring the investment limits and restrictions set out in the Company's investment objective and policy. The Board has carried out a robust assessment of the emerging and principal risks and uncertainties facing the Company including those that would threaten its business model, future performance, solvency or liquidity.

The principal risks, which have been identified, and the steps taken by the Board to mitigate these areas are as follows:

RISK	MITIGATION
<p>Macroeconomic Conditions</p> <p>Macroeconomic conditions change significantly and to the detriment of the portfolio or the Company causing a credit or liquidity risk to crystallise.</p>	<p>The Board receives regular reports from the Investment Manager on the macroeconomic conditions and their effect on the health of the portfolio. The approach to managing credit risk and liquidity risk is set out further below.</p>
<p>Credit Risk</p> <p>This is the risk that the Company buys a loan or bond of a particular Issuer and it does not perform as expected and either defaults on a payment or experiences a significant drop in the secondary market value.</p>	<p>The Investment Manager carries out extensive, independent due diligence on each asset, and has a particular focus on stable, performing credits that evidence strong track records through previous economic cycles. Issuer size is also considered and the Investment Manager continues to favour the larger issuers in the market, defined by having debt issuance greater than \$500m or equivalent in sterling or euros. These issuers tend to have broader syndicates, which can aid liquidity in the secondary market. As well as screening out the smaller issuers, the Investment Manager also excludes highly cyclical industries and companies with limited earning visibility from its investment process.</p> <p>Once a particular investment has been made, the Investment Manager is focused on monitoring it. A range of relevant data is reviewed on an ongoing basis for each investment, including, but not limited to, key financial drivers, commodity prices, stock prices, regulatory developments, financial results, press releases and management commentary to identify any indicators of credit deterioration. More detail on the Investment Manager's processes are on pages 8 to 13.</p> <p>To manage this risk further, the Board ensures a diversification of investments with the Investment Manager operating in accordance with the investment limits and restrictions policy determined by the Board. The Directors monitor the implementation and results of the investment process with the Investment Manager at each quarterly Board meeting and monitor risk factors in respect of the portfolio.</p>

Strategic Report (continued)

RISK

MITIGATION

Liquidity Risk

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

Liquidity risk is managed by the Investment Manager, in conjunction with the Administrator, 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 cash requirements. In addition, the Investment Manager maintains a diversified portfolio of investments and assesses potential investments to screen out smaller, potentially less liquid, issuers. Regular updates are provided to the Board.

Level of Discount or Premium

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

While the Directors may seek to mitigate any discount or premium to NAV per Share through the discount management mechanisms set out in the Prospectus and EGM Circular dated 17 August 2020, there can be no guarantee that such mechanisms will be successful.

Operational Risk

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

Furthermore, the Company must comply with the provisions of the Law and, since its shares are listed on the Official List of the UK Listing Authority and trade on the Main Market of the LSE, the Company is subject to the Financial Conduct Authority's ("FCA") Listing Rules and the Disclosure Guidance and Transparency Rules ("DTRs"). A breach of the legislation could result in the Company and/or the Directors being fined or subject to criminal proceedings. A breach of the Listing Rules could result in the suspension of the Company's shares and therefore a reduction in shareholder value.

Details of how the Board monitors the services provided by its major service providers and the key elements designed to provide effective internal control are explained further in the internal controls section of the Corporate Governance Report which is set out on pages 40 to 46. The key service providers are contracted to provide their services through qualified professionals and the Board receives regular internal control reports from the Administrator and Sub-Administrator that confirm compliance with service standards.

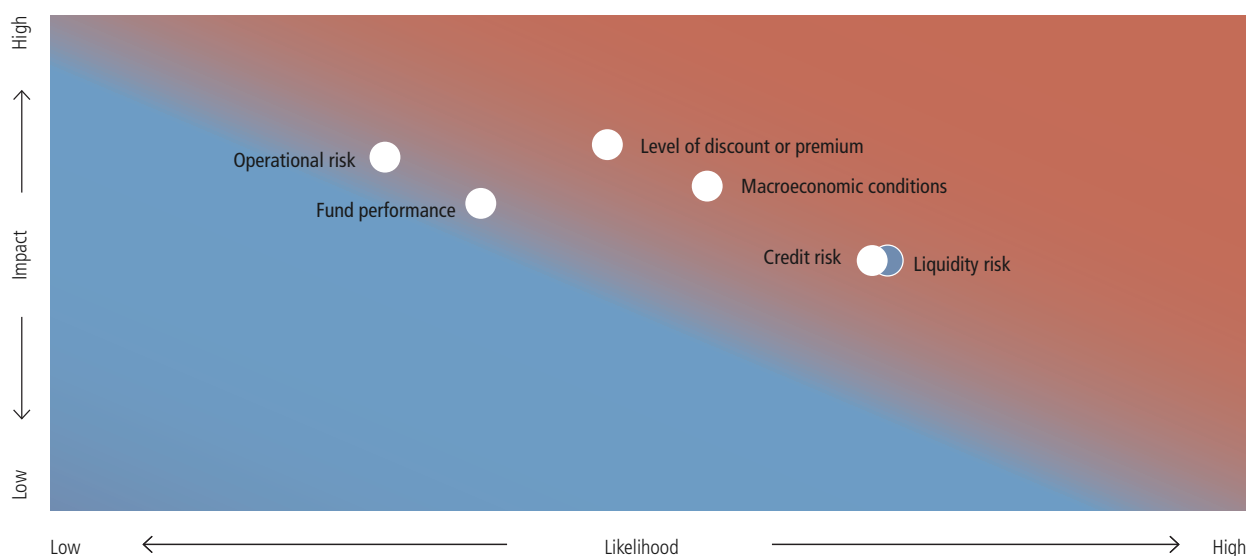
The Board relies on its Company Secretary, the Administrator, Broker and other professional advisers to ensure compliance with all relevant legislation and regulatory requirements.

Investment Activity and Fund Performance

An unsuccessful investment strategy may result in underperformance against the Company's objective. This might be due to the skills of the Investment Manager falling short in its selection of sectors or issues in which to invest or style drift.

The Board has managed these risks by ensuring a diversification of investments. The Investment Manager operates in accordance with the investment limits and restrictions policy set out in the Company's Investment Policy and as further determined by the Board. The Directors review the limits and restrictions on a regular basis and the Administrator monitors adherence to the limits and restrictions every month and will notify any breaches to the Board. The Investment Manager provides the Board with management information including performance data and reports, and the Corporate Broker provides shareholder analyses. The Directors monitor the implementation and results of the investment process with the Investment Manager at each Board meeting and monitor risk factors in respect of the Portfolios. Investment strategy is reviewed at each meeting.

Heat Map of Principal Risks



Principal Risks’ Expected Direction of Change

RISK CATEGORY	EXPECTED DIRECTION OF CHANGE
MACRO ECONOMIC CONDITIONS	Positive. The Board expects a continued improvement in global economic activity with pockets of volatility as the market reacts amongst other things, to the COVID-19 pandemic and the vaccine rollout, the new U.S. presidential administration as well as on going geo-political developments.
CREDIT RISK	Moderately positive. Moderation in credit risk is expected in the near-term. Default rates are expected to decline back below historical average levels in 2021 and will be focused primarily on specific sectors such as travel and leisure that have been in secular decline or were hardest hit by COVID-19 restrictions.
LIQUIDITY RISK	Unchanged. Liquidity Risk is managed by the Investment Manager to ensure that the Company maintains sufficient working capital in cash or near cash forms as to be able to meet the Company’s cash requirements. The underlying portfolio is moderately less liquid than before the strategy change but the Board is likely to be less active in buybacks.
INVESTMENT ACTIVITY AND PERFORMANCE	Moderately positive. The Board believes that a lower and relatively stable policy rate is the base case and a declining default environment is likely for non-investment grade credit and with respect to the target yield, it is likely to be stable to modestly declining in the near term as the economic outlook improves and spreads narrow.
LEVEL OF DISCOUNT/PREMIUM	Positive. The near-term volatility induced by COVID-19 in March 2020 in almost all sectors impacted negatively on the Company’s relatively stable discount level during 2020. Following the change in investment strategy and cash exit offer, we believe that the discount will narrow and stabilise at narrower levels. The Board believes the Company offers a relatively attractive risk adjusted investment proposition. Effective June 2022, the Company’s bi-annual tender offer (if the Company’s shares trade wider than a 2% discount in the 6 months to 30 June and 31 December each year) will, in the long-term contribute to effective management of the discount at which the Company’s shares trade.
OPERATIONAL RISK	No expected change. The Board has discussed the impact of COVID-19 with all the Company’s Key Service Providers and is satisfied that the Company can continue, and has continued, to be run effectively. However, this situation will be regularly reviewed as matters evolve.

Strategic Report (continued)

Emerging Risks

The Board undertakes a quarterly assessment of all risks on a forward-looking basis, and in discussion with the Investment Manager identifies emerging risks in addition to assessing expected changes to existing risks as discussed above. The Board assesses the likelihood and impact of emerging risks. The Board discusses and agrees appropriate mitigation or management of emerging risks as and when they are identified. Such examples of emerging risks identified in the year include results of the U.S. presidential election and potential resultant changes to fiscal policy, spotlight on ESG and climate related regulation resulting in greater governance requirements and emergence of valuation risk arising from the strategic changes resulting in the potential for a percentage of portfolio securities being harder to value. Emerging risks are managed through discussion of the likelihood and impact at each quarterly Board meeting. Should an emerging risk be determined to have any potential impact on the Company, appropriate mitigating measures and controls are agreed.

Going Concern

The Directors considered it appropriate to prepare the Financial Statements on the going concern basis, as explained in the basis of preparation paragraph in Note 2 to the Financial Statements. In making this statement, the Directors have considered the levels of working capital available to the Company, the closed-ended nature of the Company and the tradable and comparatively liquid nature of the investment portfolio held.

Viability Statement

The Directors have assessed the prospects of the Company over the three-year period to 31 December 2023 in accordance with provision 36 of the AIC Code of Corporate Governance, published in February 2019 (the "AIC Code"). The Board conducted this review for a period of 3 years, a period that was selected for the following reasons:

- The nature of the credit investments held by the Company have an average maturity of approximately three years which allows the investment cash flows, recycling of investments, and expenditure commitments of the Company to be reasonably forecast over this timeframe.
- The impacts on the Company of other factors can be reasonably assessed within this timeframe. Beyond a three year timeframe, the impact of external forces, such as changes to legislation, market forces or other unknown factors, becomes less able to be predicted or assessed in analysing the viability of the company.

The three year review considers the Company's cash flow, cash distributions and other key financial ratios over the year. The three year review also makes certain assumptions about the normal level of expenditure likely to occur and considers whether financing facilities will be required. Furthermore, the three year review period to 31 December 2023 makes assumptions that the Company's NAV will not fall below £150m from June 2022. However, should the cash exit offer at the end of June 2022 and at the end of December 2022 be taken up in full the Company's NAV would likely drop below £150m after January 2023, which would result in a consideration to wind up the Company and would therefore have a material impact on viability.

In their assessment of the viability of the Company, the Directors have carried out a robust assessment of the Company's emerging and principal risks detailed on pages 23 to 27 and in particular the impact of a significant fall in the income from the Company's investment portfolio. The Directors have performed a quantitative and qualitative analysis that included the Company's income and expenditure projections and the fact that the Company's investments mainly comprise realisable securities which can be expected to be sold to meet funding requirements if necessary. As part of this assessment, the Directors reviewed a series of stress test scenarios carried out by the Investment Manager, which included an assumption of a significant (60%) fall in income and no reduction in expenses, and were satisfied that the Company would continue to be viable financially. The Directors consider it highly likely that, in such a scenario, expenses would fall rather than remain at current levels as the main expense, the Investment Manager's fee, which is driven by the NAV, would be expected to fall as a result of either declining value of assets or sale of assets to cover the operational costs. A risk to the analysis however is the possibility that the cost of hedging, which is cash settled quarterly, is extreme for a particular quarter at a time when liquidity in the credit markets is severely impacted. The Investment Manager reviews the hedging positions daily and considers it highly unlikely that such a situation would arise and cause the Company not to be able to settle its liabilities as they fall due. The Directors have made the assumption therefore that this would not happen.

Based on the Company's processes for monitoring operating costs, the Investment Manager's compliance with the investment objective, asset allocation, the portfolio risk profile, liquidity risk and financial controls, assuming stressed market conditions and the assumptions referred to above, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 31 December 2023.

Performance Measurement and Key Performance Indicators

In order to measure the success of the Company in meeting its objective and to evaluate the performance of the Investment Manager, the Directors take into account the following performance indicators:

- Returns and NAV – The Board reviews at each board meeting the performance of the portfolio as well as the NAV, income and share price of the Company;
- Discount/premium to NAV – At each quarterly Board meeting, the Board monitors the level of the Company's discount or premium to NAV and reviews the average discount/premium for the Company's peer group. The Company publishes a NAV per share on a daily basis through the official newswire of the LSE. This figure is calculated in accordance with the AIC's guide which includes current financial year revenue, the same basis as that calculated for the Financial Statements;
- The Directors examine the revenue forecast quarterly (monthly from 1 October 2020) and consider the yield of the portfolio and the amount available for distribution; and
- The Board considers the performance of other comparable income funds at each quarterly Board meeting.

Alternative Performance Measures (APM)

In accordance with ESMA Guidelines on Alternative Performance Measures ("APMs") the Board has considered what APMs are included in the Annual Report and Financial Statements which require further clarification. An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs may not have a standard meaning prescribed by US GAAP and therefore may not be comparable to similar measures presented by other entities. APMs included in the Annual Report and Financial Statements are deemed to be as follows:

ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES	PURPOSE AND/OR DESCRIPTION	CALCULATION
Net Asset Value ("NAV") total return	The 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.	Opening NAV per share (A) Closing NAV per share (B) Daily NAV Movement (C) = (B-A)/A Dividend to date ¹ = D Reinvested Dividend (E) = (1+C)*D NAV Total Return = ((B+E)-A)/A ¹ Quarterly dividends added on ex-date (dividends were declared and paid monthly with effect from 1 October 2020).
(Discount) or Premium to NAV	The share price of an Investment Company is derived from buyers and sellers trading the company's shares on the stock market. This price is not identical to the NAV. If the share price is lower than the NAV per share, the shares are trading at a discount. This could indicate that there are more sellers than buyers. Shares trading at a price above the NAV per share, are said to be at a premium. This is expressed as a percentage.	NAV per share ² (A) Quoted Share price per share ² (B) (Discount) or Premium = (B-A)/A ² As at 31 December 2020.

Strategic Report (continued)

ALTERNATIVE PERFORMANCE MEASURES	PURPOSE AND/OR DESCRIPTION	CALCULATION
On-going charges	On-going Charges (formerly known as Total Expense Ratio [TER]) are calculated using the AIC Methodology, which is a measure, expressed as a percentage of NAV, of the regular, recurring costs of the Company. <i>"On-going charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of Company, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs".</i>	Annualised ongoing charges (A) Average undiluted net asset value in the period (B) Ongoing charges (%) = (A)/(B)
Current Gross Portfolio Yield	The Company's Current Gross Portfolio Yield is a market-value weighted average of the current yields of the holdings in the portfolio, calculated as the coupon (base rate plus spread) divided by current price. The calculation does not take into account any fees, Company's expenses or sales charges paid, which would reduce the results.	Coupon (A) Current security price (B) Relative weight of security = security market value/portfolio market value = (C) Current Gross Portfolio Yield = $\sum[(A/B)*C]$
12 month rolling dividend yield	The rolling 12 month dividend yield is based on the dividends declared in respect of the 12 months to 31 December 2020 and share price as at 31 December 2020.	Q1 Dividend (A) Q2 Dividend (B) Q3 Dividend (C) October Dividend (D) ¹ November Dividend (E) December Dividend (F) Share price 31 December 2020 (G) Rolling Dividend Yield = $[(A)+(B)+(C)+(D)+(E)+(F)] / (G)$ ¹ Dividends were paid monthly with effect from 1 October 2020.
Yield to Maturity	The Company's Current Yield to Maturity (YTM) is a market-value weighted average of the current yields of the holdings in the portfolio, The YTM is the annual return rate anticipated on a security if held until it matures.	Number of years to maturity of security (n) Coupon (A) Current security price (B) Face value, security market value or par value (C) Relative weight of security = security market value/portfolio market value = (D) YTM= $\sum[(A + \frac{C-B}{2}) * D]$

MEASURES	PURPOSE AND/OR DESCRIPTION	CALCULATION
Share Price Total Return	The share price total return is the % of change in Share Price from the start of the year until the end of the year. It assumes that dividends paid to shareholders are reinvested at the share price at the time the shares are quoted ex-dividend.	Opening Share Price per share (A) Closing Share Price per share (B) Daily Share Price Movement (C) = $(B-A)/A$ Dividend to date ¹ = D Reinvested Dividend (E) = $(1+C)*D$ Share Price Total Return = $((B+E)-A)/A$

¹ Quarterly dividends added on ex-date (with effect from 1 October 2020, dividends are declared and paid monthly).

Management Arrangements

Investment Management Arrangements

On 17 July 2014, the Company and the Investment Manager made certain classificatory amendments to their contractual arrangements for the purposes of the European Commission's Directive on Alternative Investment Fund Managers (the "AIFM Directive"). The Sub Investment Management Agreement was terminated on 17 July 2014 and Neuberger Berman Investment Advisers LLC, which was the Sub Investment Manager, was appointed as the AIFM per the amended and restated Investment Management Agreement ("IMA") dated 17 July 2014. Under this agreement, the AIFM is responsible for risk management and day-to-day discretionary management of the Company's portfolios (including un-invested cash). The risk management and discretionary portfolio management functions are performed independently of each other within the AIFM structure. The AIFM is not required to, and generally will not, submit individual investment decisions for approval by the Board. The Manager, Neuberger Berman Europe Limited, was appointed under the same IMA to provide, amongst other things, certain administrative services to the Company. Please refer to Note 3 on pages 86 and 87 for details of fee entitlement.

On 31 December 2017, an amendment to the IMA was approved. Under the amendment, the responsibility for the manufacture of the Company's Key Information Document was delegated to the AIFM and other changes were made relating to MiFID II, anti-money laundering, bribery, cyber security and data protection. On 1 October 2019, the IMA was amended to reflect a reduction in the Investment Manager's fee to 0.65% of NAV. Effective 8 September 2020, the IMA was further amended to reflect a change to the Investment Manager's fee:

NAV amounts of the Company and Applicable rate of management fee to such NAV amount

Up to £500 million 0.75 per cent. of NAV per annum

Between £500 million and up to £750 million 0.70 per cent. of NAV per annum

Between £750 million and up to £1 billion 0.65 per cent. of NAV per annum

Above £1 billion 0.60 per cent. of NAV per annum

The IMA can be terminated either by the Company or the Investment Manager, but in certain circumstances, the Company would be required to pay compensation to the Investment Manager of six months' management charges. No compensation is payable if notice of termination of more than six months is given.

Administration and Custody Agreement

Effective 1 March 2015, the Company entered into an Administration and Sub-Administration Agreement with U.S. Bank Global Fund Services (Guernsey) Limited and U.S. Bank Global Fund Services (Ireland) Limited, a wholly-owned subsidiary of U.S. Bank Global Fund Services (Guernsey) Limited. Under the terms of the agreement, Sub-Administration services are delegated to U.S. Bank Global Fund Services (Ireland) Limited (the "Sub-Administrator"). U.S. Bank National Association (the "Custodian") was appointed custodian to the Company effective 1 March 2015. On 4 June 2018, the Company entered into an Amendment to the Administration and Sub-Administration Agreement in respect of the requirements of relevant data protection regulations. On 5 February 2020, the Company entered into an amendment to the fee schedule to both the Custodian Agreement and Administration and Sub-Administration Agreement to reflect a reduction in fees charged by the Administrator and Custodian. It was further amended effective 2 October 2020 to reflect a further reduction in fees.

See Note 3 on page 86 for details of fee entitlement.

Company Secretarial and Registrar Arrangements

Company secretarial services are provided by Praxis Fund Services Limited. Registrar services are provided by Link Market Services (Guernsey) Limited.

See Note 3 on page 86 for details of fee entitlement.

Directors

Rupert Dorey (Chairman)



Rupert Dorey is a resident of Guernsey and has over 35 years of experience in financial markets. Mr Dorey was at Credit Suisse First Boston Limited for 17 years from 1988 to 2005 where he specialised in credit related products, including derivative instruments where his expertise was principally in the areas of debt distribution, origination and trading, covering all types of debt from investment grade to high yield and distressed debt. He held a number of senior positions at Credit Suisse First Boston Limited, including establishing Credit Suisse First Boston Limited's high yield debt distribution business in Europe, fixed income credit product coordinator for European offices and head of UK Credit and Rates Sales. Since 2005 he has been acting in a Non-Executive Directorship capacity for a number of Hedge Funds, Private Equity & Infrastructure Funds, for both listed and unlisted vehicles. Rupert is a former President of the Guernsey Chamber of Commerce and is a member of the Institute of Directors.

Laure Duhot



Laure is resident in the United Kingdom and brings over 30 years of professional experience in the investment banking and property sectors, specialising in alternative real estate assets, including investing in and the development of healthcare properties, PRS, affordable housing and student and senior living across the UK. Laure has a proven track record in fund management, corporate finance, private equity and capital markets and previous senior roles include the European Investment Bank, Lehman Brothers, Macquarie Capital Partners, Sunrise Senior Living, Pradera, Grainger plc and Lendlease. Laure's non-executive experience includes board positions at a number of investment funds and property companies, including Thames Valley Housing Group and the Guinness Partnership. Laure currently serves as a non-executive director of Primary Healthcare Properties PLC.

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



Sandra Platts is a resident of Guernsey and is a non-executive Director of Investec Bank (C.I.) Limited, UK Commercial Property REIT Ltd, Sequoia Economic Infrastructure Income Fund Limited, Marble Point Loan Financing Ltd and a number of other non-listed companies. Sandra was Managing Director of Kleinwort Benson in Guernsey and Chief Operating Officer for Kleinwort Benson Private Banking Group (UK and Channel Islands). She also held Directorships of the Kleinwort Benson Trust Company and Operating Boards, retiring from Kleinwort Benson boards in 2010. Sandra holds a Master's in Business Administration and The Certificate in Company Direction from the Institute of Directors.

David Staples (Chairman of the Audit and Risk Committee and Senior Independent Director¹)



Mr Staples, a resident of Guernsey, is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Chartered Institute of Taxation. He also holds the Institute of Directors' Diploma in Company Direction.

Mr Staples was a partner for thirteen years of PricewaterhouseCoopers ("PwC") and led the tax practice in the South East of England, advising several large family and owner-managed businesses. He was also a member of the management board of the firm's London and South East Middle Markets Tax Practice. Since leaving PwC in 2003, Mr Staples has served on the boards of several listed companies as a non-executive director including as chairman of MedicX Fund Limited and Duet Real Estate Finance Limited. He is currently a director and audit committee chairman of two other listed companies, Ruffer Investment Company Limited and Baker Steel Resources Trust Limited. His other appointments are as chairman of the general partner companies of the main global private equity funds advised by Apax Partners.

¹ David Staples was appointed the Senior Independent Director effective 11 June 2020 replacing Richard Battey.

Directors' Report

Share Capital

The share capital of the Company consists of: (a) an unlimited number of shares which upon issue the Directors may classify as U.S. Dollar Shares, Sterling Shares or Euro Shares or as shares of such other classes as the Directors may determine; (b) an unlimited number of B Shares which upon issue the Directors may classify as B Shares of such classes denominated in such currencies as the Directors may determine; (c) an unlimited number of C Shares which upon issue the Directors may classify as C Shares of such classes denominated in such currencies as the Directors may determine.

The number of shares in issue at 31 December 2020 was as follows:

Sterling Ordinary Shares	323,268,152 ¹
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1 of which 76,083,114 were held in treasury. The U.S. Dollar Ordinary Share Class was closed on 3 August 2020 following a compulsory conversion into Sterling Ordinary Shares.

The number of shares in issue at 31 December 2019 was as follows:

Sterling Ordinary Shares	508,276,307 ²
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U.S. Dollar Ordinary Shares	29,054,013 ³
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2 of which 75,000,000 were held in treasury.

3 of which 1,342,627 were held in treasury.

The number of shares in issue as at 9 April 2021, being the latest practicable date prior to publication of this report, was as follows:

Sterling Ordinary Shares	323,268,152 ⁴
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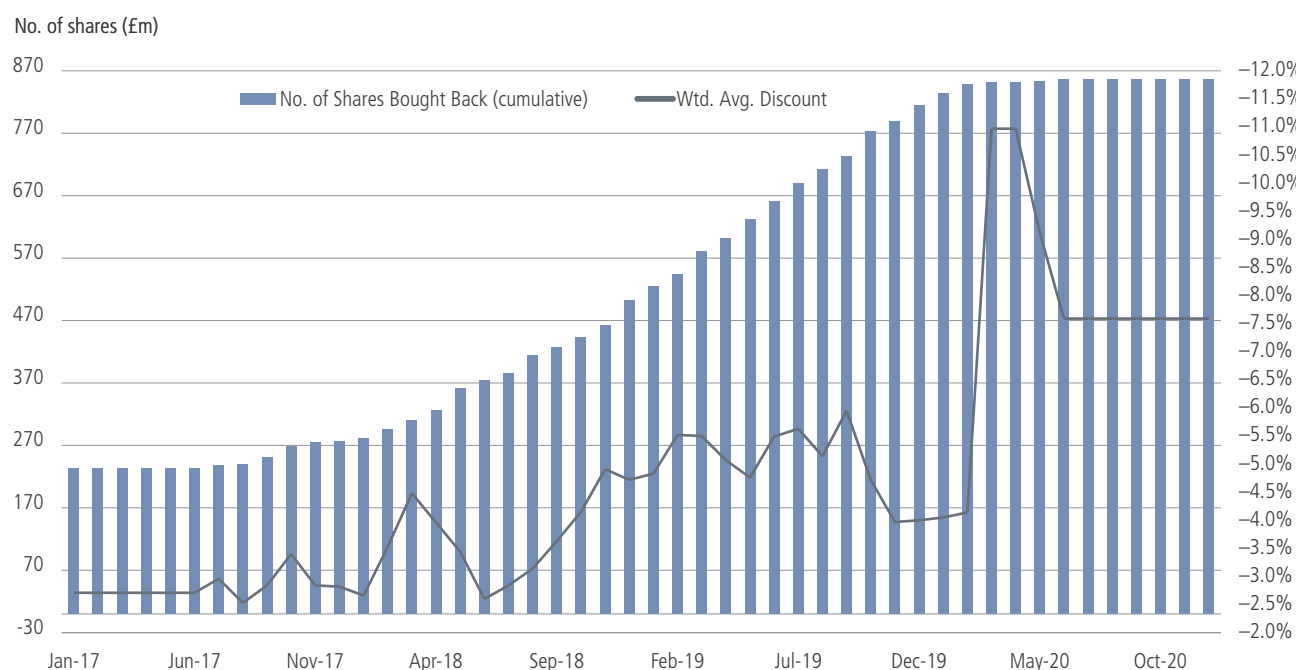
4 of which 76,083,114 are held in treasury.

Share Repurchases

At the Annual General Meeting ("AGM") of the Company held on 11 June 2020, the Directors were granted the general authority to purchase in the market up to 14.99% of the class of shares.

This authority will expire at the AGM to be held on 14 June 2021. Pursuant to this authority, and subject to the Law and the absolute discretion of the Directors, the Company may purchase Ordinary Shares of a particular class in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for Ordinary Shares of such class. The Directors will only apply this authority if the share price is standing at a discount to the NAV per share thereby increasing the NAV per Ordinary Share of that class and assisting in managing the discount to NAV per Ordinary Share of that class. The Directors intend to seek annual renewal of this authority from shareholders to enable the Board to act on an opportunistic basis.

NBMI Cumulative Share Buybacks 1 January 2016 – 31 December 2020



Source: U.S. Bank Global Fund Services (Guernsey) Limited & Neuberger Berman. Data as of 31 December 2020.

To support the share price and provide liquidity in the Shares and accretion to NAV per Share for ongoing shareholders, the Company has, since 2017, proactively repurchased over 859 million Ordinary shares. In addition, the Company redeemed 164,790,024 shares on 8 September 2020 following the cash exit offer to investors.

During the year ended 31 December 2020, the Company repurchased and cancelled 42,161,281 Sterling Ordinary Shares and 1,906,000 U.S. Dollar Ordinary Shares, through its buyback program, representing 9.73% of the Sterling Ordinary Shares in issue and 6.88% of the U.S. Dollar Ordinary Shares in issue, at 1 January 2020 with a respective accretion to NAV of 0.5% and 0.33%. The Company also repurchased and cancelled 164,790,024 Sterling Ordinary Shares on 8 September 2020 as part of a Cash Exit Offer. As explained in the EGM circular, it is not the intention of the Company to utilise share buybacks to support the share price. The Company has introduced a bi-annual tender commencing at the end of June 2022 as a discount control mechanism.

Share Conversions

Until 3 August 2020, the Company offered a monthly conversion facility pursuant to which shareholders could elect to convert some or all of their shares of a class into shares of any other class. During the period to 3 August 2020, shareholders elected to convert 205,766 Sterling Ordinary Shares into U.S. Dollar Ordinary Shares and 1,905,961 U.S. Dollar Ordinary Shares into Sterling Ordinary Shares. Following the closure of the U.S. Dollar Ordinary Share Class on 3 August 2020, the monthly conversions were discontinued.

Dividends and Dividend Policy

The Company seeks, in each financial year, to distribute amounts to shareholders by way of monthly dividends equal in aggregate to the target distribution for that year. The Board expects that dividends will be paid out of net cash income and net realised investment profits of the Company.

Following the implementation of the new investment policy and realignment of the Company's Portfolio effective 8 September 2020, a distribution will be made by way of a dividend with respect to each calendar month (instead of the quarterly basis which was effective until 30 September 2020) in accordance with the expected dividend timetable published by the Company. It is the intention of the Board that the monthly dividends shall be paid in approximately equal amounts, to the extent that this is possible.

From 1 January 2020 to 30 September 2020, the Company declared and paid dividends equal to cash income received less running costs paid in the period. The final quarterly dividend was declared and paid in October 2020, dividends being paid monthly thereafter.

Directors' Report (continued)

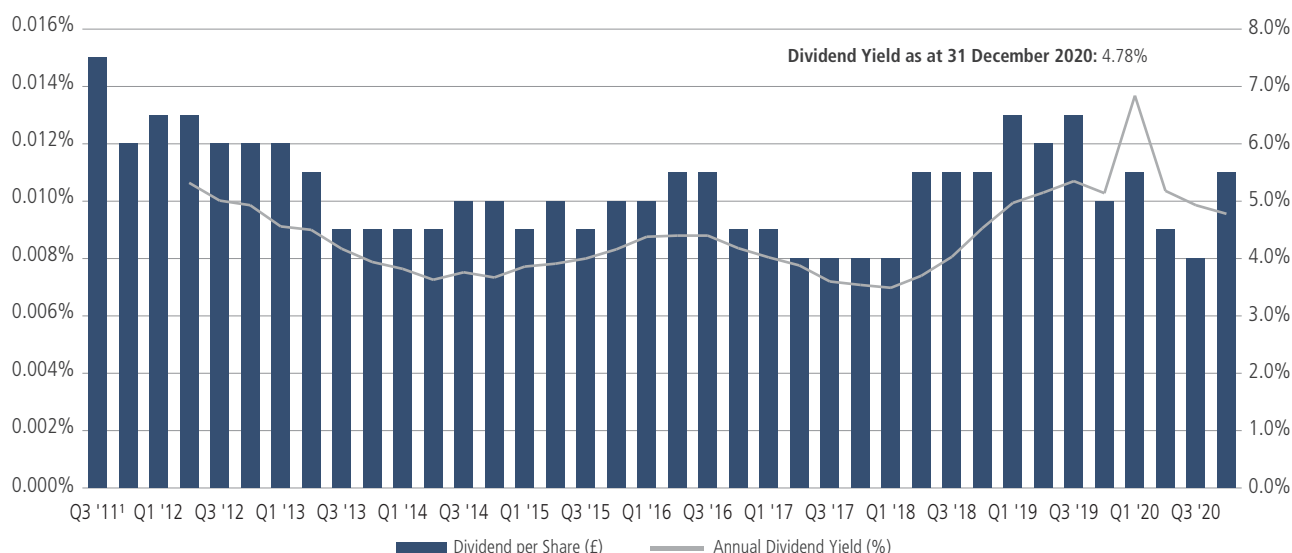
The Articles also permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to shareholders from time to time when a cash dividend is declared. The Directors' intention is not to offer a scrip dividend at any time that the shares trade at a material discount to the NAV per Share. On 21 December 2015, due to the prevailing discount at that time, the Board decided to replace the scrip dividend alternative with a Dividend Re-Investment Plan ("DRIP"), whereby shareholders have the option to re-invest their cash dividend in the Company's shares on an efficient basis. Following the payment of the September, third quarter dividend announced on 8 October 2020, the Company discontinued the DRIP.

The below table sets out the dividends paid by the Company that were declared in respect of 2020:

PERIOD	DATE DECLARED	PAYMENT DATE	DIVIDEND PER STERLING SHARE	DIVIDEND PER U.S. DOLLAR SHARE
Quarter ended 31 March 2020 – Ordinary Shares	8 April 2020	29 May 2020	£0.0111	\$0.0116
Quarter ended 30 June 2020 – Ordinary Shares	6 July 2020	28 August 2020	£0.0085	\$0.0089
Quarter ended 30 September 2020 – Ordinary Shares	8 October 2020	30 October 2020	£0.0084	N/A
Month ended 31 October 2020 – Ordinary Shares	5 November 2020	27 November 2020	£0.0034	N/A
Month ended 30 November 2020 – Ordinary Shares	3 December 2020	29 December 2020	£0.0037	N/A
Month ended 31 December 2020 – Ordinary Shares	7 January 2021	29 January 2021	£0.0039	N/A

The below chart sets out the quarterly dividends per share paid by the Company since inception:

Dividends per Share NMBI (formerly NBL £ until 8 September 2020)



Source: U.S. Bank Global Fund Services (Guernsey) Limited. Past performance is not indicative of future returns. Please refer to the dividend policy, which is available in the fund's prospectus, and can be found on <https://www.nbgmif.com>

1. The first dividend covered a five month period.

December 2020 dividend paid 29 January 2021.

* Starting October 2020, dividends moved to a monthly cycle.

Annual dividend yield based on the dividends declared in respect of the period and the share price as at 31 December 2020.

Substantial Share Interests

Based upon information deemed reliable as provided by the Company's registrar, as at 31 March 2021, the following shareholders owned 5% or more of the issued shares of the Company.

SHAREHOLDER	NUMBER OF STERLING ORDINARY SHARES	PERCENTAGE OF SHARE CLASS (%)
BBHISL Nominees Limited 129481 account	24,864,403	7.69%

Notifications of Shareholdings

In the year to 31 December 2020 the Company was notified in accordance with Chapter 5 of the DTR (which covers the acquisition and disposal of major shareholdings and voting rights), of the following voting rights as a shareholder of the Company. When more than one notification has been received from any shareholder, only the latest notification is shown. For non-UK issuers, the thresholds prescribed under DTR 5.1.2 for notification of holdings commence at 5%. Notifications received by the Company below 5% are included here for completeness only.

SHAREHOLDER	DATE	VOTING RIGHTS OF STERLING ORDINARY SHARES	VOTING RIGHTS OF U.S. DOLLAR ORDINARY SHARES*	PERCENTAGE OF TOTAL VOTING RIGHTS (%) ¹
Brewin Dolphin Limited	13 March 2020	31,785,513	162,307	4.82%
FIL Limited	8 October 2020	Not provided	–	Below 5%
Premier Milton Group PLC	8 October 2020	4,062,758	–	1.64%
Brown & Shipley Co Limited	8 October 2020	12,214,308	–	4.94%
Legal & General PLC (Group entities)	10 December 2020	Not provided	–	Below 3%
East Riding of Yorkshire Council	18 December 2020	8,430,075	–	3.41%
Almitas Capital LLC	22 December 2020	10,763,621	–	4.35%

¹ Calculated at time of announcement.

* Positions stated prior to closure of U.S. Dollar share class on 3 August 2020.

Since the year end, 2 TR-1 notifications were received by the Company. When more than one notification has been received from any shareholder, only the latest notification is shown.

SHAREHOLDER	VOTING RIGHTS OF STERLING ORDINARY SHARES	PERCENTAGE OF TOTAL VOTING RIGHTS (%) ¹
East Riding of Yorkshire Council	4.28%	4.28%
Almitas Capital LLC	5.05%	5.05%

¹ Calculated at time of announcement.

Directors' Report (continued)

Directorship Disclosures in Public Companies Listed on a Stock Exchange

COMPANY NAMES	EXCHANGE(S)
Mrs Sandra Platts	
Sequoia Economic Infrastructure Income Fund Limited	London
UK Commercial Property REIT Limited	London
Marble Point Loan Financing Limited	London
Mrs Laure Duhot	
Primary Healthcare Properties PLC	London
Mr Rupert Dorey	
Third Point Investors Limited	London
Mr David Staples	
Ruffer Investment Company Limited	London
Baker Steel Resources Trust Limited	London

Life of the Company

The Company does not have a fixed life. However, as required under Article 51 of the Articles of Incorporation, which were in effect until 8 September 2020, the Directors were required to propose an Ordinary Resolution that the Company continues its business as a closed-ended investment company (a "continuation resolution"). The first continuation resolution, which fell due on or before the third anniversary of admission, was passed on 19 March 2014. The second continuation resolution fell on 5 April 2017, being before the sixth anniversary of admission and was also duly passed. From 2018, the continuation resolution, as required by the Articles, was proposed annually at the annual general meeting, and was duly passed in May 2019 and the final vote was passed on 11 June 2020.

Since the passing of the resolutions proposed at the EGM on 8 September 2020 and amendment to the Articles, the Company no longer requires that an annual continuation vote take place nor will the Company be required to offer a tender should the discount to NAV trade beyond a 5% average over the final three months of the financial year. From the end of June 2022, the Board intends, subject to market conditions at the time, to propose a wind-up of the Company should its NAV drop beneath £150 million.

Anti-Bribery and Corruption Policy

The Board of the Company has a zero tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons, when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company. The Investment Manager has also adopted a zero tolerance approach to instances of bribery and corruption. The Board insists on strict observance with these same standards by its service providers in their activities for the Company and continues to refine its process in this regard.

Criminal Facilitation of Tax Evasion Policy

The Board of the Company has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion.

General Data Protection Regulation

The Company takes privacy and security of your information seriously and will only use such personal information as set out in the Company's privacy notice which can be found on the Company's website at https://www.nbmif.com/pdf/privacy_policy.pdf

Employees and Socially Responsible Investment

The Company has a management contract with the Investment Manager. The Company has no employees and all of its Directors are non-executive, with day-to-day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees and its own direct environmental impact is minimal. The Company's main investment activities are carried out by Neuberger Berman, which is a signatory to the Principles of Responsible Investment and has an ongoing commitment to strengthening and refining its environmental, social and governance ("ESG") approach, see the Investment Manager's website for further details at <https://www.nb.com/en/global/esg/philosophy>.

The Investment Manager incorporates an ESG assessment into its internal credit ratings for non-investment grade credit. Its approach is to consider the valuation implications of ESG risks and opportunities alongside traditional factors in the investment process and to focus on companies or themes, which are judged to be 'better' according to environmental, social and governance characteristics. Further details of Neuberger Berman's Principles for Responsible Investment are given on its website at www.nb.com/pages/public/en-gb/principles-for-responsible-investment.aspx.

Global Greenhouse Gas Emissions

The Company has no significant greenhouse gas emissions to report from its operations for the year to 31 December 2020 (2019 – none), nor does it have responsibility for any other emissions producing sources. During 2020 (pre-COVID-19), the Board's travel incurred approximately 0.5 tonnes of CO₂ (2019: 0.59 tonnes of CO₂). The Board intends to offset carbon emissions arising from its air travel.

Gender Metrics

The Board consists of two men and two women (50% female representation) as at 31 December 2020. More information on the Board's consideration of diversity is given in the Corporate Governance Report on page 40.

The Modern Slavery Act 2015 ("MSA")

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods or services, the MSA does not directly apply to it. The MSA requirements more appropriately relate to the Investment Manager which is a signatory of the Principles of Responsible Investment (please see "Employees and Socially Responsible Investment" above) which include social factors such as working conditions, including slavery and child labour. The MSA of the Investment Manager is available on its website at nb.com.

Key Stakeholder Groups

The Company identifies its key stakeholder groups as follows:

Shareholders

All Board decisions are made with the Company's success in mind, which is ultimately for the long-term benefit of its Stakeholders.

Service Providers

As an investment company the Company does not have any employees and conducts its core activities through third-party service providers. Our service providers' relationships are vital to our overall success, so as a Board we carefully consider the selection of, and engagement and continued relationship with our key service providers being the Investment Manager, Administrator, Custodian, Broker, Legal Advisers, Registrar, Auditor and Company Secretary.

Directors' Report (continued)

The Board recognises the benefits of fostering strong business relationships with its key service providers and seeks to ensure each is committed to the performance of their respective duties to a high standard and, where practicable, that each provider is motivated to adding value within their sphere of activity.

The Board has delegated various duties to external parties including the management of the investment portfolio, the custodial services (including the safeguarding of assets), the registration services and the day-to-day company secretarial, administration and accounting services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. Each provider has an established track record and, through regulatory oversight and control, are required to have in place suitable policies to ensure they maintain high standards of business conduct, treat customers fairly, and employ corporate governance best practice.

The Company continues to have regular two-way face-to-face meetings with all key service providers via virtual connection. The Board respects and welcomes the views of all stakeholders. Any queries or areas of concern regarding the Company's operations can be raised with the Company Secretary.

Stakeholders and Section 172

Whilst directly applicable to UK registered companies, the intention of the AIC Code is that matters set out in section 172 of the UK Companies Act, 2006 are reported. The following disclosures offer some insight into how the Board uses its meetings as a mechanism for discharging its duties under Provision 5 of the AIC Code, including the breadth of matters it discussed and debated during the year and the key stakeholder groups that were central to those discussions. The Board's commitment to maintaining the high-standards of corporate governance recommended in the AIC Code, combined with the directors' duties of enshrined in Company law, the constitutive documents, the Disclosure Guidance and Transparency Rules, and Market Abuse Regulation, ensures that shareholders are provided with frequent and comprehensive information concerning the Company and its activities via the Company's website and Regulatory Information Service ("RIS") announcements on the London Stock Exchange such as the quarterly factsheets, which resumed in January 2021 following a brief pause after the September EGM.

Each Board meeting follows a carefully tailored agenda agreed in advance by the Board and Company Secretary. A typical meeting will comprise reports on current financial and operational performance from Administrator, market update from the Broker, portfolio performance from the Investment Manager, with regulatory and governance updates from the Company Secretary and where required, a detailed deep dive into an area of particular strategic importance or concern. Through oversight and control, we have in place suitable policies to ensure the Company maintains high standards of business conduct, treats stakeholders fairly, and employ high standards of corporate governance.

Whilst the primary duty of the Directors is owed to the Company as a whole, the Board considers as part of its discussions and decision making process the interests of all key stakeholder groups as identified above. Particular consideration being given to the continued alignment between the activities of the Company and those that contribute to delivering the Board's strategy.

On 30 June, the Company announced that, following the successful passing of the Company's continuation vote at the 11 June 2020 AGM, the Board and the Investment Manager were of the view that the Company's investment proposition should be updated to continue to appeal to the investor community and, as such, the Board was considering strategic changes to the Company's investment policy and other policies. During the summer, the Board worked closely with the Investment Manager, brokers and legal advisers to devise the new propositions. Each party brought ideas and the Board listened closely to formulate what it considered to be in the best interests of the Company and its shareholders. Following this, the Board, the Investment Manager and brokers undertook an extensive consultation with the Company's shareholders on the proposals, seeking to work with shareholders to find a final proposition regarding the Company's investment objective and strategy which would have greater appeal in the current investment environment. The Board was also concerned that the views of the Administrator and Company Secretary regarding the practical implications of the revised strategy such as the move to monthly dividends and valuation of certain less liquid assets, were properly and fully considered. Following this consultation, the Company announced on 5 August 2020 the intention to propose an amendment to the investment policy, which it believed would provide shareholders with a proposition, which could deliver more attractive risk-adjusted returns. The Company also announced the intention to implement new discount controls, and the intention to provide shareholders with consistent levels of monthly income, together with a mechanism whereby from June 2022, should the NAV of the Company fall below £150m, the Board would consider a wind up of the Company. Shareholders were given the opportunity to vote on the proposals with the publication of a circular dated 17 August 2020, together with the opportunity to take part in a redemption offer.

Further, the Board reviewed how its shareholders preferred to be communicated with and how this had evolved over time. With a preference for regular face-to-face meetings and decline in attendance at the quarterly update calls, following the 2019 fourth quarter call in January 2020, the Company agreed to cease providing quarterly update calls, instead offering more (virtual) face-to-face meetings.

Employee Engagement & Business Relationships

The Company conducts its core activities through third-party service providers and does not have any employees. The Board recognises the benefits of fostering strong business relationships with its key service providers and seeks to ensure each is committed to the performance of their respective duties to a high standard and, where practicable, that each provider is motivated to adding value within their sphere of activity. Details on the Board's approach to service provider engagement and performance review are contained in the Management Engagement Committee Report.

Disclosure of Information to the Auditor

The Directors who were members of the Board at the time of approving this report are listed on page 31. Each of those Directors confirms that:

- to the best of his or her knowledge and belief, there is no information relevant to the preparation of their report of which the auditor is unaware; and
- he or she has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

For and on behalf of the Board

Rupert Dorey

Chairman

19 April 2021

Corporate Governance Report

Applicable Corporate Governance Codes

The Board has considered the principles and provisions of the AIC Code of Corporate Governance (the "AIC Code"), published in February 2019. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (the "UK Code") as well as setting out additional provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and provisions of the AIC Code provides more relevant information to shareholders. The AIC Code has been endorsed by the Financial Reporting Council and Guernsey Financial Services Commission. Copies of the AIC Code can be found at www.theaic.co.uk. It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the principles and provisions of the AIC Code to the extent they are applicable to the Company.

On 1 January 2012, the Guernsey Financial Services Commission's ("GFSC") "Finance Sector Code of Corporate Governance" came into effect and was amended in February 2016 (the "GFSC Code"). The GFSC Code states that companies, which report against the UK Code or the AIC Code, are deemed to meet the GFSC Code and need take no further action.

Corporate Governance Statement

Throughout the year ended 31 December 2020, the Company has complied with the recommendations of the AIC Code, except where explanations have been provided. The Company assesses its compliance with the recommendations of the AIC through conducting an annual analysis and addressing any gaps identified.

The Directors believe that this Annual Report and Financial Statements ("Annual Report") presents a fair, balanced and understandable assessment of the Company's position and prospects, and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Company complies with the corporate governance statement requirements pursuant to the FCA's DTR by virtue of the information included in the Corporate Governance section of the Annual Report together with information contained in the Strategic Review and the Directors' Report. There is no information that is required to be disclosed under Listing Rule 9.8.4.

Our Governance Framework

Chairman – Rupert Dorey

Responsibilities:

The leadership, operation and governance of the Board, ensuring effectiveness, and setting the agenda for the Board.

More details are provided below.

Senior Independent Director – David Staples (appointed on 11 June 2020, replacing Richard Battey who stepped down as a director at the 2020 AGM).

Responsibilities:

- Working in close contact with and providing support to the Chairman, particularly in relation to corporate governance.
- Liaising with and being available to Board members and shareholders as required outside conventional communication channels.
- Meeting annually with Board members to review the performance of the Chairman of the Board.
- When requested to do so, attending meetings with major shareholders to obtain a balanced understanding of any issues, concerns, and providing feedback to the Board.

The Board Members of NB Global Monthly Income Fund Limited (as at 31 December 2020):

Rupert Dorey, Laure Duhot, Sandra Platts and David Staples – all independent non-executive directors.

Responsibilities:

Overall conduct of the Company's business and setting the Company's strategy.

The Company Secretary, Praxis Fund Services Limited, through its representative acts as Secretary to the Board and Committees and in doing so it:

- assists the Chairman in ensuring that all Directors have full and timely access to all relevant documentation;
- will organise induction of new Directors; and
- is responsible for ensuring that the correct Board procedures are followed and advises the Board on corporate governance matters.

AUDIT AND RISK COMMITTEE	MANAGEMENT ENGAGEMENT COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE
<p>Members: David Staples (Chairman) Richard Battey (retired on 11 June 2020) Rupert Dorey Laure Duhot (appointed on 25 November 2020) Sandra Platts</p> <p>Responsibilities: The provision of effective governance over the appropriateness of the Company's financial reporting including the adequacy of related disclosures, the performance of the external auditor, and the management of the Company's systems of internal financial and operating controls and business risks.</p>	<p>Members: Sandra Platts (Chairman) Richard Battey (retired on 11 June 2020) Rupert Dorey Laure Duhot (appointed on 25 November 2020) David Staples</p> <p>Responsibilities: To review performance of all service providers (including the Investment Manager but excluding the external auditor).</p>	<p>Members: Sandra Platts (Chairman) Richard Battey (retired on 11 June 2020) Rupert Dorey Laure Duhot (appointed on 25 November 2020) David Staples</p> <p>Responsibilities: To ensure the Board comprises individuals with the necessary skills, knowledge and experience to ensure that the Board is effective in discharging its responsibilities and oversight of all matters relating to corporate governance, and to review the on-going appropriateness and relevance of the remuneration policy.</p>
<p>More details on pages 47 to 50.</p>	<p>More details on pages 51 to 52.</p>	<p>More details on pages 53 to 54.</p>

Corporate Governance Report (continued)

The Board, chaired by Rupert Dorey who is responsible for its leadership and for ensuring its effectiveness in all aspects of its role, currently consists of four non-executive Directors. The biographical details of the Directors holding office at the date of this report are listed on page 31, and demonstrate a breadth of investment, financial and professional experience. Richard Battey was replaced as the Senior Independent Director by David Staples when he stepped down at the 2020 AGM on 11 June 2020. The Board considers that all the Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed. The balance and independence of the Board is kept under review by the Remuneration and Nomination Committee, details of which can be found on page 53 to 54.

Board Independence and Composition

The Chairman and all Directors are considered independent of the Company's Investment Manager, the Company Secretary, the Administrator and Sub-Administrator. The Directors consider that they all contribute to the affairs of the Company in an adequate manner. The Board reviews the independence of all Directors annually. Rupert Dorey was deemed to be independent by the Board prior to his appointment as Chairman of the Company.

Having served as a Director for nine years, Richard Battey stepped down as a director at the 2020 AGM in accordance with the Board's programme of rotation and succession. In March 2020 Mrs Platts had served on the Board for nine years. Notwithstanding, the Board remains satisfied that Mrs Platts continues to exercise independent judgement and provides relevant skills, experience and diversity to ensure the continued balance and effectiveness of the Board. In order to avoid undue disruption from multiple changes arising from the execution of the succession plan, Mrs Platts has remained a director following Richard Battey's departure but will step down at the 2021 AGM following the appointment of Laure Duhot as her successor on 25 November 2020.

Directors' Appointment

No Director has a service contract with the Company. Directors have agreed letters of appointment with the Company, copies of which are available for review by shareholders at the Registered Office and will be available at the 2021 AGM. Sandra Platts has served since incorporation of the Company. Rupert Dorey has served since 1 March 2015 and David Staples has served since 14 June 2018. Laure Duhot has served since 25 November 2020. Directors may resign at any time by giving one month's written notice to the Board.

In accordance with the AIC Code all Directors are subject to re-election annually by shareholders. The Remuneration and Nomination Committee reviewed the independence, contributions and performance of each Director together with results of the 2020 internal Board Evaluation, and have determined that it is in the best interests of the Company that Rupert Dorey and David Staples should stand for re-election. In line with the Board's succession plans, Sandra Platts will not put herself forward for re-election and will stand down on the date of the 2021 AGM. Laure Duhot will put herself forward for election, being the first AGM following her appointment.

Tenure of Non-Executive Directors

The Board has adopted a policy on tenure that it considers appropriate for an investment company. The Board does not believe that length of service, by itself, leads to a closer relationship with the Investment Manager or necessarily affects a Director's independence. The Board's tenure and succession policy seeks to ensure that the Board is well balanced and will be refreshed by the appointment of new Directors with the skills and experience necessary to replace those lost by Directors' retirements or as identified to assist in the formulation and delivery of the strategy of the Company. The Board seeks to encompass past and current experience of various areas relevant to the Company's business.

Directors are expected to devote such time as is necessary to enable them to discharge their duties. Other business relationships, including those that conflict or may potentially conflict with the interests of the Company, are taken into account when appointing Board members and are monitored on a regular basis.

The dates of appointment of all Directors are provided in the Directors' Remuneration Report and a summary of shareholder elections is provided below.

	DATE FIRST ELECTED BY SHAREHOLDERS	YEARS FROM FIRST ELECTION TO 2021 AGM	CONSIDERED TO BE INDEPENDENT BY THE BOARD
Rupert Dorey	June 2015	6	Yes
Sandra Platts ¹	June 2012	9	Yes
David Staples	May 2019	2	Yes
Laure Duhot	N/A	0	Yes

¹ In line with the Board's succession plans, Sandra Platts will not put herself forward for re-election and will stand down on the date of the 2021 AGM.

Succession

The Board have looked to balance the tenure of the Directors on the Board and during 2020 continued to realise its succession plan to replenish the key positions on the Board. This process has ensured a smooth transfer of knowledge and ensured diversity in length of tenure on the Board. Given the nature of the Company, being an externally managed investment company with no employees and no executives, the Board believes its succession plan and orderly rotation of long serving directors has been in the best interests of the Company.

Re-election of Directors

Rupert Dorey and David Staples each submit themselves for re-election at the AGM to be held on 14 June 2021 and Laure Duhot will stand for election being her first AGM following appointment. The Remuneration and Nomination Committee confirmed to the Board that the contributions made by each of the Directors offering themselves for re-election/election at the 2021 AGM continue to support the overall effective operation of the Board and that shareholders should support their re-election.

Board Diversity

The Board considers that its members have a balance of skills and experience which are relevant to the Company. The Board supports the recommendations of the Davies Report and notes the recommendations of the Parker Review into ethnic diversity and the Hampton-Alexander Review on gender balance in FTSE leadership. The Board believes in the value and importance of diversity in the boardroom and the Board agreed to meet a target of at least 33% female representation on the Board. At the date of this Report, the Board, comprised four directors, with 50% female representation. This will revert to 33% once Sandra Platts steps down at the 2021 AGM. The Board continues to encourage diversity and recognises that directors with diverse skills sets, capabilities and experience gained from different backgrounds appropriate to the company enhance the Board.

Board Responsibilities

The Board meets at least four times each year and deals with the important aspects of the Company's affairs including the setting and monitoring of investment strategy and the review of investment performance. The Investment Manager takes decisions as to the purchase and sale of individual investments, in line with the investment policy and strategy set by the Board. The Investment Manager together with the Company Secretary, Administrator and Sub-Administrator also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information relating to the Company and its portfolio of investments. Representatives of the Investment Manager attend each Board meeting, enabling Directors to question on any matters of concern or seek clarification on certain issues. Matters specifically reserved for decision by the Board have been defined and a procedure set out in their respective appointment letters for Directors in the furtherance of their duties to take independent professional advice at the expense of the Company.

Conflict of Interests

Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and the Board may impose restrictions or refuse to authorise conflicts if deemed appropriate. The Directors have undertaken to notify the Company Secretary as soon as they become aware of any new potential conflicts of interest that would need to be approved by the Board. Only Directors who have no material interest in the matter being considered will be able to participate in the Board approval process. It has also been agreed that the Directors will seek prior approval from the Board in advance of any proposed external appointments.

Corporate Governance Report (continued)

None of the Directors had a material interest in any contract, which is significant to the Company's business. The Directors' Remuneration Report on pages 53 to 54 provides information on the remuneration and interests of the Directors. Page 36 details Directors' appointments on other listed companies.

Performance Evaluation

The performance of the Board, its committees and the Directors was reviewed by the Remuneration and Nomination Committee in November 2020 by means of an internal questionnaire. The Company Secretary collated the results of the questionnaires and the results were reviewed by and discussed by the Remuneration and Nomination Committee, whose Chairman reported to the Board. No material areas of concern were raised.

As a result of the 2020 Board performance evaluation, the Board has agreed:

- That all Directors are considered independent;
- Rupert Dorey and David Staples should be proposed for re-election at the 2020 AGM; and
- The Board composition was diverse and appropriate in regards to skills, number, experience and gender.

The Remuneration and Nomination Committee (excluding Rupert Dorey) led by the Chairman of the Remuneration and Nomination Committee reviewed the Chairman. It was agreed that the Chairman had settled into his role and was well-regarded by the other Board members. In addition, the Chairman had been actively engaged with shareholders over the year. The SID led the discussions at the Remuneration and Nomination Committee meeting held in November 2020.

The Board will continue to review its procedures, its effectiveness and development in the year ahead.

Induction/Information and Professional Development

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and its internal controls. Regulatory and legislative changes affecting Directors' responsibilities are put to the Board as they arise along with changes to best practice from, amongst others, the Investment Manager, Company Secretary and the Auditor. Advisers to the Company also prepare reports for the Board from time to time on relevant topics and issues. In addition, Directors attend relevant seminars and events to allow them to continually refresh their skills and knowledge and keep up with changes within the investment company industry for which each Director maintains a log, provided to the Company Secretary on at least annual basis as a record of his/her continued professional development. The Chairman reviewed the training and development needs of each Director during the annual Board evaluation process and is satisfied that all Directors actively keep up to date with industry developments and issues.

When new Directors are appointed to the Board, they will be provided with all relevant information regarding the Company and their duties and responsibilities as Directors. In addition, a new Director will also spend time with representatives of the Investment Manager, and other service providers as may be appropriate, in order to learn more about their processes and procedures. The induction process for Laure Duhot, who joined the Board on 25 November 2020, included meetings with key service providers to gain an understanding of the Company's key business relationships, its business model and its stakeholder audience. The induction process includes a historic review of key events in the Company's history, access to all Company material and documents, and various meetings with the Directors to become familiar with the Company's operating practices and board dynamics.

The Chairman is available to meet directors individually at any time should they have matters on company business which they wish to raise privately. There have been no issues or concerns that have been raised by Directors in the financial year ending 31 December 2020.

Independent Advice

The Board recognises that there may be occasions when one or more of the Directors feels it is necessary to take independent legal advice at the Company's expense. A procedure has been adopted to enable them to do so, which is managed by the Company Secretary.

Indemnities

To the extent permitted by the Law, the Company's Articles provide an indemnity for the Directors against any liability except such (if any) as they shall incur by or through their own breach of trust, breach of duty or negligence. Each Director has an Instrument of Indemnity with the Company.

During the year, the Company has maintained insurance cover for its Directors under a Directors' and Officers' liability insurance policy.

Shareholder Engagement

The Board believes that the maintenance of good relations with shareholders is important for the long-term prospects of the Company. Since admission, the Board has sought engagement with shareholders. Where appropriate the Chairman, and other Directors are available for discussion about governance and strategy with shareholders and the Chairman ensures communication of shareholders' views to the Board. The Board receives feedback on the views of shareholders from its Corporate Brokers and the Investment Manager, and shareholders are welcome to contact the Chairman, Senior Independent Director or any other Director at any time via the Company Secretary. Extensive consultations were held with shareholders preceding the EGM in 2020, please refer to page 38 for further detail.

The Company ceased its quarterly investor update calls effective January 2020 as the way in which the Company communicates with key investors has evolved with a preference by our investors for regular (virtual) face-to-face meetings. Furthermore, the whole Board, including the committee chairmen, welcome the opportunity to meet with investors on a one-to-one basis, upon request. The Chairman has had discussions with a number of investors on a one-to-one basis during the year and continues to welcome meetings with all investors.

The Chairman of the Remuneration and Nomination Committee will consult with shareholders should it be proposed to increase the current aggregate limit of annual Directors' fees as set out in the Company's Articles.

The Board believes that the AGM provides an appropriate forum for shareholders to communicate with the Board, and encourages participation. All Directors will attend the 2021 AGM. There is an opportunity for individual shareholders to question the Chairman of the Board, the Senior Independent Director, and the Chairman of each of the Audit and Risk Committee, the Management Engagement Committee and the Remuneration and Nomination Committee at the AGM.

The Annual Reports, Key Information Documents, monthly fact sheets and monthly holdings are available to provide shareholders with a clear understanding of the Company's activities and its results. This information is supplemented by the daily calculation and publication on the London Stock Exchange of the NAV of the Company's Ordinary Shares. The Board is informed of relevant promotional documents issued by the Investment Manager. All documents issued by the Company can be viewed on the website, www.nbgmif.com.

2021 AGM

The 2021 AGM will be held in Guernsey on 14 June 2021. The Directors wish to reassure shareholders that the Company has considered the potential impact on the AGM of the COVID-19 pandemic and any possible restrictive measures that may be in place at the time of the AGM. It is possible that restrictions around travel, both within and to and from Guernsey, and public gatherings may be in force on the scheduled date of the AGM, which could mean that it is not practicable to physically convene the AGM at the intended time and venue. The Board feels it is important to proceed with the AGM, noting that alternative practical arrangements may be required, such as an adjournment and possibly a change of time and venue. The Directors will continue to consider the latest instructions from relevant authorities in conjunction with guidance available from professional and regulatory bodies to ensure the AGM is held in accordance with its statutory requirements and with the Company's Articles of Incorporation. The Notice for the AGM sets out the ordinary and special resolutions to be proposed at the meeting. Separate resolutions are proposed for each substantive issue.

It is the intention of the Board that the Notice of AGM be issued to shareholders so as to provide at least twenty working days' notice of the meeting. Shareholders wishing to lodge questions in advance of the meeting and specifically related to the resolutions proposed are invited to do so by writing to the Company Secretary at the registered office address given on page 95.

Voting on all resolutions at the AGM is on a poll. The proxy votes cast, including details of votes withheld are disclosed to those in attendance at the meeting and the results are published on the website and announced via a RIS Service. Where a significant number of votes have been lodged against a proposed resolution (being greater than 20%), the Board intends to identify those shareholders and further understand their views to address their concerns. An update on the views and actions taken will be published no later than six months after the shareholder meeting. The Board notes that any resolution which receives a high percentage of votes against it will be included in the Investment Association's Public Register. The Public Register is an aggregated list of publicly available information regarding meetings of companies in the FTSE All-Share who have received significant shareholder opposition to proposed resolutions or have withdrawn a resolution prior to the shareholder vote.

Corporate Governance Report (continued)

Board Meetings

The Board meets at least quarterly. Certain matters are considered at all quarterly board meetings including the performance of the investments, NAV and share price and associated matters such as asset allocation, risks, strategy, marketing and investor relations, peer group information and industry issues. Consideration is also given to administration and corporate governance matters, and where applicable, reports are received from the Board committees.

The Chairman is responsible for ensuring the Directors receive complete information in a timely manner concerning all matters which require consideration by the Board. Through the Board's ongoing programme of shareholder engagement and the reports produced by each key service provider, the Directors are satisfied that sufficient information is provided so as to ensure the matters set out in Section 172 of the UK Companies Act 2006 are taken into consideration as part of the Board's decision-making process.

Directors unable to attend a board meeting are provided with the board papers and can discuss issues arising in the meeting with the Chairman or another non-executive Director.

Attendance at scheduled meetings of the Board and its committees in the 2020 financial year

	BOARD	AD-HOC BOARD MEETINGS*	AUDIT AND RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE	MANAGEMENT ENGAGEMENT COMMITTEE
Number of meetings during the year	4	16	5	1	1
Rupert Dorey	4	16	5	1	1
Richard Battey ¹	1	5	2	0	0
Laure Duhot ²	1	1	1	0	0
Sandra Platts	4	13	5	1	1
David Staples	4	13	5	1	1

1 Richard Battey resigned from the Board at the AGM held on 11 June 2020.

2 Laure Duhot was appointed to the Board on 25 November 2020.

* 2 ad hoc meetings were dividend committee approval meetings, where the attendance of only one director on behalf of the Board was required to fulfil the requirements of the dividend committee.

Board Committees

The Board has established an Audit and Risk Committee, a Management Engagement Committee and a Remuneration and Nomination Committee with defined terms of reference and duties. Further details of these committees can be found in their reports on pages 47 to 54. The terms of reference for each committee can be found on the Company's website <https://www.nbgmif.com>.

The Board has not established an Inside Information Committee as a quorum of the Board will review and determine any inside information and any delay to the disclosure thereof to meet the requirements of the UK Market Abuse Regulations.

For and on behalf of the Board

Rupert Dorey

Chairman

19 April 2021

Audit and Risk Committee Report

Membership

David Staples – Chairman	(Independent non-executive Director)
Sandra Platts	(Independent non-executive Director)
Richard Battey ¹	(Independent non-executive Director)
Rupert Dorey ²	(Company Chairman and independent non-executive Director)
Laure Duhot ³	(Independent non-executive Director)

1 Richard Battey stepped down as a director at the AGM on 11 June 2020.

2 The Board believes it is appropriate for the Company Chairman to be a member of the Committee as he is deemed by the Board to be an independent non-executive Director, it is a small board and the Chairman's financial background and experience of the asset class is valuable to the Committee.

3 Laure Duhot was appointed as a member of the Audit and Risk Committee on 25 November 2020.

Key Objectives

The provision of effective governance over the appropriateness of the Company's financial reporting including the adequacy of related disclosures, the performance of the external auditor, and the management of the Company's systems of internal financial and operating controls and business risks.

Responsibilities

- Monitoring and reviewing the Company's financial results announcements, Annual and Half-Yearly Financial Statements and monitoring compliance with relevant statutory and listing requirements;
- Reporting to the Board on the appropriateness of the Company's accounting policies and practices including critical accounting policies, judgements, estimates, and practices;
- Advising the Board on whether the Committee believes the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- Overseeing the relationship with the external auditor (please refer to the Terms of Reference which are available on the Company's website for further detail on the responsibilities in relation to the external auditor);
- Considering the financial and other implications on the independence of the auditor arising from any non-audit services to be provided by the auditor;
- Reporting to the Board on the effectiveness of the Company's risk management framework; and
- Compiling a report on its activities to be included in the Company's Annual Report.

The Committee members have a wide range of financial and commercial expertise necessary to fulfil its duties. The Chairman of the Committee is a Fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Chartered Institute of Taxation, and has recent and relevant financial experience, as required by the AIC Code.

Committee Meetings

The Committee meets at least three times a year. Only members of the Committee and its Secretary have the right to attend the meetings. However, representatives of the Investment Manager, Administrator and Sub-Administrator are invited to attend the meetings on a regular basis and other non-members may be invited to attend all or part of a meeting as and when appropriate and necessary. The Company's external auditor, PricewaterhouseCoopers CI LLP ("PwC") is invited to each meeting. The Chairman of the Committee also met separately with PwC without the Investment Manager being present.

Audit and Risk Committee Report (continued)

Main Activities during the year

The Committee assisted the Board in carrying out its responsibilities in relation to financial reporting requirements, risk management and the assessment of internal financial and operating controls. It also managed the Company's relationship with the external auditor.

The Committee reported to the Board at each scheduled quarterly board meeting on the activity of the Committee and matters of particular relevance to the Board in the conduct of their work. The Committee reviewed the effectiveness of the Company's risk management framework in relation to the investment policy; assessed the risks involved in the Company's business and how they were controlled and monitored by the Investment Manager; monitored and reviewed the effectiveness of the risk management function of the Investment Manager, Administrator and the Sub-Administrator; reviewed the risks associated with the valuation of investments and reviewed the Company's procedures concerning prevention and detection of fraud.

The Board requested that the Committee advise them on whether it believes the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Committee's terms of reference were updated during the year and can be found on the Company's website <https://www.nbgmif.com>.

At its five meetings during the year, the Committee focused on:

Financial Reporting

The primary role of the Committee in relation to financial reporting is to review with the Investment Manager, Company Secretary, Administrator, Sub-Administrator and PwC the appropriateness of the Half-Year and Annual Financial Statements concentrating on, amongst other matters:

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- Material areas in which significant judgements and estimates have been applied or where there has been discussion with the external auditor;
- The viability of the Company, taking into account the principal risks it faces;
- Whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- Any correspondence from regulators in relation to the quality of the Company's financial reporting.

To aid its review, the Committee considers reports from the Investment Manager, Company Secretary, Administrator, Sub-Administrator and also reports from the external auditor on the outcomes of their half-year review and annual audit.

Significant Issues

In relation to this Annual Report the following significant issue was considered by the Committee:

SIGNIFICANT ISSUE	HOW THE ISSUE WAS ADDRESSED
The valuation of the Company's investments	The Committee analysed the investment portfolio of the Company in terms of investment mix, fair value hierarchy and valuation. As explained in Note 2 the majority of the investment portfolio is at Level 2 of the fair value hierarchy which requires market corroborated inputs for the calculation of fair value. The Committee discussed in depth with the Investment Manager the appropriateness and robustness of the multi-sourced pricing information used. The Committee had meetings with PwC, where the audit findings were reported. PwC did not notify the Committee of any reportable differences between the valuations used by the Company or the custodian's confirmation of holdings and the results of their independent checks on these areas. Based on the above review and analysis the Committee confirmed that they were satisfied with the valuation of the investments.

Internal Controls and Risk Management

The Committee has established a process for identifying, evaluating and managing any major risks faced by the Company, including emerging and principal risks. The process is subject to regular review by the Board and accords with the AIC Code.

The Committee is responsible to the Board for the Company's system of internal financial and operating controls and for reviewing its effectiveness. However, the system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Committee has received and reviewed the Systems and Organisation 1 Controls report of the Sub-Administrator covering the 12 month period to 30 September 2020 and there were no deficiencies.

The Committee receives reports from the Investment Manager on the Company's risk evaluation process and reviews changes to significant risks identified. The Committee has undertaken a full review of the Company's business risks, which have been analysed and recorded in a risk report, which is reviewed and updated regularly. The Board receives each quarter from the Investment Manager a formal report which details the steps taken to monitor the areas of risk including those that are not directly the responsibility of the Investment Manager and which reports the details of any known internal control failures.

The Board's assessment of the Company's principal risks and uncertainties is set out on pages 23 to 27.

External Audit

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. The Committee received a detailed audit plan from PwC identifying their assessment of the significant audit risks. For the 2020 financial year the significant audit risks identified were in relation to the risk of management override of controls and the valuation of investments. The Committee challenged the work performed by the auditor to test these significant risks. The Committee assessed the effectiveness of the half-year review and year end audit process in addressing these matters through the reporting received from PwC at both the half-year and year end respectively. In addition, the Committee sought feedback from the Investment Manager, Company Secretary, the Administrator and Sub-Administrator on the effectiveness of the audit process. For the 2020 financial year, the Committee was satisfied that there had been appropriate focus and challenge on the significant and other areas of audit risk and assessed the quality of the audit process to be good.

The Committee concluded that the effectiveness of the external auditor and the audit process were satisfactory.

Appointment and Independence

The Committee considers the reappointment of the external auditor, including the rotation of the audit partner, and assesses their independence on an annual basis. The external auditor is required under applicable Ethical Standards to rotate the audit partner responsible for the audit every five years. In its assessment of the independence of PwC, the Committee received confirmation that there were no relationships between the Company and PwC which may have compromised PwC's independence and that PwC had completed all relevant checks to be able to confirm this. The Committee approved the fees for audit services for 2020 after a review of the level and nature of work to be performed, and after being satisfied that the fees were appropriate for the scope of the work required. The Company is incorporated in Guernsey, and therefore despite being listed on the Main Market of the London Stock Exchange it is not required to comply with The Statutory Audit Services for Larger Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "Order") which came into force in the UK on 1 January 2015. The Committee does however keep these developments under review when determining policy on audit tendering and the Company has decided it will seek to comply with the provisions of the Order.

The Company is guided by the EU Audit Regulations and EU Audit Directive to put the external audit out to tender at least every ten years. As 2020 was the tenth annual audit completed by PwC, the Committee and the Board conducted a tender process in respect of the position of external auditor to the Company. The tender process included proposal requests being submitted to firms considered by the Audit Committee as having sufficient expertise in the audit of listed investment companies and the asset class of the Company to conduct an effective audit, including receiving assurances that any prospective firm would commit sufficient resource to the audit to avoid any risks to efficiency, whilst avoiding disproportionate cost overruns. A further key issue was that the firms invited were independent of the Company. Having undertaken a rigorous assessment of the proposals received from each of the four firms invited to participate in this process, the Board (acting on the recommendation of the Audit Committee) was satisfied that KPMG Channel Islands Limited best demonstrated the requisite skills, experience, resources and value for money to undertake the role of external auditor. Therefore upon publication of this Annual Report and Financial Statements, KPMG Channel Islands Limited will be appointed the external auditor and will be recommended to shareholders for re-appointment at the subsequent general meeting. There are no contractual obligations restricting the Committee's choice of external auditor and the Company does not indemnify the external auditor.

Audit and Risk Committee Report (continued)

Non-Audit Services

To safeguard the objectivity and independence of the external auditor, the Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. During the year the policy was removed from the Terms of Reference to now be a stand-alone document and has recently been updated to reflect the FRC's Revised Ethical Standard published on 17 December 2019. The external auditor and the Committee have agreed that all non-audit services require the pre-approval of the Committee prior to the commencement of any work.

PwC was remunerated £128,339 for services rendered in 2020. Of this amount, £99,820 was in relation to the year-end audit and £28,519 for procedures performed in respect to the half-year review. No other non-audit services were undertaken by PwC for the Company during the year.

Committee Evaluation

The Committee's activities formed part of the Board evaluation performed in the year. Details of this process can be found under "Performance evaluation" on page 44. The Committee was satisfied that it had undertaken its duties efficiently and effectively.

David Staples

On behalf of the Audit and Risk Committee

19 April 2021

Management Engagement Committee (“MEC”) Report

Membership

Sandra Platts – Chairman	(Independent non-executive Director)
Richard Battey ¹	(Independent non-executive Director)
Rupert Dorey ²	(Company Chairman and independent non-executive Director)
Laure Duhot ³	(Independent non-executive Director)
David Staples	(Independent non-executive Director)

1 Richard Battey stepped down as a director at the AGM on 11 June 2020.

2 The Board believes it is appropriate for the Company Chairman to be a member of the Committee as he is deemed by the Board to be an independent non-executive Director, it is a small board and the Chairman’s financial background and experience of the asset class is valuable to the Committee.

3 Laure Duhot was appointed as a member of the MEC on 25 November 2020.

Key Objectives

To review performance of all service providers (including the Investment Manager).

Responsibilities

- To annually review the performance, relationships and contractual terms of all service providers (including the Investment Manager);
- Review and make recommendations on any proposed amendment to the Investment Management Agreement (“IMA”); and
- To review the performance of, and contractual arrangements with the Investment Manager including:
 - Monitor and evaluate the Investment Manager’s investment performance and, if necessary, providing appropriate guidance;
 - To consider whether an independent appraisal of the Investment Manager’s services should be made;
 - To consider requiring the Investment Manager to provide attribution and volatility analyses and considering whether these should be published;
 - Review the level and method of remuneration and the notice period, using peer group comparisons.

MEC Meetings

Only members of the MEC and the Secretary have the right to attend MEC meetings. However, representatives of the Investment Manager, Administrator and Sub-Administrator may be invited by the MEC to attend meetings as and when appropriate.

Main Activities during the year

The MEC met once during the year and reviewed the performance, relationships and contractual terms of all service providers as at 25 November 2020 including the Investment Manager. The MEC reviewed the terms of reference for the MEC and recommended to the Board that revised Terms of Reference be adopted. The current Terms of Reference are available on the Company’s website <https://www.nbgmif.com>. Furthermore, the MEC reviewed the approaches to cyber security by its service providers.

Due to the governmental restrictions on travel to and from Guernsey due to the ongoing COVID-19 pandemic, the Committee was unable to physically visit the offices of the Investment Manager, as it has done in previous years. As such, for 2020, the Committee undertook a verbal appraisal of the performance of the Investment Manager, noting that the Board had met extensively with the Investment Manager during the year due to the change of investment policy and other strategic changes during 2020.

Effective 8 September 2020 the Company entered into an amendment to the IMA amending the Investment Manager’s fee to 0.75% of NAV on the first £500m of the NAV, 0.70% on £500m to £750m of the NAV, 0.65% on £750m to £1bn of the NAV and 0.60% on any amount greater than £1bn of the NAV.

In February 2020, a due diligence visit was carried out by the Board with U.S. Bank Global Fund Services (Ireland) Limited and no concerns were raised with respect to their operations, controls or processes.

Management Engagement Committee (“MEC”) Report (continued)

Continued Appointment of the Investment Manager and other Service Providers

The Board reviews investment performance at each Board meeting and a formal review of all service providers is conducted annually by the MEC. The annual third-party service provider review process includes two-way feedback, which provides the Board with an opportunity to understand the views, experiences and any significant issues encountered by service providers during the year. As part of the Board’s annual performance evaluation, feedback is received on the quality of service and the effectiveness of the working relationships with each of the Company’s key service providers.

As a result of the 2020 annual review it is the opinion of the Directors that the continued appointment of the Investment Manager and the other current service providers on the terms agreed is in the interest of the Company’s shareholders as a whole. The Board considers that the Investment Manager has extensive investment management resources and wide experience in managing investments and is satisfied with the quality and competitiveness of the fee arrangements of the Investment Manager and the Company’s other service providers.

Sandra Platts

On behalf of the Management Engagement Committee

19 April 2021

Remuneration and Nomination Committee (“RNC”) Report

Membership

Sandra Platts – Chairman	(Independent non-executive Director)
Richard Battey ¹	(Independent non-executive Director)
Rupert Dorey ²	(Company Chairman and independent non-executive Director)
Laure Duhot ³	(Independent non-executive Director)
David Staples	(Independent non-executive Director)

1 Richard Battey stepped down as a director at the AGM on 11 June 2020.

2 The Board believes it is appropriate for the Company Chairman to be a member of the Committee as he is deemed by the Board to be an independent non-executive Director, it is a small board and the Chairman’s financial background and experience of the asset class is valuable to the Committee.

3 Laure Duhot was appointed as a member of the RNC on 25 November 2020.

Key Objectives

To ensure the Board comprises individuals with the necessary skills, knowledge and experience such that it is effective in discharging its responsibilities and oversight of all matters relating to corporate governance, and to review the on-going appropriateness and relevance of the remuneration policy. Having considered the size of the Board and the nature, scale and complexity of the Company, the Board is satisfied that all Directors are appointed as members of the RNC.

Responsibilities

- Determine the remuneration of the Directors;
- Prepare an annual report on Directors’ remuneration;
- Considers the need to appoint external remuneration consultants;
- Regularly review and make recommendations in relation to the structure, size and composition of the Board including the diversity and balance of skills, knowledge and experience, and the independence of the non-executive Directors;
- Oversees the performance evaluation of the Board, its committees and individual Directors (see page 44);
- Reviews the tenure of each of the non-executive Directors;
- Leads the process for identifying and making recommendations to the Board regarding candidates for appointment as Directors, giving full consideration to succession planning and the leadership needs of the Company;
- Makes recommendations to the Board on the composition of the Board’s committees; and
- Is responsible for the oversight of all matters relating to corporate governance, bringing any issues to the attention of the Board.

RNC Meetings

Only members of the RNC and the Secretary have the right to attend RNC meetings. However, representatives of the Investment Manager, Administrator and Sub-Administrator are invited by the RNC to attend meetings as and when appropriate. In the event there are matters arising concerning either an individual’s membership of the Board or their remuneration, they would absent themselves from the meeting as required and another independent non-executive Director would take the chair if this applied to the RNC Chairman.

Main Activities during the year

The RNC met once during the year and considered succession planning and replenishment of the Board and reviewed Directors’ remuneration. The RNC also reviewed the results of the annual evaluation of the performance of the Board and its committees, the Chairman and individual directors which was carried out by way of internal evaluation questionnaire and discussion. The RNC considered that the results provided confirmed the continued appropriateness of the balance of skills, experience, independence and knowledge of the Company and that the activities of the Board continued to be effective in promoting the strategy, and the long-term sustainable success of the Company.

Remuneration and Nomination Committee (“RNC”) Report (continued)

A recruitment process took place in 2020, with the aim of securing a replacement in 2020, to provide Sandra Platts as Chair of the Remuneration and Nomination Committee and Chair of the Management Engagement Committee, adequate time to hand over responsibilities to the replacement director. Following a detailed and thorough recruitment process, including meetings with the Board and representatives the Investment Adviser, Laure Duhot was appointed as a director of the Company on 25 November 2020. No external recruitment consultant or advisor was used during the recruitment process.

The terms of reference for the RNC were reviewed and the Board adopted revised terms of reference for the RNC. The revised terms of reference are available on the Company’s website at <https://www.nbgmif.com>. The Board’s diversity policy was agreed in March 2012 and in the 2018 Annual Report the Board set an objective to meet 33% female representation during 2020. The Board supports the recommendations of the Davies Report and Hampton-Alexander Review, notes the recommendations of the Parker Review and believes in and values the importance of diversity, including gender, to the effective functioning of the Board. At 31 December 2020, the Board had 50% female representation, however after Sandra Platts steps down at the 2021 AGM, this figure will be 33% during 2021 as pledged. The Board continues to focus on encouraging diversity of business skills and experience, recognising that Directors with diverse skills sets, capabilities and experience gained from different backgrounds enhance the Board. The RNC will continue to recommend the appointment of female directors as appropriate but not to the exclusion of all other considerations such as the specialist skill set relevant to the Company’s investment activities and merit.

It was recommended to the Board that David Staples fill the role of the SID following Richard Battey’s departure at the 2020 AGM. The Board approved this recommendation.

The RNC reviewed the fees paid to the Board of Directors and proposed to retain the current levels. In line with the Company’s remuneration policy, fees will continue to be reviewed to ensure that they remain appropriate reflecting the time commitment and responsibilities of the role.

Further, the RNC considered the remuneration policy and agreed that it remained appropriately positioned. A detailed “Directors’ Remuneration Report” to shareholders from the RNC on behalf of the Board, is contained on pages 55 to 57.

Sandra Platts

On behalf of the Remuneration and Nomination Committee

19 April 2021

Directors' Remuneration Report

Annual Statement

This report meets the relevant requirements of the Listing Rules of the FCA and the AIC Code and describes how the Board has applied the principles relating to Directors' remuneration. An ordinary resolution to receive and approve this report will be proposed at the AGM on 14 June 2021.

Directors' Fees

The Company paid the following fees to the Directors for the years ended 31 December 2020 and 31 December 2019:

	ROLE	TOTAL BOARD FEES 2020 US\$	TOTAL BOARD FEES 2019 US\$
Rupert Dorey	Chairman Member of Remuneration and Nomination Committee Member of Audit and Risk Committee Member of Management Engagement Committee	63,220	63,860
Richard Battey ¹	Member of the Audit and Risk Committee Member of Remuneration and Nomination Committee Member of Management Engagement Committee Senior Independent Director	24,431	54,920
Laure Duhot ²	Member of the Audit and Risk Committee Member of Remuneration and Nomination Committee Member of Management Engagement Committee	5,227	–
Sandra Platts	Chairman of the Remuneration and Nomination Committee Chairman of the Management Engagement Committee Member of Audit and Risk Committee	59,290	58,752
David Staples ³	Chairman of Audit and Risk Committee Member of the Remuneration and Nomination Committee Member of the Management Engagement Committee Senior Independent Director	61,731	58,752
Total		213,899	236,284

1 Richard Battey resigned as a Director of the Company on 11 June 2020.

2 Laure Duhot was appointed a Director of the Company on 25 November 2020.

3 David Staples was appointed Senior Independent Director on 11 June 2020.

No other remuneration or compensation was paid or is payable by the Company during the year to any of the Directors, other than reimbursed travel expenses of \$2,206 (31 December 2019: \$2,846).

Please refer to Note 3 for more details on Directors' remuneration.

Changes to the Board

During the year, Richard Battey stepped down as a Director on 11 June 2020 and Laure Duhot was appointed to the Board on 25 November 2020.

Remuneration Policy

The determination of the Directors' fees is a matter dealt with by the RNC and the Board. The RNC considers the remuneration policy annually to ensure that it remains appropriately positioned and takes into account any expected changes in time commitments. Directors will review the fees

Directors' Remuneration Report (continued)

paid to the boards of directors of similar investment companies. No Director is to be involved in decisions relating to individual aspects of his or her own remuneration, however the Board as a whole sets the level of directors' fees.

No Director has a service contract with the Company and Directors' appointments may be terminated at any time by one month's written notice with no compensation payable at termination.

Directors are authorised to claim reasonable expenses from the Company in relation to the performance of their duties.

The Company's policy is that the fees are payable quarterly in arrears to the Directors and should reflect the time commitment required by the Board on the Company's affairs and the level of responsibility borne by the Directors and should be sufficient to enable high calibre candidates to be recruited and be comparable to those paid by similar companies. It is not considered appropriate that the Directors' remuneration should be performance related, and none of the Directors are eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company. During the year ended 2020, the policy was for the Chairman of the Board and Chairman of the other Committees to be paid a higher fee than the other Directors in recognition of their more onerous roles and more time spent. The Board may amend the level of remuneration paid within the limits of the Company's Articles.

The Company's Articles limit the aggregate fees payable to the Board of Directors to a total of £500,000 per annum. The Chairman of the RNC may consult with principal shareholders of the Company should it be proposed to exceed the aggregate limit.

Statement by the Chairman of the RNC

In accordance with the Directors' remuneration policy, the Directors' fees were reviewed by the RNC during its meeting in November 2020 where it was recommended that fees should be maintained at the current level (see table below). The level of directors' fees will continue to be reviewed annually by the RNC.

Statement by the Chairman of the RNC

In accordance with the Directors' remuneration policy, the Directors' fees were reviewed by the RNC during its meeting in November 2020 where it was recommended that fees should be maintained at the current level (see table below). The level of directors' fees will continue to be reviewed annually by the RNC.

ROLE	FEE (£)
Non-Executive Director	40,000
Chairman of the Company	50,000
Chairman of the Audit and Risk Committee (additional fee)	6,000
Senior Independent Director (additional fee)	3,000
Chairman of the Remuneration and Nomination Committee (additional fee)	3,000
Chairman of the Management Engagement Committee (additional fee)	3,000

No Director was involved in deciding his or her own remuneration. The level of the directors' fees will continue to be reviewed annually by the RNC.

Service Contracts and Policy on Payment for Loss of Office

Directors are appointed with the expectation that they will stand for annual re-election. Sandra Platts has served since incorporation of the Company. Rupert Dorey was appointed on 1 March 2015 and David Staples was appointed on 14 June 2018. Laure Duhot was appointed on 25 November 2020. Directors may resign at any time by giving one month's notice in writing to the Board. Directors' appointments are reviewed during the annual board evaluation. Directors are not entitled to any payments for loss of office.

No Director has a service contract with the Company. Directors have agreed letters of appointment with the Company. Directors' election is discussed on page 43. The names and biographies of the Directors holding office at the date of this report are listed on page 31. All of the Directors are subject to annual re-election.

Directors' Interests

The Company has not set any requirements or guidelines for Directors concerning ownership of shares in the Company. The beneficial interests of the Directors and their connected persons (where applicable) in the Company's shares are shown on page 87.

Advisors to the RNC

The RNC has not sought the paid advice or professional services by any outside person in respect of its consideration of the Directors' remuneration during 2020. The RNC sought input from the Manager and its Brokers during its deliberations of the remuneration policy.

Statement of Voting at AGM

At the last AGM, votes on the remuneration report were cast as follows:

	FOR NUMBER	AGAINST NUMBER	WITHHELD NUMBER
2020 Remuneration Report	381,880,608	16,426	38,792

Sandra Platts

On behalf of the Remuneration and Nomination Committee

19 April 2021

Directors' Responsibility Statement

The Directors are responsible for preparing the Financial Statements for each financial year, which give a true and fair view, in accordance with applicable Guernsey Law and accounting principles generally accepted in the United States ("US GAAP"), of the state of affairs of the Company and of the profit or loss for the year. In preparing those Financial Statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Law. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that he or she ought to have taken as a Director, in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors confirm to the best of their knowledge that:

- The Financial Statements which have been prepared in conformity with US GAAP give a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.1.12R and are in compliance with the requirements set out in the Law; and
- The Annual Report includes a fair review of the information required by DTR 4.1.8R and DTR 4.1.11R, which provides an indication of important events and a description of principal risks and uncertainties which face the Company.

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

By order of the Board

Rupert Dorey

Chairman

19 April 2021

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB GLOBAL MONTHLY INCOME FUND LIMITED (FORMERLY NB GLOBAL FLOATING RATE INCOME FUND LIMITED)

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of NB Global Monthly Income Fund Limited (the "company") (formerly NB Global Floating Rate Income Fund Limited) as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited

The group's consolidated financial statements comprise:

- the statement of assets and liabilities as at 31 December 2020;
- the condensed schedule of investments as at 31 December 2020;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the audited financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements of the company, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB GLOBAL MONTHLY INCOME FUND LIMITED (FORMERLY NB GLOBAL FLOATING RATE INCOME FUND LIMITED) (CONTINUED)

Our audit approach

Overview

Audit scope

- The company is a closed-ended investment scheme, incorporated and based in Guernsey, whose ordinary shares are admitted to trading with a premium listing on the Main Market of the London Stock Exchange.
 - We conducted our audit of the financial statements from information provided by U.S. Bank Global Fund Services (Ireland) Limited (the "Sub-Administrator") to whom U.S. Bank Global Fund Services (Guernsey) Limited (the "Designated Manager and Administrator") has, with the consent of the board of directors (the "board"), delegated the provision of certain administrative functions.
 - The company engages Neuberger Berman Europe Limited (the "Manager") and Neuberger Berman Investment Advisers LLC (the "Alternative Investment Fund Manager"), collectively (the "Investment Manager") to manage its assets.
 - We conducted our audit work in Guernsey and worked virtually with the Sub-Administrator based in Dublin.
 - The company owned two Luxembourg subsidiaries, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l and NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. until the subsidiaries' liquidation on 31 December 2019. The company's financial statements to 31 December 2020 are therefore on a standalone basis, whilst the comparatives to 31 December 2019 are consolidated.
-

Key audit matters

- Valuation of Investments.
 - Management and the directors' consideration of the impact of COVID-19.
-

Materiality

- Overall materiality: \$4.8 million (2019: \$8.7 million) based on 1.5% of total net assets.
 - Performance materiality: \$3.6 million.
-

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter**Valuation of investments**

As detailed in note 2 of the financial statements, the investment portfolio at year end was fair valued at \$297.7 million, comprising global floating rate loans of \$142.8 million, global high yield bonds of \$77.7 million, private debt of \$34.4 million, CLO debt tranches of \$20.8 million, special situations of \$18.1 million, equity investments of \$2.6 million and warrants of \$1.3 million.

We focussed on the valuation of the investment portfolio because it represents the principal element of the net asset value as disclosed on the statement of assets and liabilities. The fair value is based on prices provided by a third party pricing source, in the absence of which, the Investment Manager's pricing committee will determine a valuation as at year-end.

There is a risk that the valuation of investments is not measured correctly in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

How our audit addressed the Key audit matter

- We assessed the investment valuation accounting policy for compliance with US GAAP and performed testing to ensure that the investments had been measured in accordance with the stated accounting policy.
- We understood and evaluated the process and internal controls in place at the Sub-Administrator over the valuation of investments and production of the company's net asset value.
- We tested the valuation of the investment portfolio of global floating rate loans, global high yield bonds, private debt, CLO debt tranches and special situations by independently agreeing the prices used in the valuation to third party sources. For those investments indicated as having relatively low liquidity scores at year-end per third party sources, we challenged the Investment Manager regarding whether there is an active market for these investments. The Investment Manager develops an internal valuation model when an investment does not have a third party price available.
- For the equity investments, we challenged the Investment Manager how the fair value had been derived and inspected the supporting documents such as the Investment Manager's pricing committee minutes including the calculations and collaborative evidence to the valuation.
- We independently recalculated the fair value for the warrants based on the exercise price and underlying stock's share price as at year-end.
- Back-testing was performed for a sample of disposals to compare the sales transaction price to the most recently recorded valuation provided by the third party pricing provider prior to the disposal which provided additional evidence over the reliability of the valuation data from the third party providers engaged in the valuation process.
- We assessed if the fair value hierarchy levelling was in line with US GAAP.

We have not identified any matters to report to those charged with governance.

Independent Auditor's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB GLOBAL MONTHLY INCOME FUND LIMITED (FORMERLY NB GLOBAL FLOATING RATE INCOME FUND LIMITED) (CONTINUED)

Key audit matter	How our audit addressed the Key audit matter
<p>Management and the directors' consideration of the impact of COVID-19</p> <p>Management and the directors have considered the impact of the pandemic, COVID-19, on the current and future operations of the company. In doing so, management have made estimates and judgements that are critical to the outcomes of these considerations with a particular focus on the company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.</p> <p>As a result of the impact of COVID-19 on the wider financial markets and the company's share price, we have determined management and the Directors' consideration of the impact of COVID-19 (including their associated estimates and judgements) to be a key audit matter.</p> <p>Refer to the Chairman's Statement and Investment Manager's Report for management and the directors' consideration of COVID-19's impact to the company.</p>	<ul style="list-style-type: none"> • We obtained management's latest assessment that supports the directors' conclusion with respect to the going concern statement. • We discussed with management the estimates and judgements applied in their assessment so we could understand and challenge the rationale underlying factors incorporated and the sensitivities applied as a result of COVID-19. • We inspected the assessment provided to evaluate consistency with our understanding of the operations of the company, the investment portfolio and with any market commentary already made by the Investment Manager. • We reviewed the assessment's stress testing to evaluate whether a balanced range of outcomes were considered on the impact of COVID-19 on the company. • We considered the appropriateness of the disclosures made by management and the directors in respect to the impact of COVID-19 on the current and future operations of the company. • From our review of directors' meetings minutes, we noted that the directors have analysed and are satisfied with the business continuity plans of all key service providers as part of their COVID-19 operational resilience review. • In discussing, challenging and evaluating the estimates and judgements made by management and the directors in their assessment, the following factors were considered to be fundamental in their consideration of the potential impact of COVID-19 on the current and future operations of the company and which support the going concern statement: <ul style="list-style-type: none"> o The company currently has no notices of default within its investment portfolio; o The company is not levered as at 19 April 2021, and there are currently no plans to enter into borrowing facilities; o Whilst some sectors have had and will continue to have a higher degree of impact relative to other sectors, the investment portfolio is considered by management and the board to have sufficient diversification across industries. We note that management and the directors remain confident in the fundamentals of the markets in which the company's assets are located and the borrowers' business plans for these assets over the medium to long term. <p>Based on our procedures, we have not identified any matters to report with respect to both management's and the directors' consideration of the impact of COVID-19 on the current and future operations of the company, albeit we also acknowledge that the situation continues to evolve.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	\$4.8 million (2019: \$8.7 million)
How we determined it	1.5% of total net assets
Rationale for the materiality benchmark	We believe that total net assets is the most appropriate benchmark because this is the key metric of interest to members of the company. It is also a generally accepted measure used for companies in this industry. We believe a separate materiality benchmark for the statement of operations is not appropriate, as the primary consideration for members of the company is asset preservation.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to \$3.6 million for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above \$0.2 million (2019: \$0.4 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The directors are responsible for the other information. The other information comprises all the information included in the 2020 Annual Report (the "Annual Report") but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent Auditor's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB GLOBAL MONTHLY INCOME FUND LIMITED (FORMERLY NB GLOBAL FLOATING RATE INCOME FUND LIMITED) (CONTINUED)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibility Statement, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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;
- 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Report on other legal and regulatory requirements

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

The company has reported compliance against the 2019 AIC Code of Corporate Governance (the "Code") which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the company's obligations, as an investment company, under the Listing Rules of the FCA.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent Auditor's Report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NB GLOBAL MONTHLY INCOME FUND LIMITED (FORMERLY NB GLOBAL FLOATING RATE INCOME FUND LIMITED) (CONTINUED)

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Evelyn Brady

For and on behalf of PricewaterhouseCoopers CI LLP

Chartered Accountants and Recognised Auditor

Guernsey, Channel Islands

19 April 2021

Statement of Assets and Liabilities

AS AT 31 DECEMBER 2020 AND 31 DECEMBER 2019

(EXPRESSED IN U.S. DOLLARS)

	NOTES	31 DECEMBER 2020	(CONSOLIDATED) 31 DECEMBER 2019
Assets			
Investments, at fair value (2020: cost of \$295,411,529, 2019: cost of \$534,559,362)	2	297,712,245	525,634,350
Derivative assets, at fair value	2	12,993,970	42,725,487
Cash and cash equivalents, at cost:			
– Sterling		1,795,941	9,359,483
– Euro		3,447,099	1,221,959
– U.S. Dollar		10,651,883	10,486,274
Total cash and cash equivalents		15,894,923	21,067,716
		326,601,138	589,427,553
Other assets			
Receivables for investments sold		7,354,637	10,341,862
Interest receivable		2,044,589	1,751,231
Other receivables and prepayments		130,293	37,390
Total other assets		9,529,519	12,130,483
Total assets		336,130,657	601,558,036
Liabilities			
Payables for investments purchased		17,812,405	10,948,094
Payables to Investment Manager and affiliates	3	567,605	975,430
Derivative liabilities, at fair value	2	108,468	6,275,110
Share buyback payable		–	4,997,310
Accrued expenses and other liabilities	3	233,007	329,309
Total liabilities		18,721,485	23,525,253
Total assets less liabilities		317,409,172	578,032,783
Share capital		752,021,562	991,694,915
Accumulated reserves		(434,612,390)	(413,662,132)
Total net assets		317,409,172	578,032,783

The Financial Statements on pages 67 to 77 were approved and authorised for issue by the Board of Directors on 19 April 2021, and signed on its behalf by:

David Staples

Director

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments

AS AT 31 DECEMBER 2020

(EXPRESSED IN U.S. DOLLARS)

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
Portfolio of investments			
Financial investments			
– Private Debt	33,958,211	34,437,669	10.85%
– Special Situations	20,266,537	18,053,663	5.69%
– CLO Debt Tranches	20,809,276	20,794,373	6.55%
– Global High Yield Bonds	74,211,202	77,741,222	24.49%
– Global Floating Rate Loans	141,682,088	142,807,252	44.99%
– Equity	3,037,230	2,564,191	0.81%
– Warrants	1,446,985	1,313,875	0.41%
Total financial investments	295,411,529	297,712,245	93.79%
Forward exchange contracts			
– Euro to Sterling	–	16,210	0.01%
– Sterling to U.S. Dollar	–	14,695,380	4.63%
– U.S. Dollar to Euro	–	(972,747)	(0.31%)
– U.S. Dollar to Sterling	–	(853,341)	(0.27%)
	–	12,885,502	4.06%
Geographic diversity of investment portfolio (domicile of issuer)			
Africa	428,624	439,656	0.14%
Caribbean	21,491,946	21,686,873	6.83%
North America	222,040,653	222,228,205	70.01%
Europe	51,090,007	53,357,511	16.81%
	295,411,529	297,712,245	93.79%

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

(CONSOLIDATED)
AS AT 31 DECEMBER 2019
(EXPRESSED IN U.S. DOLLARS)

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
Portfolio of investments			
Financial investments			
– Global Floating Rate Loans	503,318,028	493,850,029	85.44%
– Global High Yield Bonds	24,580,313	24,793,500	4.29%
– Equity	4,929,319	4,890,215	0.85%
– Warrants	1,731,702	2,100,606	0.36%
Total financial investments	534,559,362	525,634,350	90.94%
Forward exchange contracts			
– Euro to Sterling	–	(5,884,270)	(1.02%)
– Sterling to U.S. Dollar	–	49,510,758	8.57%
– U.S. Dollar to Euro	–	(2,829,075)	(0.49%)
– U.S. Dollar to Sterling	–	(4,347,036)	(0.75%)
	–	36,450,377	6.31%

	COST	FAIR VALUE	FAIR VALUE AS % OF NET ASSETS
Geographic diversity of investment portfolio (domicile of issuer)			
Caribbean	7,108,438	6,768,853	1.17%
North America	461,409,115	453,345,152	78.43%
Europe	66,041,809	65,520,345	11.34%
	534,559,362	525,634,350	90.94%

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

INDUSTRY DIVERSITY OF INVESTMENT PORTFOLIO (EXPRESSED IN U.S. DOLLARS)	31 DECEMBER 2020		(CONSOLIDATED) 31 DECEMBER 2019	
	COST	FAIR VALUE	COST	FAIR VALUE
Aerospace & Defence	3,580,931	3,734,342	5,539,691	5,585,895
Air Transport	3,812,001	4,023,735	606,388	614,759
Automotive	3,638,794	3,907,317	7,853,974	7,963,723
Broadcast Radio & Television	5,569,180	5,315,591	15,393,385	16,193,035
Business Equipment & Services	16,540,266	16,359,847	42,961,842	42,405,859
Building & Development	5,673,567	5,914,375	20,329,662	20,475,968
Cable & Satellite Television	4,176,887	4,287,162	24,468,057	24,773,189
Chemicals & Plastics	7,569,955	7,801,492	10,812,762	10,787,106
Clothing & Textiles	1,089,218	1,113,735	1,124,613	1,073,388
Containers & Glass Products	8,399,895	8,692,676	24,669,420	24,554,571
Drugs	2,336,763	2,340,471	19,422,141	18,765,747
Ecological Services & Equipment	–	–	1,880,752	1,794,592
Electronics/Electrical	27,705,664	27,946,069	43,871,158	42,868,772
Equipment Leasing	682,670	892,500	–	–
Financial Intermediaries	27,342,736	27,598,620	17,500,643	17,196,516
Food Products	2,561,430	2,673,010	2,552,418	2,445,335
Food Service	2,880,703	2,882,709	2,092,615	2,105,100
Food/Drug Retailers	5,499,763	6,069,074	4,994,130	5,153,363
Health Care	37,928,909	37,490,825	57,343,238	55,717,618
Hotels & Casinos	7,657,376	7,869,935	26,928,663	26,867,568
Industrial Equipment	10,900,236	10,921,898	14,526,073	14,472,480
Insurance	6,924,232	6,983,828	15,527,764	15,619,614
Leisure Goods/Activities/Movies	15,659,107	16,484,850	25,935,136	26,019,660
Nonferrous Metals & Minerals	2,263,628	2,446,675	2,089,774	1,802,995
Oil & Gas	35,132,372	34,351,520	40,204,704	36,212,161
Publishing	–	–	1,607,574	1,276,011
Rail Industries	–	–	1,114,400	1,129,598
Retailers (except food and drug)	16,257,890	16,500,222	26,280,028	26,033,313
Steel	3,224,023	3,142,798	8,681,042	8,655,858
Surface Transport	556,729	700,866	1,313,894	1,322,132
Telecommunications/Cellular Communications	20,333,442	20,090,220	35,096,018	34,149,268
Utilities	9,513,162	9,175,883	31,837,403	31,599,156
	295,411,529	297,712,245	534,559,362	525,634,350

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2020, 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				
Intelsat Jackson Holdings	Luxembourg	Telecommunications/Cellular Communications	3,530,407	1.11%
Intelsat Jackson Holdings	Luxembourg	Telecommunications/Cellular Communications	977,063	0.31%
Intelsat DIP 1L 04/20	Luxembourg	Telecommunications/Cellular Communications	830,059	0.26%
Intelsat Jackson Holdings	Luxembourg	Telecommunications/Cellular Communications	509,565	0.16%
Bass Pro Group LLC				
Bass Pro T/L-B 1L USD	United States	Retailers (except food and drug)	5,766,992	1.82%
VVC Holding Corp				
Athenahealth 1L T/L-B 1/19	United States	Health Care	3,448,868	1.09%
Athenahealth 2L T/L-B 1/18	United States	Health Care	1,722,050	0.54%
Brock Holdings III Inc				
Brock Holdings Notes 15% 10/24/22	United States	Business Equipment & Services	2,619,598	0.82%
Brock Holdings III Inc	United States	Business Equipment & Services	2,373,584	0.75%
GTT Communications				
GTT Communications Inc	United States	Telecommunications/Cellular Communications	2,024,118	0.64%
GTT Communications BV	United States	Telecommunications/Cellular Communications	1,063,466	0.34%
GTT Communications 1L DD 1	United States	Telecommunications/Cellular Communications	1,026,532	0.32%
GTT Communications 1L T/L 1	United States	Telecommunications/Cellular Communications	586,590	0.18%
Kleopatra Holdings				
Kleopatra Holdings 2 SCA	Germany	Containers & Glass Products	4,663,721	1.47%
Carnival Corp				
Carnival 1L T/L-06/20	United States	Leisure Goods/Activities/Movies	1,901,594	0.60%
Carnival Corp 7.625% 03/01/26	Panama	Leisure Goods/Activities/Movies	1,291,046	0.41%
Carnival Corp 11.500% 04/01/23	Panama	Leisure Goods/Activities/Movies	965,861	0.30%
Carnival Corp 9.875% 08/01/27	Panama	Leisure Goods/Activities/Movies	161,000	0.05%
EG Finco LTD				
EG Group 2L TL EUR (3/18)	United Kingdom	Retailers (except food and drug)	2,101,040	0.66%
Optfin TL B 1L GBP	United Kingdom	Retailers (except food and drug)	988,238	0.31%
Optfin TL B1 1L EUR	United Kingdom	Retailers (except food and drug)	650,830	0.21%
Optfin TL 2L USD	United States	Retailers (except food and drug)	347,952	0.11%
Epicor Software Corp				
Epicor Software 1L T/L-B 07/20	United States	Electronics/Electrical	2,119,818	0.66%
Epicor Software 2L T/L-B 07/20	United States	Electronics/Electrical	1,571,345	0.50%
Aveanna Healthcare LLC				
Aveanna 1L TL 09/20	United States	Health Care	1,228,788	0.39%
Aveanna 2L TL 02/17	United States	Health Care	995,000	0.31%
Aveanna HEALTHCARE LLC	United States	Health Care	647,497	0.20%
Epic Health 1L TL	United States	Health Care	594,740	0.19%
Granite US Holdings Corp				
Granite US Holdings Corp	United States	Industrial Equipment	2,596,814	0.82%
Granite US Holdings Corp 110% 10/01/27	United States	Industrial Equipment	832,500	0.26%
Realogy Group				
Realogy Group LLC	United States	Building & Development	3,322,500	1.05%
Total			53,459,176	16.84%

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2019, issuers with the following investments comprised of greater than 1% of NAV (Excluding cash):

(CONSOLIDATED)

SECURITIES

(EXPRESSED IN U.S. DOLLARS)

	COUNTRY	INDUSTRY	FAIR VALUE	% OF NAV
Altice France			7,862,950	1.36%
Altice France 1L T/L-B13 (7/18)	France	Cable & Satellite Television	4,171,359	0.73%
Altice France Sa 3.375% 01/15/28 Sr:Regs	France	Cable & Satellite Television	593,118	0.10%
Altice France Sa 5.500% 01/15/28 Sr:Regs	France	Cable & Satellite Television	2,260,610	0.39%
SFRFP T/L B12 1L USD	France	Cable & Satellite Television	837,863	0.14%
Intelsat Jackson			6,929,733	1.20%
Intelsat Jackson Holdings	Luxembourg	Telecommunications/Cellular Communications	3,513,648	0.61%
Intelsat Jackson Holdings	Luxembourg	Telecommunications/Cellular Communications	2,910,088	0.50%
Intelsat Jackson Holdings	Luxembourg	Telecommunications/Cellular Communications	505,997	0.09%
Bass Pro Group			6,462,807	1.12%
Bass Pro T/L-B 1L USD	United States	Retailers (except food and drug)	6,462,807	1.12%
Staples Inc			6,311,334	1.09%
SPLS TL B1 1L USD	United States	Retailers (except food and drug)	4,526,834	0.78%
STAPLES INC 7.500% 04/15/26 SR:REGS	United States	Retailers (except food and drug)	1,784,500	0.31%
Rackspace Hosting			5,778,384	1.00%
Rackspace Hosting Inc	United States	Electronics/Electrical	5,778,384	1.00%
EG FINCO			5,789,515	1.00%
OPTFIN T/L 2L USD	United States	Retailers (except food and drug)	341,842	0.06%
OPTFIN T/L B 1L GBP	United Kingdom	Retailers (except food and drug)	2,543,185	0.44%
OPTFIN T/L B1 1L EUR	United Kingdom	Retailers (except food and drug)	2,904,488	0.50%
Total			39,134,723	6.77%

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2020, the below were the largest 50 investments based on the NAV:

SECURITIES

(EXPRESSED IN U.S. DOLLARS)

	COUNTRY	INDUSTRY	FAIR VALUE \$	%
Bass Pro 1L T/L-B	United States	Retailers (except food and drug)	5,766,992	1.82%
Kleopatra Holdings 2 SCA	Germany	Containers & Glass Products	4,663,721	1.47%
Intelsat Jackson Hldg	Luxembourg	Telecommunications/Cellular Communications	3,530,407	1.11%
Athenahealth 1L T/L-B 1/19	United States	Health Care	3,448,868	1.09%
Realogy Group LLC	United States	Building & Development	3,322,500	1.05%
Enterprise Merger Sub Inc	United States	Health Care	3,096,917	0.98%
Eagleclaw	United States	Oil & Gas	2,994,580	0.94%
Rover	United States	Oil & Gas	2,868,510	0.90%
Team Health Holdings Inc	United States	Health Care	2,866,589	0.90%
Uniti Group Inc	United States	Telecommunications/Cellular Communications	2,802,750	0.88%
Deerfield Duff & Phelps LLC	United States	Business Equipment & Services	2,786,967	0.88%
Constellation Automotive Limited	United Kingdom	Automotive	2,710,939	0.85%
Caprock Midstream LLC	United States	Oil & Gas	2,689,685	0.85%
Playtika Holding Corp	United States	Leisure Goods/Activities/Movies	2,661,648	0.84%
Brock Holdings III Inc	United States	Business Equipment & Services	2,619,598	0.83%
Cineworld Cinemas Holdings Ltd	United States	Leisure Goods/Activities/Movies	2,606,311	0.82%
Granite US Holdings Corp	United States	Industrial Equipment	2,596,814	0.82%
Milano Acquisition LLC	United States	Insurance	2,590,666	0.82%
Medallion Midland Acquisition LP	United States	Oil & Gas	2,541,000	0.80%
Casino Guichard Perrachon SA	France	Food/Drug Retailers	2,479,391	0.78%
First Quantum Minerals Ltd	Canada	Nonferrous Metals & Minerals	2,446,675	0.77%
Traverse Midstream Partners LLC	United States	Oil & Gas	2,414,742	0.76%
Brock Holdings III Inc	United States	Business Equipment & Services	2,373,584	0.75%
Oryx Midstream Holdings LLC	United States	Oil & Gas	2,370,147	0.75%
Mrc Global (US) Inc	United States	Steel	2,293,423	0.72%
Garda World Security Corp (Ontario)	Canada	Business Equipment & Services	2,287,712	0.72%
Asurion LLC	United States	Insurance	2,211,920	0.70%
Ahead DB Borrower LLC	United States	Electronics/Electrical	2,208,510	0.70%
Tallgrass Energy LP	United States	Oil & Gas	2,203,833	0.69%
Epicor Software Corp	United States	Electronics/Electrical	2,119,818	0.67%
Kestrel Acquisition LLC	United States	Utilities	2,118,511	0.67%
Tenet Healthcare Corporation	United States	Health Care	2,110,000	0.66%
Ortho-Clinical Diagnostics Inc	United States	Health Care	2,110,000	0.66%
Eg Finco Ltd	United Kingdom	Retailers (except food and drug)	2,101,040	0.66%
Sophia LP	United States	Electronics/Electrical	2,079,000	0.65%
Dedalus Finance GmbH	Germany	Electronics/Electrical	2,074,106	0.65%
Vivint Inc	United States	Business Equipment & Services	2,058,997	0.65%
Alterra Mountain Co	United States	Leisure Goods/Activities/Movies	2,054,527	0.65%
Lucid Energy Group II Borrower LLC	United States	Oil & Gas	2,034,209	0.64%
GTT Communications Inc	United States	Telecommunications/Cellular Communications	2,024,118	0.64%
MHI Holdings LLC	United States	Industrial Equipment	2,012,018	0.63%
Woof Intermediate Inc	United States	Food Products	2,005,000	0.63%
Consolidated Communications Inc	United States	Telecommunications/Cellular Communications	2,001,344	0.63%
Magnetite CLO Ltd Mgane_15-15X	Cayman Islands	Financial Intermediaries	1,992,168	0.63%
Apidos CLO Apid_20-34X	Cayman Islands	Financial Intermediaries	1,980,478	0.62%
ITT Holdings LLC	United States	Oil & Gas	1,980,000	0.62%
Quantum Health Inc	United States	Health Care	1,975,000	0.62%
Tech Data Corporation	United States	Electronics/Electrical	1,910,412	0.60%
Antero Midstream Partners LP	United States	Oil & Gas	1,904,078	0.60%
Carnival Corp	United States	Leisure Goods/Activities/Movies	1,901,594	0.60%
			125,001,817	39.38%

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Condensed Schedule of Investments (continued)

As at 31 December 2019, the below were the largest 50 investments based on the NAV:

(CONSOLIDATED)

SECURITIES

(EXPRESSED IN U.S. DOLLARS)

	COUNTRY	INDUSTRY	FAIR VALUE \$	%
Bass Pro 1L T/L-B	United States	Retailers (except food and drug)	6,462,807	1.12%
Rackspace Hosting Inc	United States	Electronics/Electrical	5,778,384	1.00%
MPH Acquisition Holdings	United States	Health Care	5,503,729	0.95%
Team Health Holdings Inc	United States	Health Care	4,842,395	0.84%
Mcafee T/L- B 1L USD	United States	Electronics/Electrical	4,775,225	0.83%
Sedgwick 1L T/L-B 11/18	United States	Insurance	4,740,630	0.82%
Bcprap T/L- 1L USD	United States	Oil & Gas	4,722,689	0.82%
Lucid Energy Group	United States	Oil & Gas	4,709,787	0.81%
Sprint Communications 1L T/L-B	United States	Telecommunications/Cellular Communications	4,657,287	0.81%
Garda World 1L T/L-B 10/19	Canada	Business Equipment & Services	4,570,588	0.79%
SPLS T/L 1L USD	United States	Retailers (except food and drug)	4,526,834	0.78%
CH Hold T/L- B 1L USD	United States	Automotive	4,490,893	0.78%
Endo Pharmaceutical 1L T/L-B	United States	Drugs	4,468,710	0.77%
Berry Plastics Group Inc	United States	Containers & Glass Products	4,452,299	0.77%
BCP Renaissance Parent	United States	Oil & Gas	4,446,422	0.77%
DTZ US Borrower LLC	United States	Building & Development	4,405,180	0.76%
Reynolds Group Holdings	United States	Containers & Glass Products	4,313,607	0.75%
Altice France 1L T/L-B13 (7/18)	France	Cable & Satellite Television	4,171,359	0.72%
Formula One 1L T/L-B (1/18)	United Kingdom	Leisure Goods/Activities/Movies	4,144,207	0.72%
Prime Security Services Bor	United States	Business Equipment & Services	4,077,940	0.71%
Applied Systems Inc 1L T/L-B	United States	Electronics/Electrical	4,065,155	0.70%
Berlin Packaging LLC	United States	Containers & Glass Products	4,059,324	0.70%
Medallion Midland Acquisition LLC	United States	Oil & Gas	3,972,891	0.69%
Dakota Holding Corp	United States	Business Equipment & Services	3,966,946	0.69%
Brookfield Wec Holdings	United States	Utilities	3,954,236	0.68%
Seaworld 1L T/L-B5	United States	Leisure Goods/Activities/Movies	3,914,874	0.68%
Caesars Resort Collection LLC	United States	Hotels & Casinos	3,868,079	0.67%
Envision Healthcare Corpora	United States	Health Care	3,852,127	0.67%
Mohegan Tribal Gaming Authority	United States	Hotels & Casinos	3,804,599	0.66%
Centurylink 1L T/L-B	United States	Telecommunications/Cellular Communications	3,760,148	0.65%
Forterra Finance LLC	United States	Building & Development	3,723,552	0.64%
Ortho-Clinical Diagnostics	United States	Health Care	3,664,354	0.63%
Scientific Games International	United States	Hotels & Casinos	3,611,246	0.62%
Frontier Communications	United States	Telecommunications/Cellular Communications	3,608,285	0.62%
Tempo Acquisition LLC	United States	Business Equipment & Services	3,550,376	0.61%
Intelsat Jackson Hldg	Luxembourg	Telecommunications/Cellular Communications	3,513,648	0.61%
Valeant 5/18 T/L-B	United States	Drugs	3,499,118	0.61%
Panther Bf Aggregator 2	United States	Automotive	3,472,829	0.60%
Capmid T/L B 1L USD	United States	Oil & Gas	3,437,327	0.59%
BJ's Wholesale Club Inc	United States	Retailers (except food and drug)	3,425,143	0.59%
Kron T/L B 1L USD	United States	Business Equipment & Services	3,421,182	0.59%
CPN T/L- B9 1L USD	United States	Utilities	3,392,578	0.59%
Traverse Midstream Partners LLC	United States	Oil & Gas	3,387,481	0.59%
Station Casinos Llc	United States	Hotels & Casinos	3,342,306	0.58%
Realogy Group Llc	United States	Building & Development	3,326,584	0.58%
Trident Tpi Holdings Inc	United States	Containers & Glass Products	3,291,190	0.57%
Mauser Packaging Solutions T/L B (Bway)	United States	Containers & Glass Products	3,290,806	0.57%
Hub International Ltd	United States	Insurance	3,269,837	0.57%
TMS International Corp	United States	Steel	3,263,618	0.56%
Nestle Skin 1L T/L-B Eur 7/19	Luxembourg	Health Care	3,236,458	0.56%
			202,207,269	34.99%

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Statement of Operations

(EXPRESSED IN U.S. DOLLARS)	NOTE	1 JANUARY 2020 TO 31 DECEMBER 2020	(CONSOLIDATED) 1 JANUARY 2019 TO 31 DECEMBER 2019
Income			
Interest income net of withholding taxes	2(b)	21,445,286	42,460,228
Other income from investments		279,862	245,421
Total income		21,725,148	42,705,649
Expenses			
Investment management and services	3	2,819,518	5,420,321
Administration and professional fees	3	1,564,479	2,473,432
Directors' fees and travel expenses	3	216,256	245,712
Total expenses		4,600,253	8,139,465
Net investment income		17,124,895	34,566,184
Realised and unrealised gains and losses			
Net realised loss on investments	2(e)	(23,498,335)	(19,780,304)
Net realised gain/(loss) on derivatives	2(e)	16,710,613	(47,630,216)
Total net realised loss		(6,787,722)	(67,410,520)
Net change in unrealised appreciation on investments	2(e)	11,225,729	43,880,603
Net change in unrealised (depreciation)/appreciation on derivatives	2(e)	(23,564,875)	62,207,599
Total net unrealised (depreciation)/appreciation		(12,339,146)	106,088,202
Realised and unrealised gain/(loss) on foreign currency	2(e)	2,286,890	(255,846)
Net realised and unrealised (loss)/gain		(16,839,978)	38,421,836
Net increase in net assets resulting from operations		284,917	72,988,020

Statement of Changes in Net Assets

FOR THE YEAR 1 JANUARY 2020 TO 31 DECEMBER 2020

(EXPRESSED IN U.S. DOLLARS)

VALUE

Net assets as at 1 January 2020	578,032,783
Dividends	(21,235,175)
Net movement from share buybacks and share conversions	(239,673,353)
Net increase in net assets resulting from operations	284,917
Net assets as at 31 December 2020	317,409,172

FOR THE YEAR 1 JANUARY 2019 TO 31 DECEMBER 2019 (CONSOLIDATED)

(EXPRESSED IN U.S. DOLLARS)

VALUE

Net assets as at 1 January 2019	911,886,137
Dividends	(38,500,764)
Net movement from share buybacks and share conversions	(368,340,610)
Net increase in net assets resulting from operations	72,988,020
Net assets as at 31 December 2019	578,032,783

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Statement of Cash Flows

	(CONSOLIDATED)	
	1 JANUARY 2020 TO 31 DECEMBER 2020	1 JANUARY 2019 TO 31 DECEMBER 2019
(EXPRESSED IN U.S. DOLLARS)		
Cash flows from operating activities:		
Net increase in net assets resulting from operations	284,917	72,988,020
Adjustment to reconcile net (decrease)/increase in net assets resulting from operations to net cash provided by operating activities:		
Net realised loss on investments	23,498,335	19,780,304
Net change in unrealised depreciation/(appreciation) on investments and derivatives	12,339,146	(106,088,202)
Net change in unrealised (loss)gain on translation of assets and liabilities	(487,799)	94,887
Amortisation of discounts/premiums	(737,152)	(1,550,354)
Changes in receivables for investments sold	2,987,225	17,804,193
Changes in interest receivable	(293,358)	2,383,161
Changes in other receivables and prepayments	(92,903)	213,415
Changes in payables for investments purchased	6,864,311	(10,267,190)
Changes in payables to Investment Manager and affiliates	(407,825)	(964,131)
Changes in accrued expenses and other liabilities	(96,302)	116,711
Purchase of investments	(399,628,519)	(317,205,799)
Realisation of investments	616,015,170	723,459,553
Net cash provided by operating activities	260,245,246	400,764,568
Cash flows from financing activities:		
Net movement from share buybacks and share swaps	(244,670,663)	(365,603,295)
Dividends paid	(21,235,175)	(38,500,764)
Net cash used in financing activities	(265,905,838)	(404,104,059)
Effect of exchange rate changes on cash	487,799	(94,887)
Net decrease in cash and cash equivalents	(5,172,793)	(3,434,378)
Cash and cash equivalents at beginning of the year	21,067,716	24,502,094
Cash and cash equivalents at end of the year	15,894,923	21,067,716

The accompanying notes on pages 78 to 91 form an integral part of the Financial Statements

Notes to the Audited Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

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. The Company changed its name from NB Global Floating Rate Income Fund Limited to NB Global Monthly Income Fund Limited on 8 September 2020.

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. As per the approved restructuring proposals, the Directors, taking into account market conditions, intend to propose a wind-up of the Company should its NAV drop beneath £150 million from June 2022.

The Company's investment objective is to provide its shareholders with consistent levels of monthly income, while maintaining or increasing the Net Asset Value ("NAV") per Share over time. To pursue its investment objective, the Company invests in credit assets with the following target portfolio allocations: (i) 50-70% in traditional credit, meaning high yield bonds, floating rate loans and investment grade corporate bonds; and (ii) 30-50% in alternative credit, meaning "special situations" (consisting generally of tradeable but less liquid debt securities, such as stressed credit and CLO debt tranches), mezzanine debt, "club" loan transactions (being syndicated lending opportunities presented through the Company's or Investment Manager's relationship with loan arrangers and/or borrowers) and private corporate loans issued directly to borrowers. Investments in alternative credit will not represent more than 50% of Net Asset Value at the time of investment.

The Company's share capital is denominated in Pound Sterling and consists of 323,268,152 Pound Sterling Ordinary Shares as at 31 December 2020, of which 76,083,114 were held in treasury. As at 31 December 2019, the Company's share capital consisted of Pound Sterling Ordinary Shares and U.S. Dollar Ordinary Shares. Effective 3 August 2020 the U.S. Dollar Ordinary Shares were compulsorily converted into Sterling Ordinary Shares and the U.S. Dollar share class was subsequently de-listed and closed.

Up until 31 December 2019, the Company had a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l., which in turn held a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. On 31 December 2019, the two subsidiaries were liquidated. The Company's Financial Statements to 31 December 2020 are therefore on a standalone basis, whilst the comparatives to 31 December 2019 are consolidated as they comprise the Company and its wholly owned subsidiary undertakings.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying Audited Financial Statements have been presented on a going concern basis and in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and The Companies (Guernsey) Law 2008 as amended. The Company is regarded as an Investment Company and it follows the accounting and reporting requirements of the Financial Accounting Standards Board Accounting Standards ("FASB") 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 as well as taking into consideration the impacts of COVID-19 and have determined that 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 no material uncertainties exist and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least one year from the date these Financial Statements were signed. Accordingly, the Directors continued to adopt a going concern basis in preparing these Financial Statements.

New Accounting Standards

In August 2018, Financial Accounting Standards Board ("FASB") issued FASB Accounting Standards Update ("ASU") 2018-13, Fair Value Measurement (Accounting Standards Codification ("ASC") 820) – Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. This ASU is effective for annual periods beginning on or after December 15, 2019, and interim periods within those annual periods. The Company has adopted ASU 2018-13 with effect from 1 January 2020. The impact of ASU 2018-13 on the Company is that it requires description of the measurement uncertainty of the fair values to changes in inputs at the reporting date (clarifies that there is no requirement to disclose future changes). It also adds disclosure requirements for the range and weighted average or other quantitative information that reflects the distribution of significant unobservable inputs used in Level 3 fair values. The Company is now permitted to remove disclosure of the amount and reason for transfers between Level 1 and Level 2.

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

Critical accounting estimates

The area where estimates are significant to the Financial Statements is 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 investment into credit assets with target portfolio allocations as per the Company's investment policy, hence segment reporting is not required.

At no point was there a loss of control over the subsidiaries despite the appointment of the liquidator on 18 December 2019. The agreement with the liquidator and Luxembourg law allowed the Company to terminate the liquidator and the liquidator had to take instructions from the Company therefore, consolidation of the subsidiaries was still appropriate at end of 31 December 2019.

(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 translation

Monetary assets and liabilities denominated in a currency other than U.S. Dollars are translated into U.S. Dollar equivalents using spot rates as at the reporting date. On initial recognition, a foreign currency transaction is recorded and translated at the spot exchange rate at the transaction date. Non-monetary assets and liabilities 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 2020 were 1.36720 USD: 1GBP and 1.22360 USD: 1EUR (31 December 2019 were 1.32475 USD: 1GBP and 1.12250 USD: 1EUR).

(e) Fair Value of Financial Instruments and derivatives

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 2020 to estimate the fair value of each class of financial instruments:

- Valuation of financial investments – The special situations, CLO debt tranches, private debt, global floating rate loans, warrants and bonds are valued at bid price. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company. 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.

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Cash and cash equivalents – The net realisable value is a reasonable estimate of fair value due to the short-term nature of these instruments.
- Receivables for investments sold – The net realisable value reasonably approximates fair value as they reflect the value at which investments are sold to a willing buyer and settlement period on their balances is short term.
- Interest receivables – The net realisable value reasonably approximates fair value.
- Other receivables – The net realisable value reasonably approximates fair value.
- Private Debt - For the primary issuance of private debt investments, the valuation is based on a discount cash flow (DCF) approach.
- Derivatives – The Company estimates fair values of derivatives based on the latest available forward exchange rates.
- Payables for investments purchased – The net realisable value reasonably approximates fair value as they reflect the value at which investments are purchased from a willing seller and settlement period on their balances is short term.
- Payables to the Investment Manager and affiliates – The net realisable value reasonably approximates fair value.
- Accrued expenses and other liabilities – The net realisable value reasonably approximates fair value.

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

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

Level 1: 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 following table details the Company's financial instruments that were accounted for at fair value as at 31 December 2020.

FINANCIAL INSTRUMENTS AT FAIR VALUE AS AT 31 DECEMBER 2020

FINANCIAL INVESTMENTS	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Private Debt	–	24,264,306	10,173,363	34,437,669
Special Situations	–	18,053,663	–	18,053,663
CLO Debt Tranches	–	19,694,373	1,100,000	20,794,373
Global High Yield	–	75,121,624	2,619,598	77,741,222
Global Floating Rate Loans	–	127,310,378	15,496,874	142,807,252
Equity	–	190,607	2,373,584	2,564,191
Warrants	–	–	1,313,875	1,313,875
Total financial investments	–	264,634,951	33,077,294	297,712,245

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Balance at start of the year	1,503,253	495,662,575	28,468,522	525,634,350
Purchases during the year ¹	117,601	391,420,018	27,609,409	419,147,028
Sales during the year ¹	(726,452)	(620,534,224)	(14,273,003)	(635,533,679)
Realised loss on investments	(1,283,238)	(18,420,018)	(3,795,079)	(23,498,335)
Unrealised loss on revaluation	388,836	9,586,606	1,250,287	11,225,729
Amortisation	–	737,152	–	737,152
Transfer from Level 3 to Level 2	–	6,182,842	(6,182,842)	–
Balance at end of the year	–	264,634,951	33,077,294	297,712,245

¹ Included in these figures is \$19,518,509 of non-cash transactions. These arose due to the repricing and restructuring of certain investments during the year. These have been excluded from the sales and purchases in the cash flow statement on page 77.

DERIVATIVES AT FAIR VALUE AS AT 31 DECEMBER 2020

FINANCIAL ASSETS	NO. OF CONTRACTS	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Derivatives (for hedging purposes only)	14	–	12,993,970	–	12,993,970
FINANCIAL LIABILITIES					
Derivatives (for hedging purposes only)	4	–	(108,468)	–	(108,468)
Total	18	–	12,885,502	–	12,885,502

The following table details the Company's financial instruments that were accounted for at fair value as at 31 December 2019.

FINANCIAL INSTRUMENTS AT FAIR VALUE AS AT 31 DECEMBER 2019 (CONSOLIDATED)

FINANCIAL INVESTMENTS	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Global Floating Rate Loans	–	472,325,980	21,524,049	493,850,029
Global High Yield Bonds	–	22,526,676	2,266,824	24,793,500
Equity	1,503,253	419,982	2,966,980	4,890,215
Warrants	–	389,937	1,710,669	2,100,606
Total financial investments	1,503,253	495,662,575	28,468,522	525,634,350
	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Balance at start of the year	286,629	856,659,155	49,291,665	906,237,449
Purchases during the year ¹	1,561,142	321,227,658	12,973,073	335,761,873
Sales during the year ¹	–	(713,803,222)	(28,212,403)	(742,015,625)
Realised loss on investments	–	(19,755,825)	(24,479)	(19,780,304)
Unrealised loss on revaluation	(344,518)	41,679,226	2,545,895	43,880,603
Amortisation	–	1,550,354	–	1,550,354
Transfer from Level 2 to Level 3	–	(12,488,548)	12,488,548	–
Transfer from Level 3 to Level 2	–	20,593,777	(20,593,777)	–
Balance at end of the year	1,503,253	495,662,575	28,468,522	525,634,350

¹ Included in these figures is \$18,556,073 of non-cash transactions. These arose due to the repricing and restructuring of certain investments during the year. These have been excluded from the sales and purchases in the cash flow statement on page 77.

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2019
(CONSOLIDATED)**

FINANCIAL ASSETS	NO. OF CONTRACTS	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Derivatives (for hedging purposes only)	33	–	42,725,487	–	42,725,487
FINANCIAL LIABILITIES					
Derivatives (for hedging purposes only)	48	–	(6,275,110)	–	(6,275,110)
Total	81	–	36,450,377	–	36,450,377

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. All derivative trades have an enforceable master netting agreement so the net amount based on this is the same as the net amount disclosed in the Statement of Assets and Liabilities. As at 31 December 2020, there were 5 counterparties for the forward contracts (31 December 2019: two).

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

The following tables summarise the significant unobservable inputs the Company used to value its investments categorised within Level 3 at 31 December 2020. 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 2020

SECTOR	FAIR VALUE (\$)	PRIMARY VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE/ INPUT*	WEIGHTED AVERAGE
Private Debt	10,173,363	Vendor Pricing	Unadjusted Broker Quote	1	N/A
CLO Debt Tranches	1,100,000	Vendor Pricing	Unadjusted Broker Quote	1	N/A
Global High Yield	2,619,598	Vendor Pricing	Enterprise Value	N/A	N/A
Global Floating Rate Loans	15,496,875	Vendor Pricing	Enterprise Value	1	N/A
Equity	2,373,584	Market Comparables	EBITDA multiple	4-18	N/A
Warrants	1,313,875	Vendor Pricing	Exercise Price	N/A	N/A
Total	33,077,295				

* 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 2019 (CONSOLIDATED)

SECTOR	FAIR VALUE (\$)	PRIMARY VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE/INPUT*
Global Floating Rate Loans	21,524,049	Vendor Pricing	Unadjusted Broker Quote	1
Equity	4,677,649	Market Comparables	EBITDA multiple	4-11
Corporate Bonds	2,266,824	Vendor Pricing	Enterprise Value	N/A
Total	28,468,522			

* 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.

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

PRIMARY UNDERLYING RISK	FOR THE YEAR ENDED 31 DECEMBER 2020 (\$)	FOR THE YEAR ENDED 31 DECEMBER 2019 (\$)
Net realised gain/(loss) on derivatives	16,710,613	(47,630,216)
Net change in unrealised (depreciation)/appreciation on derivatives	(23,564,875)	62,207,599
Total	(6,854,262)	14,577,383

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

There is no collateral for forward contracts.

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

The Company uses independent third party vendors to price its portfolio. As part of its valuation process, the AIFM evaluates the number of broker quotes that combine to make up the valuation provided by these vendors and if it believes that the number of broker quotes is not sufficient to ensure a Level 2 price it designates those positions Level 3. As at 31 December 2020 the AIFM designated 14 (31 December 2019: 10) of its Global Floating Rate loans, 8 (31 December 2019: 0) of its Private Debt loans, 1 (31 December 2019: 0) Global High Yield Bond and 2 (31 December 2019: 0) CLO Debt Tranches at Level 3. With respect to the level 3 equity positions, the Investment Manager's Investment Committee has derived the fair value, based on comparable companies in similar industries. Level 1 positions are listed on an exchange. Level 2 positions are observable pricing inputs in active markets and fair value is determined through use of models or other valuation methodologies.

The net realised and unrealised gain/(loss) on investments shown in the Statement of Operations for the year ended 31 December 2020 by type of investment is as follows:

FOR THE YEAR ENDED 31 DECEMBER 2020

(EXPRESSED IN U.S. DOLLARS)

Realised gain on investments	3,438,583
Realised loss on investments	(26,936,918)
	(23,498,335)
Realised gain on derivatives	84,143,012
Realised loss on derivatives	(67,432,399)
	16,710,613
Unrealised gain on investments	17,333,254
Unrealised loss on investments	(6,107,525)
	11,225,729
Unrealised gain on derivatives	30,702,956
Unrealised loss on derivatives	(54,267,831)
	(23,564,875)
Realised and unrealised gain on foreign currency transactions	3,538,994
Realised and unrealised loss on foreign currency transactions	(1,252,104)
	2,286,890

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The net realised and unrealised gain/(loss) on investments shown in the Statement of Operations for the year ended 31 December 2019 by type of investment is as follows:

FOR THE YEAR ENDED 31 DECEMBER 2019 (CONSOLIDATED)

(EXPRESSED IN U.S. DOLLARS)

Realised gain on investments	6,514,187
Realised loss on investments	(26,294,491)
	(19,780,304)
Realised gain on derivatives	106,522,249
Realised loss on derivatives	(154,152,465)
	(47,630,216)
Unrealised gain on investments	52,801,948
Unrealised loss on investments	(8,921,345)
	43,880,603
Unrealised gain on derivatives	84,252,646
Unrealised loss on derivatives	(22,045,047)
	62,207,599
Realised and unrealised gain on foreign currency transactions	1,586,276
Realised and unrealised loss on foreign currency transactions	(1,842,122)
	(255,846)

(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.

Operating expenses are recognised on an accruals basis. Operating expenses include amounts directly or indirectly incurred by the Company as part of its operations. Any costs incurred by a share buyback and by a re-issue of shares held in treasury will be charged to that share class.

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 year. Quoted investments are valued according to their bid price as at the close of the relevant reporting date. Investments in private securities are priced at the bid price using a pricing service for private loans. Asset backed securities are valued according to their bid price. If a price cannot be ascertained from the above sources, the Company will seek bid prices from third party broker/dealer quotes for the investments. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company.

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

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

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

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 their 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. The Company filed tax returns for its Luxembourg entities. Corporate taxes incurred at the Luxembourg subsidiaries' level totalled €Nil (31 December 2019: €72,374) and as these amounts are not considered material by the Directors, they have not been separately disclosed on the Statement of Operations. As of 31 December 2020, withholding taxes receivable (reclaimed) totalled \$93,484.

The changes to the Company's discount control mechanisms approved by shareholders at the 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 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 will be required to calculate its income in accordance with the relevant rules applicable to offshore reporting funds and report the same to shareholders.

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. The Company guaranteed to the Liquidator of the Luxembourg Subsidiaries to pay surplus of 1) tax liabilities, 2) costs and expenses related to the liquidation.

As of 31 December 2020, 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 2019: Nil).

(i) Dividends

Dividends are expensed in the Statement of Changes in Net Assets in the period in which the dividends are paid.

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3 – AGREEMENTS AND RELATED PARTIES TRANSACTIONS

Investment Management Agreement

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

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

The Sub-Investment Management Agreement was terminated on 17 July 2014 and the Sub-Investment Manager was appointed as the AIFM per the amended and restated Investment Management Agreement (“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 again effective 8 September 2020 to reflect further changes to the Investment Manager’s fees.

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 and generally will not submit individual investment decisions for approval by the Board. The Manager provides certain administrative services to the Company.

The IMA was amended on 8 September 2020 and the Investment Manager thereafter is 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%

For the year ended 31 December 2020, the management fee expense was \$2,819,518 (31 December 2019: \$5,420,321), of which \$567,605 (31 December 2019: \$975,430) was unpaid at the year end.

The Manager is not entitled to a performance fee.

Administration, Custody and Company Secretary Agreement

Effective 1 March 2015, the Company entered into an Administration and Sub-Administrator agreement with U.S. 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 11 November 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 2020, the administration fee was \$237,953 (31 December 2019: \$421,132) of which \$13,538 (31 December 2019: \$30,657) was unpaid at the year end.

Effective 22 April 2019, Praxis Fund Services 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 2020, the secretarial was \$119,184 (31 December 2019: \$173,731), of which \$27,339 (31 December 2019: \$12,279) related to administration of the buybacks, of which \$27,339 (31 December 2019: \$25,977) 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 2020 were \$51,671 (31 December 2019: \$392,546) of which \$48,454 (31 December 2019: \$130,521) was unpaid. 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.

Registrar’s Agreement

Link Market Services (Guernsey) Limited is the appointed registrar of the Company. For the year ended 31 December 2020, the Registrar’s fees amounted to \$117,436 (31 December 2019: \$144,803). Of these, \$25,769 (31 December 2019: \$20,006) was unpaid at the year end.

Corporate Broker Agreement

Effective 1 January 2019, Numis Securities Limited were appointed the Company’s Corporate Broker and Financial Advisors. As at 31 December 2020 Numis Securities Limited are entitled to an annual retainer fee of £50,000 p.a.

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 3 – AGREEMENTS AND RELATED PARTIES TRANSACTIONS (continued)**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 Chairman). In addition, the Chairman of the Audit and Risk Committee receives an additional £6,000 for services in this role. The Chairman of the Management Engagement Committee and the Chairman of the Remuneration 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 2020, the Guernsey Directors' fees and travel expenses amounted to \$216,256 (31 December 2019: \$245,712). Of these, \$Nil were owing at the year end (31 December 2019: \$Nil).

As at 31 December 2020, Mr Dorey (inc. spouse), Mrs Platts and Mr Staples held 245,671, 10,069 and 45,000 Sterling Ordinary Shares in the Company respectively (31 December 2019: Mr Battey, Mr Dorey, Mrs Platts and Mr Staples held 30,077, 20,000, 10,069 and 25,000 Sterling Ordinary Shares in the Company respectively). Ms. Duhot did not hold any shares in the Company at 31 December 2020. During the year, Mr Dorey's wife held 100,000 U.S. Dollar Ordinary Shares which were converted to 80,671 Sterling Ordinary Shares on the 3 August 2020 (31 December 2019: 100,000 U.S. Dollar Shares).

During the year ended December 2020, the Directors received the following dividend payments on their shares held: Mr Dorey £1,698; Mrs Platts £456; Mr Staples £1,443 and Mr Dorey's wife received £3,351.

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.

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

Price Risk

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

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.

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 4 – RISK FACTORS (continued)

Credit Risk (continued)

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.

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

Geographic Concentration Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as and when these 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) invest in assignments; 2) act as a participant in primary lending syndicates; or 3) invest in participations. If the Company purchases a participation of a senior loan interest, the Company would typically enter into a contractual agreement with the lender or other third party selling the participation, rather than directly with the borrower. As such, the Company not only assumes the credit risk of the borrower, but also that of the selling participant or other persons inter positioned between the Company and the borrower. As of 31 December 2020, 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 trading strategies. The effect of any future regulatory change on the Company could be substantial and adverse. The Board has considered the specific risks faced by the Company as a result of Brexit. At the portfolio level, the Board expects the impact of Brexit to be limited given the hedging arrangements in place and the robust investment process the Investment Manager has always adopted and its positioning in U.S., better rated, performing issuers and majority of investments being in the U.S. At the Company level the impact could be felt more directly through volatility of exchange rates. However, the Company seeks to mitigate this by using hedging techniques as disclosed on page 87.

NOTE 5 – CONTINGENCIES

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

The B Shares are issued on terms 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 2020 (31 December 2019: No Euro Ordinary Shares, no B Shares and no C Shares).

As at 31 December 2020, the Company's share capital comprised 323,268,152 Sterling Ordinary Shares ("NBMI") of no par value (of which 76,083,114 were held in treasury). On 3 August 2020, the Company compulsorily converted all U.S. Dollar Ordinary Shares into Sterling Ordinary Shares and subsequently closed the U.S. Dollar Share Class. Further, in tandem with the proposals made at the EGM held on 8 September, the Company offered to its investors a cash exit offer (the meaning of which is given in the EGM Circulated dated 17 August 2020 available on the Company's website) and redeemed 40% of the issued share capital effective 8 September 2020 to those investors who had elected to participate in the cash exit offer.

FROM 1 JANUARY 2020 TO 31 DECEMBER 2020	U.S. DOLLAR ORDINARY SHARES	STERLING ORDINARY SHARES	TOTAL
Balance as at 1 January 2020	27,711,386	433,276,307	460,987,693
Monthly conversions ¹	(1,649,207)	1,372,976	(276,231)
Compulsory Conversion	(24,156,179)	19,487,060	(4,669,119)
Share buybacks	(1,906,000)	(206,951,305)	(208,857,305)
Balance as at 31 December 2020²	–	247,185,038	247,185,038

FROM 1 JANUARY 2019 TO 31 DECEMBER 2019	U.S. DOLLAR ORDINARY SHARES	STERLING ORDINARY SHARES	TOTAL
Balance as at 1 January 2019	57,929,350	730,289,944	788,219,294
Monthly conversions ¹	(18,749,182)	15,174,710	(3,574,472)
Share buybacks	(11,468,782)	(312,188,347)	(323,657,129)
Balance as at 31 December 2019²	27,711,386	433,276,307	460,987,693

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 6 – SHARE CAPITAL (continued)

Treasury Shares

As at 31 December 2020, the Company held the following shares in treasury.

	31 DECEMBER 2020	31 DECEMBER 2019
Sterling Ordinary Treasury Shares ³	76,083,114	75,000,000
USD Ordinary Treasury Shares	0	1,342,627

1 The Company offered a monthly conversion facility pursuant to which shareholders may elect to convert some or all of their shares of a class into shares of any other class until the mandatory conversion on 30 July 2020.

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

3 The Company has an approved share buyback programme and may elect to buyback ordinary shares at certain times during the year for either cancellation or to be held as Treasury shares at the absolute discretion of the Directors.

Note 7 – FINANCIAL HIGHLIGHTS

31 DECEMBER 2020	STERLING ORDINARY SHARE AS AT 31 DECEMBER 2020 (GBP)
Per share operating performance	
NAV per share at the beginning of the year	0.9594
Share buybacks and share swaps during the year	0.0336
Income from investment operations^(a)	
Net income per share for the year ^(b)	0.0365
Net realised and unrealised loss from investments	(0.0230)
Foreign currency translation	(0.0221)
Total gain from operations	(0.0086)
Distributions per share during the year	(0.0450)
NAV per share at the end of the year	0.9394
NAV Total return^{1,(b)}	2.99%
Ratios to average net assets^(b)	
Net investment income	4.09%
Expenses	(1.11%)

(a) The average number of shares outstanding for the year was used for calculation.

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

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.

FOR THE YEAR ENDED 31 DECEMBER 2020

Note 7 – FINANCIAL HIGHLIGHTS (continued)

31 DECEMBER 2019	U.S. DOLLAR ORDINARY SHARE AS AT 31 DECEMBER 2019 (USD)	STERLING ORDINARY SHARE AS AT 31 DECEMBER 2019 (GBP)
Per share operating performance		
NAV per share at the beginning of the year	0.9468	0.9215
Share buybacks and share swaps during the year	0.0047	0.0232
Income from investment operations^(a)		
Net income per share for the year ^(b)	0.0457	0.0440
Net realised and unrealised loss from investments	0.0431	0.0365
Foreign currency translation	–	(0.0169)
Total gain from operations	0.0888	0.0636
Distributions per share during the year	(0.0531)	(0.0489)
NAV per share at the end of the year	0.9872	0.9594
NAV Total return^{1,(b)}		
	9.43%	9.27%
Ratios to average net assets^(b)		
Net investment income	4.69%	4.66%
Expenses	1.08%	1.10%

(a) The average number of shares outstanding for the year was used for calculation.

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

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

NOTE 8 – SUBSEQUENT EVENTS

Dividends declared post year-end up until 19 April 2021 amounted to £0.0156 per share.

Alternative Investment Fund Managers Directive Disclosure

Changes to Article 23(1) Disclosures

Directive 2011/61/EU on Alternative Investment Fund Managers Directive ("AIFMD") requires certain information to be made available to investors in alternative investment funds ("AIFs") before they invest and requires that material changes to this information be disclosed in the annual report of each AIF.

As outlined in greater detail in the Chairman's Statement, there was a material change to the investment policy of NB Global Monthly Income Fund Limited (the "Fund") during 2020. This change allows the Fund to invest in a wider range of credit assets, including alternative credit, thereby increasing the expected dividend from the portfolio whilst leveraging the breadth of the Investment Manager's global platform and enabling the Fund to pay income to shareholders on a monthly basis, delivering predictable, monthly income at attractive levels.

Leverage

For the purposes of this disclosure, leverage is any method by which an AIF's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means.

The AIFMD requires that each leverage ratio be expressed as the ratio between an AIF's exposure and its net asset value ("NAV"), and prescribes two required methodologies, the gross methodology and the commitment methodology, for calculating such exposure. Using the methodologies prescribed under the AIFMD, the leverage of the Fund as at 31 December 2020 is disclosed below:

Leverage calculated pursuant to the gross methodology:	1.06
Leverage calculated pursuant to the commitment methodology:	1.11

Liquidity and risk management systems and profile

Current risk profile risk management systems

The portfolio managers and risk management professionals of Neuberger Berman Investment Advisers LLC (the "AIFM") regularly review the investment performance and the portfolio composition of the Fund in the light of the Fund's investment objective, policy and strategy; the principal risks and investment or economic uncertainties that have been identified as relevant to the Fund; internal risk measures and the interests and profile of investors.

The AIFM assesses the Fund's current and prospective need for liquidity on an on-going basis and ensures that liquidity is available when required. The risk profile of the Fund calculated by the AIFM was as follows:

Market risk profile

The market risk indicators calculated by the AIFM as at 31 December 2020 are listed in the table here below:

	< 5 YRS	5 – 15 YRS	> 15 YRS	RISK MEASURE DESCRIPTION
Net DV01	USD 17,525	USD 14,358	0	Change of 1 bps of rate
Net CS01	USD 60,479	USD 13,246	0	Change of 1 bps for spread

The expected annual investment return/IRR in normal market conditions (in %)	0
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	HISTORICAL SIMULATION	MONTE CARLO SIMULATION	PARAMETRIC SIMULATION
VAR ¹	N/A	5 %	N/A

¹ Value at Risk.

Counterparty risk profile

The top five counterparties to which the Fund had the greatest mark-to-market net counterparty credit exposure, measured as a % of the NAV of the Fund are listed in the table below:

RANKING	NAME OF COUNTERPARTY	NAV PERCENTAGE OF THE TOTAL EXPOSURE VALUE OF THE COUNTERPARTY
First counterparty exposure	UBS	4.06
Second counterparty exposure	Basspr	1.81
Third counterparty exposure	Athena Health	1.63
Fourth counterparty exposure	Brock Holdings	1.60
Fifth counterparty exposure	Intelsat Jackson Hlgs	1.58

Liquidity Profile

(a) Portfolio Liquidity Profile

In normal market conditions the portfolio can be liquidated as follows:

47% within one day or less

42% within 2 to 7 days

11% within 8 to 30 days

The Fund had USD 16,038,572 unencumbered cash available to it.

(b) Investor Liquidity Profile

Percentage of investor equity in the Fund that can be redeemed, in normal market conditions, is as follows:

0.4 % within one day or less

2.5% within 2 to 7 days

9.5% within 8 to 30 days

25% within 31 to 90 days

37% within 91 to 180 days

26% within 181 to 365 days

(c) Investor Redemption

Does the Fund provide investors with withdrawal/redemption rights in the ordinary course?	No
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Report on Remuneration

The Neuberger Berman Compensation Committee is responsible for the compensation practices within the Neuberger Berman group, and Neuberger Berman also operates a structure throughout the group to ensure appropriate involvement and oversight of the compensation process, so that compensation within the group rewards success whilst reflecting appropriate behaviours.

Neuberger Berman recognises the need to ensure that compensation arrangements do not give rise to conflicts of interest, and this is achieved through the compensation policies as well as through the operation of specific policies governing conflicts of interests.

Neuberger Berman's compensation philosophy is one that focuses on rewarding performance and incentivizing employees. Employees at Neuberger Berman may receive compensation in the form of base salary, discretionary bonuses and/or production compensation. Investment professionals receive a fixed salary and are eligible for an annual bonus. The annual bonus for an individual investment professional is paid from a "bonus pool" made available to the portfolio management team with which the investment professional is associated. Once the final size of the available bonus

Alternative Investment Fund Managers Directive Disclosure (continued)

pool is determined, individual bonuses are determined based on a number of factors including the aggregate investment performance of all strategies managed by the individual (including the three-year track record in order to emphasize long-term performance), effective risk management, leadership and team building, and overall contribution to the success of Neuberger Berman.

Neuberger Berman considers a variety of factors in determining fixed and variable compensation for employees, including firm performance, individual performance, overall contribution to the team, collaboration with colleagues across the firm, effective partnering with clients to achieve goals, risk management and the overall investment performance. Neuberger Berman strives to create a compensation process that is fair, transparent, and competitive with the market.

A portion of bonuses may be awarded in the form of contingent or deferred cash compensation, including under the "Contingent Compensation Plan", which serves as a means to further align the interests of employees with the interest of clients, as well as rewarding continued employment. Under the Contingent Compensation Plan a percentage of a participant's compensation is awarded in deferred contingent form. Contingent amounts take the form of a notional investment based on a portfolio of Neuberger Berman investment strategies and/or a contingent equity award, and Neuberger Berman believes that this gives each participant further incentive to operate as a prudent risk manager and to collaborate with colleagues to maximise performance across all business areas. The programs specify vesting and forfeiture terms, including that vesting is normally dependent on continued employment and contingent amounts can be forfeited in cases including misconduct or the participants participating in detrimental activity.

The proportion of the total remuneration of the staff of the AIFM attributable to the Fund, calculated with reference to the proportion of the value of the assets of the Fund managed by the AIFM to the value of all assets managed by the AIFM, was \$475,578 representing \$106,545 of fixed compensation and \$369,033 of variable compensation. There were 1,058 members of staff of the AIFM who shared in the remuneration paid by the AIFM.

Compensation by the AIFM to senior management and staff whose actions had a material impact on the risk profile on the Fund in respect of 2020 was \$288,190,973 in relation to senior management and \$2,120,789 in respect of 'risk takers'. The compensation figure for senior management has not been apportioned, while the compensation figure for risk takers has been apportioned by reference to the number of AIFs whose risk profile was materially impacted by each individual staff member.

Neuberger Berman Investment Advisers LLC

19 April 2021

Contact Details

Directors

Rupert Dorey – Chairman
 Laure Duhot
 Sandra Platts
 David Staples

All c/o the Company's registered office.

Registered Office

Sarnia House
 Le Truchot
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 Guernsey
 GY1 1GR

Company Secretary

Praxis Fund Services Limited

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

Herbert Smith Freehills LLP

Advocates to the Company (as to Guernsey law)

Carey Olsen

Designated Administrator

U.S. Bank Global Fund Services (Guernsey) Limited

Custodian and Principal Bankers

US Bank National Association

Sub-Administrator

U.S. Bank Global Fund Services (Ireland) Limited

Financial Adviser and Corporate Broker

Numis Securities Limited

Alternative Investment Fund Manager

Neuberger Berman Investment Advisers LLC

Manager

Neuberger Berman Europe Limited

Registrar

Link Market Services (Guernsey) Limited

U.K. Transfer Agent

Link Asset Services
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 29 Wellington Street,
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Shareholders holding shares directly and not through a broker, saving scheme or ISA and have queries in relation to their shareholdings should contact the Registrar on +44 (0)371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9 a.m. to 5:30 p.m. (excluding bank holidays). Shareholders can also access their details via Link's website:

www.signalshares.com

Full contact details of the Company's advisers and Manager can be found on the Company's website.

Shareholder Information

Website

Information relating to the Company can be found on the Company's website: www.nbgmif.com

The contents of websites referred to in this document are not incorporated in to, nor do they form part of, this report.

Annual Reports

Copies of the Company's annual reports may be obtained from the Company Secretary or by visiting <https://www.nbgmif.com> under the Investor Information section.

Net Asset Value Publication

The NAV is published daily. It is calculated at the close of business each day and notified to the London Stock Exchange the next business day. It can also be found on the Company's website.

Company Numbers

Sterling Ordinary Shares

LSE ISIN code: GG00B3KX4Q34

Bloomberg code: NBMI:LN

Legal Entity Identifier

549300P4FSBHZFALLG04

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Contact details are as follows:

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Registrar

The Registrar provides an on-line and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.linksharedeal.com or by phoning +44(0)371 664 0445. Calls cost 12p per minute plus network charges +44(0)20 3367 2699 (from outside the UK). Lines are open 8 a.m. to 4:30 p.m. Monday to Friday (excluding UK bank holidays).