

## MONTHLY INVESTMENT REPORT – AS OF 31 JANUARY 2019

### COMMENTARY

#### Market Review

Following a vicious December sell-off, equity markets rose to close out their best January in three decades. Strong earnings and the U.S. Federal Reserve indicating it will pause rate hikes, caused investors to rush back into the market. The S&P 500 gained 7.6% (AUD-hedged) in January, its biggest monthly rally since October 2015. During the same period, the ASX 200 gained 3.9%.

The global high yield market has also had a strong start to the year, with the ICE BofAML Global High Yield Index (AUD-hedged) gaining 3.8%, and in the process recovering all of its -3.5% loss suffered in the final quarter of 2018.

#### NBI Review

NBI's NTA registered a strong rebound of 4.7% in January and its performance since inception has been in-line with our expectations given the resilient nature of corporate high yield bonds. Historically, during periods of volatility, high yield has provided lesser drawdowns and quicker rebounds as compared to equity, and we have now witnessed this first-hand in the current environment.

It is also important to note that since its inception, NBI has experienced no defaults in its portfolio and has continued to generate a stable and consistent income stream despite the volatility in underlying bond prices. For January, NBI announced a monthly distribution of 0.875 cents per Unit, which keeps it firmly on track to achieving its Target Distribution<sup>1</sup> of 5.25% per annum (net of fees and expenses).

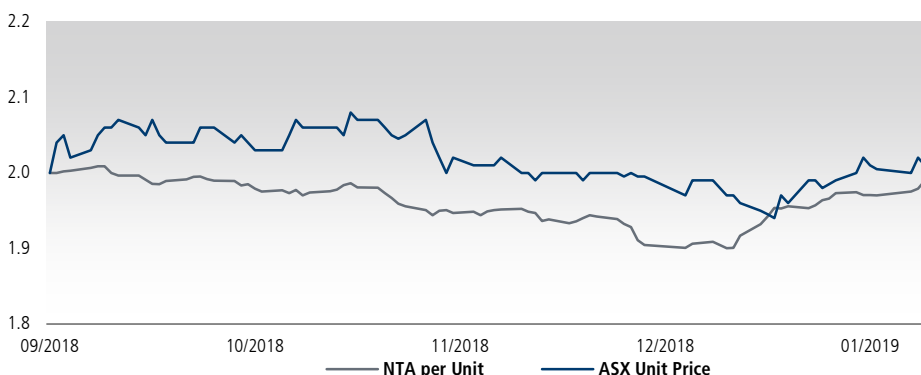
#### NBI Issuer Highlight

NBI holds a diversified portfolio of corporate high yield bonds issued by large, liquid global companies.

One example is Pampa Energia. Pampa is the largest, fully integrated energy company in Argentina. Through its subsidiaries, Pampa participates in electricity generation and Oil & Gas production.

We believe the credit fundamentals of Pampa remain solid. Its FY2017 revenue exceeded US\$3.1 billion and it maintains a low Debt to EBITDA ratio of 1.2x. Despite Pampa's strong fundamentals, its bond price declined by over 9% from peak to trough during the last quarter of 2018. However, we then saw its bond price recover strongly by over 6.5% in the first month of 2019. We believe Pampa will continue to have strong prospects and deliver stable income to NBI.

### NTA PER UNIT / ASX UNIT PRICE PERFORMANCE



### PERFORMANCE (NET)<sup>2</sup>

31 JANUARY 2019	1 Month	3 Months	6 Months	1 Year	Since Inception <sup>3</sup> (Annualised)
<b>Total Return (%) **</b>	4.71%	1.99%	—	—	0.83%
<b>Distribution (%) ***</b>	0.44%	1.32%	—	—	1.32%

\*\* Total Return is calculated based on the pre-distribution month end NTA and assumes all distributions are reinvested.

\*\*\* Distribution return calculated based on payment date of distribution. (January distribution announced on 24 January 2019, and distributed in February 2019.)

### Past Performance is not a reliable indicator of future performance.

- The Target Distribution is only a target and may not be achieved. Actual distributions will be monitored against the Target Distribution. The Target Distribution will be formally reviewed at least annually (as at the end of each financial year) and any reduction in Target Distribution will be notified by way of ASX announcement as required. Investors should review the "Risk Factors" set out in Section 8 of the PDS.
- Performance is calculated net of management costs, which includes the Responsible Entity fee, the Management fee, the Administration fee, along with custodian, audit and legal fees and other transactional and operational costs. Investors should review NBI's Product Disclosure Statement ("PDS") for full details of NBI, including, in particular, the "Fees and Other Costs" section of the PDS.
- Inception Date: 26 September 2018. Performance less than 1 year is not annualised.

For further information and subscription details, please visit [www.nb.com/NBI](http://www.nb.com/NBI)

### TRUST FACTS

<b>Listing Date</b>	26 September 2018
<b>Market Cap</b>	\$416.10 million
<b>Net Tangible Assets (NTA)</b>	\$412.47 million
<b>ASX Unit Price</b>	\$2.01
<b>NTA per Unit</b>	\$1.99 (cum)
<b>Distributions</b>	Monthly
<b>Management costs</b>	0.85% p.a.
<b>Manager</b>	Neuberger Berman Australia Pty Limited
<b>Responsible Entity</b>	Equity Trustees Limited

### INVESTMENT OBJECTIVE & STRATEGY

- Aims to provide a consistent and stable monthly income stream
- Strong emphasis on capital preservation by focusing on credit quality
- Invests in high yield bonds issued by large, liquid global companies

### INVESTMENT TEAM

<b>Thomas O'Reilly</b> 30 years' experience	<b>Patrick Flynn</b> 27 years' experience
<b>Vivek Bommi</b> 21 years' experience	<b>Nish Popat</b> 26 years' experience
<b>Jennifer Gorgoll</b> 21 years' experience	

### RESEARCH

**BondAdviser**  
Invest Intelligently

**INDEPENDENT**  
INVESTMENT RESEARCH

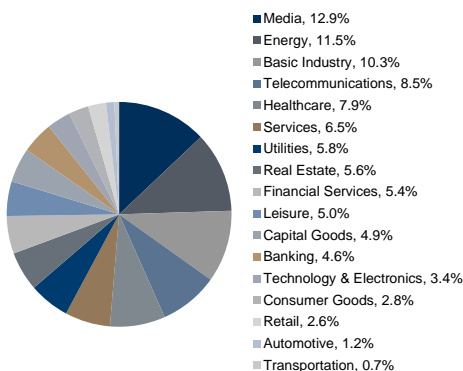
### FURTHER INFORMATION AND ENQUIRIES

**NB Global Corporate Income Trust**  
[www.nb.com/NBI](http://www.nb.com/NBI)

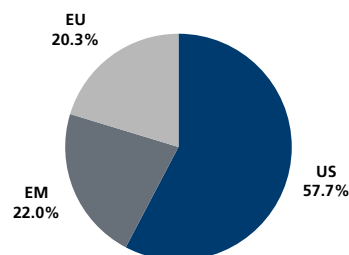
**General**  
Email [Info.nbi@nb.com](mailto:Info.nbi@nb.com)

**Boardroom (Unit Registry)**  
Phone 1300-032-754 (within Australia)  
Phone +612-8023-5419 (outside Australia)  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

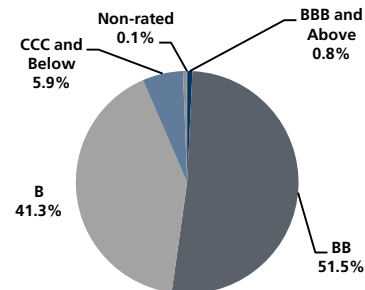
## SECTOR ALLOCATION % (MARKET VALUE)



## REGIONAL ALLOCATION % (MARKET VALUE)



## CREDIT QUALITY<sup>4</sup> % (MARKET VALUE)



## TOTAL RETURNS (NET)<sup>5</sup>

Month	Jul 18	Aug 18	Sep 18	Oct 18 <sup>6</sup>	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Since Inception
(%)	—	—	—	-1.14%	-0.87%	-1.74%	4.71%	—	—	—	—	—	0.83%

Past Performance is not a reliable indicator of future performance.

## DISTRIBUTIONS<sup>7</sup>

Month	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Since Inception
(¢/unit)	—	—	—	0.875	0.875	0.875	0.875	—	—	—	—	—	3.50
%	—	—	—	0.44	0.44	0.44	0.44	—	—	—	—	—	1.76

## PORTFOLIO SUMMARY

	TRUST
Number of Holdings	422
Number of Issuers	297
Yield to Worst (%) <sup>8</sup>	6.3
Weighted Average Duration (years)	4.43
Average Credit Quality	BB-

## ABOUT NEUBERGER BERMAN

- Founded in 1939, a private, independent, employee-owned investment manager
- US\$304 billion in AUM as of December 31, 2018
- Located in 34 cities with 18 portfolio management centers across 22 countries
- For more information, please visit [www.nb.com](http://www.nb.com)

## TOP 10 ISSUERS % (MARKET VALUE)

	Sector	%
Petrobras	Energy	1.95%
Cablevision Systems Corporation	Media – Cable	1.63%
Navient Corp	Diversified Financial Services	1.63%
Numericable Group	Media – Cable	1.52%
Sprint Corp	Telecommunications	1.39%
Virgin Media Inc	Media – Cable	1.33%
Bausch Health Companies	Healthcare	1.31%
Charter Communications	Media – Cable	1.22%
Hertz Corp	Services	1.15%
Medical Properties Trust Inc	Real Estate	1.14%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Since our inception in 1939, Neuberger Berman has remained singularly focused on delivering attractive investment results for our clients over the long term.
- The firm has considered ESG characteristics in investment processes as far back as the 1940s for avoidance screens and 1989 for integration into fundamental research in U.S. equities.
- Neuberger Berman has been a signatory in different initiatives worldwide such as UN-backed Principles for Responsible Investment (PRI) since 2012 and has been awarded top scores in the most recent assessment report of ESG integration efforts as of year-end 2017<sup>9</sup>.
- Investors should review the PDS for full details of NBI, including, in particular, the “Overview of the Investment Strategy” section of the PDS.
- For more information, please visit [www.nb.com/esg](http://www.nb.com/esg)

- Credit quality ratings are based on the Bank of America (“BoFA”) Merrill Lynch Master High Yield Index composite ratings. The BoFA Merrill Lynch composite ratings are updated once a month on the last calendar day of the month based on information available up to and including the third business day prior to the last business day of the month. The BoFA Merrill Lynch composite rating algorithm is based on an average of the ratings of three agencies (to the extent rated). Generally the composite is based on an average of Moody’s, S&P and Fitch. For holdings that are unrated by the BoFA Merrill Lynch Index composite, credit quality ratings are based on S&P’s rating. Holdings that are unrated by S&P may be assigned an equivalent rating by the investment manager. No NRSO has been involved with the calculation of credit quality and the ratings of underlying portfolio holdings should not be viewed as a rating of the portfolio itself. Portfolio holdings, underlying ratings of holdings and credit quality composition may change materially over time.
- Total Return is calculated based on the pre-distribution month end NTA and assumes all distributions are reinvested.
- Calculated from the allotment date of 26 September 2018 to 31 October 2018.
- The initial target distribution<sup>1</sup> amount per Unit, which will be paid monthly by the Trust, is 5.25% per annum (net of fees and expenses) on the Subscription Price. The most recent distribution is announced, but not yet paid.
- Yield to Worst — The lowest potential annualised total return that can be received on a bond without the issuer defaulting. This can be different from the yield to maturity because it assumes that the issuer will exercise any option it has to “call” the security at the earliest opportunity (to redeem and repay the principal value to an investor early).
- Neuberger Berman is independent of UN PRI.

## DISCLAIMERS

Equity Trustees Limited (“Equity Trustees”) (ABN 46 004 031 298, AFSL 240975), is the Responsible Entity for the NB Global Corporate Income Trust (“NBI”). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This publication has been prepared by Neuberger Berman Australia Pty Ltd (ACN 146 033 801) (“NB Australia”) to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this publication. Neither NB Australia, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of NBI’s Product Disclosure Statement before making a decision about whether to invest in this product

NEUBERGER BERMAN