

# NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

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## MONTHLY INVESTMENT REPORT – AS OF 29 MARCH 2019

### INVESTMENT OBJECTIVE & STRATEGY

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

### Market Review and Outlook

Global markets advance as U.S. and China trade talks continue to progress. With the unemployment rate remaining at 3.8%, the U.S. economy continues to demonstrate solid growth and is providing a supportive environment for global markets. In Europe, negotiations continue between the UK government and the opposition in order to secure bipartisan agreement for a Brexit deal. The UK is at risk of exiting the EU without an agreement on April 12, but is likely to ask the EU for an extension.

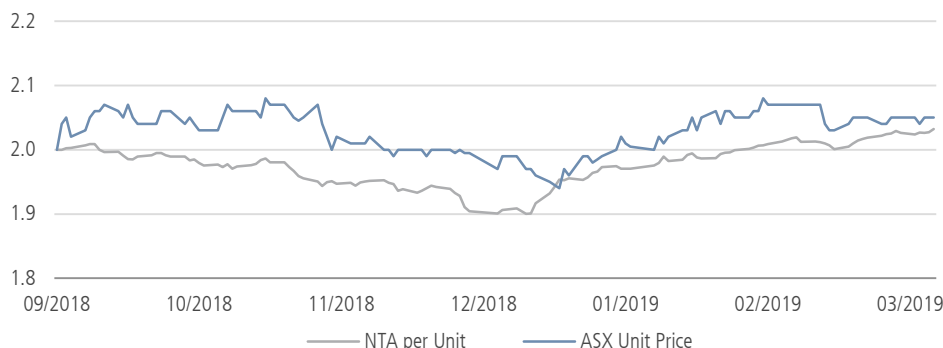
Against this backdrop, the global high yield market has continued to post positive returns, with the ICE BofAML Global High Yield Index (AUD-hedged) gaining 1.0% during the month.

We remain constructive on the fundamentals of high yield credit, which exhibits reasonable leverage levels and strong interest coverage resulting in a benign default outlook for 2019. New-issue supply during 2019 is likely to be similar to 2018. Overall, we believe recent spread-widening and higher absolute levels of yield should bring investors back to the high yield market.

### NBI Review

For March, NBI recorded a positive return of 1.1% and 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) and maintains its objective of distributing reliable and consistent income.

### NTA PER UNIT / ASX UNIT PRICE PERFORMANCE



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

29 March 2019	1 Month	3 Months	6 Months	1 Year	Since Inception <sup>3</sup>
<b>Total Return (%)<sup>4</sup></b>	1.09	7.91	3.76	–	3.91
<b>Distribution (%) *</b>	0.44	1.32	2.20	–	2.20

\* Distribution return calculated based on payment date of distribution. (March distribution announced on 25 March 2019, and distributed in April 2019.)

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

1. 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.
2. 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.
3. Listing Date: 26 September 2018. Performance less than 1 year is not annualized.

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>	\$424.44 million
<b>Net Tangible Assets (NTA)</b>	\$420.79 million
<b>ASX Unit Price</b>	\$2.05
<b>NTA per Unit</b>	\$2.03 (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

### RESEARCH

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INVESTMENT RESEARCH

### PLATFORMS

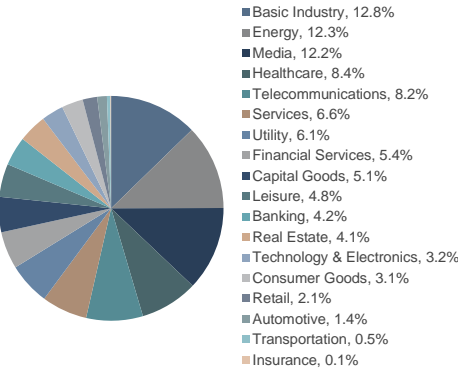
Asgard	IOOF
BT Panorama	Macquarie Wrap
BT Wrap	MLC Wrap
CFS First Wrap	MLC Navigator
Hub 24	Netwealth

### FURTHER INFORMATION AND ENQUIRIES

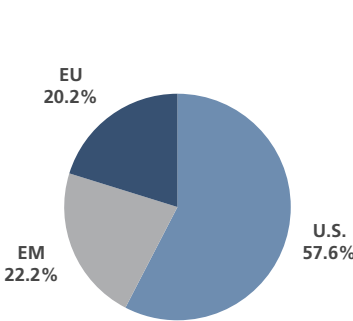
**General**  
Email [Info.nbi@nb.com](mailto:Info.nbi@nb.com)

**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)

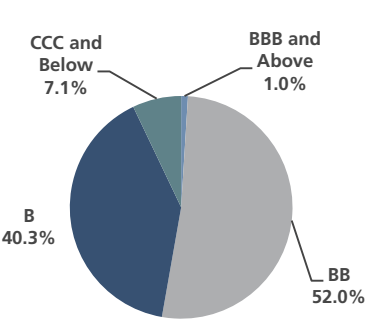
SECTOR ALLOCATION



REGIONAL ALLOCATION



CREDIT QUALITY<sup>5</sup>



TOTAL RETURNS (NET)<sup>2, 4</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 <sup>3</sup>
(%)	–	–	–	-1.14	-0.87	-1.74	4.71	1.94	1.09	–	–	–	3.91

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 <sup>3</sup>
(¢/unit)	–	–	–	0.875	0.875	0.875	0.875	0.875	0.875	–	–	–	5.25
(%)	–	–	–	0.44	0.44	0.44	0.44	0.44	0.44	–	–	–	2.64

BOND PORTFOLIO SUMMARY

Number of Holdings	440
Number of Issuers	302
Yield to Worst (%) <sup>8</sup>	5.82
Weighted Average Duration (years)	4.14
Average Credit Quality	BB-

TOP 10 ISSUERS

	Sector	%
Petrobras	Energy	2.21
Cablevision Systems Corporation	Media	1.87
Navient Corp	Financial Services	1.71
Numericable Group	Media	1.54
Bausch Health Companies	Healthcare	1.52
Virgin Media Inc	Media	1.37
Sprint Corp	Telecommunications	1.33
Charter Communications	Media	1.27
Iron Mountain Inc	Services	1.20
Medical Properties Trust Inc	Real Estate	1.16

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
- 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, 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](http://www.nb.com)

4. Total Return is calculated based on the pre-distribution month end NTA and assumes all distributions are reinvested.
5. 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.
6. Calculated from the listing date of 26 September 2018 to 31 October 2018.
7. 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.
8. 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).
9. 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

