

# NB GLOBAL CORPORATE INCOME TRUST

ARSN 627 297 241

## PRODUCT DISCLOSURE STATEMENT

### RESPONSIBLE ENTITY

Equity Trustees Limited  
(ABN 46 004 031 298, AFSL 240975)

### MANAGER

Neuberger Berman Australia Pty Limited  
(ABN 90 146 033 801, AFSL 391401)

### LEAD ARRANGERS AND JOINT LEAD MANAGERS



Evans Dixon Corporate Advisory  
Pty Limited  
(AFSL 338885)



Morgans Financial Limited  
(AFSL 235410)



National Australia Bank Limited  
(AFSL 230686)

### JOINT LEAD MANAGER

**ORD MINNETT**

Ord Minnett Limited  
(AFSL 237121)

### CO-MANAGERS

**BELL POTTER**

Bell Potter Securities Limited  
(AFSL 243480)

**PATERSONS**

Patersons Securities Limited  
(AFSL 239052)

**Shaw and Partners**

Shaw and Partners Limited  
(AFSL 236048)

**WILSONS**

Wilson's Corporate Finance Limited  
(AFSL 238383)



## IMPORTANT NOTICES

### OFFER

NB Global Corporate Income Trust is an Australian registered managed investment scheme (ARSN 627 297 241) ("**Trust**").

The Offer contained in this product disclosure statement ("**PDS**") is an invitation to acquire New Units in the Trust.

### RESPONSIBLE ENTITY

Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) is the responsible entity of the Trust ("**Responsible Entity**") and is the issuer of this PDS. The Trust is a managed investment scheme structured as a unit trust, which has been registered with ASIC.

This document is a product disclosure statement for the purposes of Part 7.9 of the Corporations Act and has been issued by the Responsible Entity in respect of the offer as described in this PDS ("**Offer**").

The Responsible Entity has entered into a Management Agreement with Neuberger Berman Australia Pty Ltd (ABN 90 146 033 801, AFSL 391401) ("**Manager**") authorising the Manager to provide investment and other services to the Trust, pursuant to the terms of the Management Agreement. See Section 12 of this PDS for further information on the Management Agreement.

### LODGEMENT

This PDS is dated 14 May 2019 and a copy of this PDS was lodged with ASIC on that date. The Responsible Entity will apply to ASX for quotation of the New Units on ASX. Neither ASIC, ASX or their officers take any responsibility for the contents of this PDS or for the merits of the investment in which this PDS relates.

### NOTE TO APPLICANTS

The information in this PDS is not personal financial product advice and does not take into account your investment objectives, financial situation or particular needs. This PDS should not be construed as financial, taxation, legal or other advice.

This PDS is important and should be read in its entirety prior to deciding whether to invest in the Trust. There are risks associated with an investment in the Trust which must be regarded as a speculative investment. Some of the risks that should be considered are set out in Section 8. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this PDS or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Trust.

Except as required by law, and only to the extent so required, no person named in this PDS warrants or guarantees the Trust's performance, the repayment of capital, or any return on investment made pursuant to this PDS.

The Joint Lead Managers and the Co-Managers will together manage the Offer on behalf of the Responsible Entity. The Joint Lead Managers are Evans Dixon Corporate Advisory Pty Limited (ABN 21 137 980 520, AFSL 338885) ("**Evans Dixon**"); Morgans Financial Limited (ABN 49 010 669 726, AFSL 235410) ("**Morgans**"); National Australia Bank (ABN 12 004 044 937, AFSL 230686) ("**NAB**"); and, Ord Minnett Limited (ABN 86 002 733 048, AFSL 237121) ("**Ord Minnett**"). The Co-Managers are Bell Potter Securities Limited (ABN 25 006 390 772, AFSL 243480); Patersons Securities Limited (ABN 69 008 896 311, AFSL 239052); Shaw and Partners Limited (ABN 24 003 221 583, AFSL 236048); and, Wilsons Corporate Finance Limited (ABN 65 057 547 323, AFSL 238383). The Joint Lead Managers and Co-Managers are entitled to fees from the Manager as set out in Section 12.3.

The Joint Lead Managers and Co-Managers do not guarantee the success or performance of the Trust or the returns (if any) to be received by investors. Except to

the extent provided by law none of the Joint Lead Managers or the Co-Managers is responsible for, or has caused the issue of, this PDS.

### NO OFFER WHERE OFFER WOULD BE ILLEGAL

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Units in any jurisdiction outside Australia and New Zealand. Important information specific to New Zealand investors is provided at Section 11.8.2 of this PDS.

The distribution of this PDS outside Australia and New Zealand may be restricted by law. Persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Unless otherwise agreed with the Responsible Entity, any person applying for New Units in the Offer shall by virtue of such application be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS, and are not acting for the account or benefit of a person within such jurisdiction.

None of the Responsible Entity, the Manager, the Joint Lead Managers, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

### FINANCIAL INFORMATION AND AMOUNTS

The unaudited Pro Forma Statements of Financial Information are presented in Australian dollars and have been prepared in accordance with the measurement requirements of the Australian International Financial Reporting Standards ("**AIFRS**").

### DISCLAIMER

No person is authorised by the Responsible Entity, the Manager,

the Joint Lead Managers or the Co-Managers to give any information or make any representation in connection with the Offer that is not contained in the PDS. Any information or representation not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, its Directors or any other person in connection with the Offer.

This PDS contains forward-looking statements concerning the Trust's business, operations, financial performance and condition as well as the Manager's plans, objectives and expectations for the Trust's business, operations, financial performance and condition. Any statements contained in this PDS that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Trust's business and the market in which the Trust will invest, and the Responsible Entity's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Responsible Entity's control. As a result, any or all of the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 8.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements.

These forward-looking statements speak only as at the date of this

PDS. Unless required by law, the Responsible Entity does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Responsible Entity describes in the reports to be filed from time to time with ASX after the date of this PDS.

Some numerical figures included in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

## EXPOSURE PERIOD

The Responsible Entity does not intend to process Applications under the Offer in the seven-day period after the date of lodgement of the PDS with ASIC ("**Exposure Period**"). This period may be extended for a further period of up to seven days. The Exposure Period enables this PDS to be examined by ASIC and market participants prior to the raising of funds under the Offer. This PDS will be made generally available to Australian residents and New Zealand residents during the Exposure Period, without the Application Form, by being posted on the following website: [www.nb.com/NBI](http://www.nb.com/NBI). Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

## NO COOLING OFF RIGHTS

Cooling-off rights do not apply to an investment in the New Units pursuant to the Offer. This means that you will be unable to withdraw your Application once it has been accepted.

## RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

New Units issued under the Offer will be fully paid and rank equally with existing Units from allotment, including in respect of distributions.

Details of the rights and obligations attached to each New Unit are set out in Section 14.2 and in the

Constitution, a copy of which is available on the website [www.nb.com/NBI](http://www.nb.com/NBI) or, during the Offer Period, by calling the Trust's Offer Information Line (see details below).

## ELECTRONIC PDS

This PDS will be made available in electronic form on the Trust's website: [www.nb.com/NBI](http://www.nb.com/NBI). The information on [www.nb.com/NBI](http://www.nb.com/NBI) does not form part of this PDS.

The Offer constituted by this PDS in electronic form is available only to Eligible Unitholders and Eligible Investors receiving this PDS in electronic form within Australia and New Zealand. Persons who access the electronic version of this PDS should ensure that they download and read the entire PDS. If unsure about the completeness of this PDS received electronically, or a print out of it, you should contact the Responsible Entity. A paper copy of this PDS will be available for Australian and New Zealand residents free of charge by contacting:

The Trust's Offer Information Line on 1300 032 754 (within Australia) or +61 2 8023 5419 (outside Australia) (between 8:30am to 5:30pm AEST, Monday to Friday).

## APPLICATION FORM

Applications for New Units under this PDS may only be made on either a printed copy of the relevant Application Form attached to or accompanying this PDS or, in the case of the Shortfall Offer, via the electronic Shortfall Offer Application Form attached to the electronic version of this PDS, available at [www.nb.com/NBI](http://www.nb.com/NBI). The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the PDS or the complete and unaltered electronic version of the PDS. The Responsible Entity is entitled to refuse Applications for New Units under this PDS if it believes that the Applicant did not receive the Offer in Australia or New Zealand.

## ELIGIBLE APPLICANTS

Eligible Unitholders will receive a personalised *Entitlement and*



*Acceptance Form* and can pay for New Units using BPAY®.

Any BPAY® payments must be received by the Unit Registry by 5:00 pm (AEST) on 26 June 2019.

Eligible Investors under the Shortfall Offer should contact their Broker for instructions on how to complete the *Shortfall Offer Application Form* accompanying this PDS, and how to pay their Application Amount. Applications under the Shortfall Offer must be received by 5.00 pm (AEST) on 28 June 2019.

## WEBSITE

Any references to documents included on the Trust's website are provided for convenience only, and none of the documents or other information on the Trust's website, or any other website referred to in this PDS, is incorporated in this PDS by reference.

Eligible Investors may also apply using the *Shortfall Offer Application Form*.

## UPDATED INFORMATION

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered not materially adverse to investors will be made available on the following website: [www.nb.com/NBI](http://www.nb.com/NBI) and the Responsible Entity will provide a copy of the updated information free of charge to any investor who requests a copy by contacting the Trust's Offer Information Line between 8.30am and 5.30pm AEST, Monday to Friday during the Offer Period.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

## PRIVACY

The Responsible Entity will collect, hold, use and disclose personal information provided by investors to allow it to process your Application, service your needs as a unit holder, provide facilities and services that

you request and carry out appropriate administration of your investment. This means that the Responsible Entity will need to collect your personal information (for example, your name, address and details of the Units that you hold). In most cases, your personal information will be collected directly from you although we may also collect your personal information from third parties such as your broker. Under the Corporations Act some of this information must be included in the Trust's Unit holder registers, which will be accessible by the public. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment.

Privacy laws apply to the handling of personal information and the Responsible Entity will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Responsible Entity and the Unit Registry may not be able to process your Application.

The Responsible Entity may also share your personal information with its service providers or others who provide services on its behalf, some of which may be located outside of Australia.

Each investor acknowledges that in connection with the services provided by the Trust, their personal data may be transferred and/or stored in various jurisdictions in which such service providers have a presence, including to jurisdictions that may not offer a level of personal data protection equivalent to the investor's country of residence. Each investor also acknowledges that the service providers may disclose the investor's personal data to each other, to any other service provider to the Trust or to any regulatory body in any applicable jurisdiction to which any of the service providers may be subject. This includes copies of the investor's application form/documents and any information concerning the investor in their respective possession, whether provided by the applicant or otherwise, including details of

the investor's holdings in the Trust, historical and pending transactions in Units and the values thereof, and any such disclosure, use, storage or transfer shall not be treated as a breach of any restriction upon the disclosure, use, storage or transfer of information imposed on any such person by law or otherwise.

For more details on how the Responsible Entity collects, stores, uses and discloses your information, please read the Responsible Entity's Privacy Policy located at [www.nb.com/NBI](http://www.nb.com/NBI). Alternatively, you can contact the Responsible Entity's Privacy Officer by telephone on +61 3 8623 5000 or by email at [privacy@eqt.com.au](mailto:privacy@eqt.com.au) and the Responsible Entity will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Responsible Entity with your personal information, you agree to this information being collected, held, used and disclosed as set out in this PDS and the Responsible Entity's Privacy Policy (located at [www.nb.com/NBI](http://www.nb.com/NBI)).

The Manager may also collect, use and disclose your personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy.

The Responsible Entity's Privacy Policy (located at [www.nb.com/NBI](http://www.nb.com/NBI)) also contains information about how you can access and seek correction of your personal information, complain about a breach by the Responsible Entity of the Australian privacy laws, and how the Responsible Entity will deal with your complaint.

## DEFINITIONS AND ABBREVIATIONS

A glossary of industry words, terms and abbreviations which are used in this PDS and relate to global fixed income markets are explained in Section 15. Other defined terms and abbreviations used in this PDS are explained in Section 16.

References to this PDS to currency are to Australian dollars unless otherwise indicated.

Photographs and diagrams used in this PDS that do not have descriptions are for illustrative purposes only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Trust.

## **TIME**

All references to time in this PDS refer to Australian Eastern Standard Time (“**AEST**”) unless stated otherwise.

## **DATA**

All data contained in charts, graphs and tables is based on information available as at the date of this PDS

unless otherwise stated.

Any references to documents included on the Trust’s website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this PDS.

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## Key Offer Details

<b>Trust</b>	NB Global Corporate Income Trust
<b>ASX Code</b>	NBI
<b>Entitlement Offer ratio</b>	1 New Unit for every 1 existing Unit
<b>Offer Price</b>	\$2.00
<b>Maximum number of New Units that may be issued under the Entitlement Offer</b>	207,067,741
<b>Maximum gross proceeds from the Entitlement Offer<sup>1</sup></b>	Up to \$414,135,482 at the Offer Price

More information in respect of the Shortfall Offer (and applying for New Units under the Shortfall Offer) is set out in Section 11.4 of this PDS.

## Key Dates

<b>Announcement of the Offer and lodgement of the PDS with ASIC</b>	14 May 2019
<b>Units trade on an ex-Entitlement basis</b>	30 May 2019
<b>Record Date for Entitlement Offer (7.00 pm AEST)</b>	31 May 2019
<b>Offer opens</b>	5 June 2019
<b>Entitlement Offer Closing Date (5.00 pm AEST)</b>	26 June 2019
<b>New Units under Entitlement Offer quoted on a deferred settlement basis</b>	27 June 2019
<b>Shortfall Offer Closing Date (5.00 pm AEST)</b>	28 June 2019
<b>Results of the Offer announced</b>	1 July 2019
<b>Entitlement Offer Issue Date</b>	3 July 2019
<b>Normal trading of New Units and Additional New Units under Entitlement Offer expected to commence on the ASX</b>	4 July 2019
<b>Shortfall Offer Issue Date</b>	12 July 2019
<b>Normal trading of New Units issued under Shortfall Offer expected to commence on the ASX</b>	12 July 2019

<sup>1</sup> The Shortfall Offer, which will allow new investors to participate in the Offer, includes an invitation to apply for up to 31,060,161 million New Units over and above the Shortfall from the Entitlement Offer (representing that number of New Units which can be issued under the Trust's available placement capacity under ASX Listing Rule 7.1 ("Placement Capacity")). In that event, the number of New Units issued under this PDS will be up to approximately 238,127,902 New Units and the maximum gross proceeds from the Offer will be up to approximately \$476.3 million.

Dates and times in this PDS are indicative only and subject to change. The Responsible Entity reserves the right, subject to the Corporations Act, Listing Rules, Joint Lead Managers' approval and other applicable laws, to vary the dates and times of the Offer without prior notice. In particular, the Responsible Entity reserves the right to close the Offer early, extend the Closing Dates or accept late Applications without notifying any recipients of this PDS or any Applicants.

Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

Before making a decision about participating in the Offer, you should seek advice from your stockbroker, financial adviser, accountant, lawyer or other professional adviser to determine whether it meets your objectives, financial situation and needs.

Please refer to Section 11 of this PDS for Details of the Offer and if you have any questions on how to:

***For Eligible Unitholders under the Entitlement Offer,***

- (a) pay the Application Amount via BPAY®;
- (b) complete and lodge the personalised *Entitlement and Acceptance Form*, which accompanies this PDS, and pay the Application Amount;
- (c) take up your Entitlement either in full or in part; or
- (d) take up your Entitlement in full and also apply for Additional New Units under the Oversubscription Facility,

***For new Eligible Investors under the Shortfall Offer,***

- (a) complete and lodge the *Shortfall Offer Application Form* to participate in the Shortfall Offer, which accompanies this PDS, and pay the Application Amount (see Section 11.4 in relation to eligibility)

Please call the Trust's Offer Information Line between 8:30am to 5:30pm AEST from Monday to Friday, on:

- 1300 032 754 (within Australia), or
- +61 2 8023 5419 (outside Australia)

If you have lost your personalised *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* and would like a replacement form, please call the applicable number above.

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## LETTER TO INVESTORS

14 May 2019

Dear Investor,

We would like to thank you for your ongoing support of the NB Global Corporate Income Trust (ASX: NBI) (“**Trust**”) and to advise you of an opportunity to participate in an offer of New Units in the Trust (“**Offer**”). The Responsible Entity is seeking to raise up to \$476.3 million for the Trust through the issue of New Units under the Offer at a price of \$2.00 per New Unit (“**Offer Price**”)². The Offer comprises both an Entitlement Offer and a Shortfall Offer³.

The Trust provides investors with exposure to the high yield bonds of large and liquid companies globally, which we believe may be an attractive investment solution for investors seeking stable and consistent income, and diversification. The Trust raised in excess of \$413m in its initial public offer (“**IPO**”), which was closed in early September 2018.

Following its listing on the ASX on 26 September 2018, the Trust invested all the IPO proceeds within 3 days and has been paying a stable and consistent income stream monthly from mid-November 2018 to date in line with its Target Distribution. As such, we remain confident of the following key benefits for an investor investing in the Trust:

- **Global:** Exposure to the high yield bonds of global companies.
- **Income:** The Manager aims to deliver a stable and consistent income stream, which, for the financial year ending 30 June 2019, is currently targeted at 5.25% per annum (net of fees and expenses), paid monthly, on the subscription price paid by investors under the IPO of the Trust, and is targeted to remain at the same rate for the financial year commencing 1 July 2019 (the “**Target Distribution**”).⁴
- **Diversification:** Exposure to a portfolio of 250-350 bonds issued by large, liquid global companies and diversified across countries, industries and credit quality.
- **Security:** Access to a large, experienced and stable investment team employing a disciplined and repeatable investment process with a strong emphasis on capital preservation by focusing on higher quality⁵ rated high yield corporate bonds and avoiding companies with deteriorating financials.⁶
- **Lower volatility:** Access to an asset class with a track record of lower volatility and attractive returns, and, consequently, the potential to enhance the risk/return profile of your investment portfolio.
- **Scale and Resources:** Access to a large investment team located around the world, supported by the resources of the broader Neuberger Berman research platform with over 200 investment professionals.
- **Experience:** Access to the expertise of senior portfolio managers averaging 25 years’ industry experience and with a 21 years’ track record managing high yield corporate bonds.
- **Commitment:** Neuberger Berman has committed, once again, to pay for all the upfront costs of the Offer in full out of its own pocket. (See Section 10 for more information on fees and costs.)

² The Offer Price is based on the NTA per Unit as at 10 May 2019, net of estimated Distributable Earnings for the financial year ending 30 June 2019.

³ The Shortfall Offer, which will allow new investors to participate in the Offer, includes an invitation to apply for up to 31,060,161 New Units over and above the Shortfall from the Entitlement Offer (representing that number of New Units which can be issued under the Trust’s available placement capacity under ASX Listing Rule 7.1 (“**Placement Capacity**”). In that event, the number of New Units issued under this PDS will be up to approximately 238,127,902 New Units and the maximum gross proceeds from the Offer will be up to approximately \$476.3 million.

⁴ 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 change in Target Distribution will be notified by way of ASX announcement as required. Investors should review the Risk summary set out in Section 8 of this PDS.

⁵ Higher quality refers to a credit rating of BB or B as assigned to the bonds by a credit rating agency.

⁶ Investors’ capital is not guaranteed.

## ***How to participate as an Eligible Unitholder – Entitlement Offer***

Under the Entitlement Offer, Eligible Unitholders are invited to apply for 1 New Unit at the Offer Price for every 1 existing Unit held on the Record Date, being **7.00 pm (AEST) on Friday, 31 May 2019**. Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units at the Offer Price in excess of their Entitlement ("**Oversubscription Facility**") (see Section 11 for more details).

It is important to note that the Entitlement Offer closes at **5.00 pm (AEST) on 26 June 2019**.

If you take no action or your application is not supported by cleared funds, your Entitlement will lapse and you will not be issued New Units. Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Accordingly, you should note that if you do not take up all or part of your Entitlement, then your percentage voting interest in the Trust will be reduced as a result of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement that you do not take up.

## ***How to participate as a new investor – Shortfall Offer***

Under the Shortfall Offer, any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) ("**Shortfall**") together with New Units available for issue utilising the Trust's available placement capacity under ASX Listing Rule 7.1 ("**Placement Capacity**") will be offered to new investors at the Offer Price under this PDS ("**Shortfall Offer**").

The offer of New Units under the Shortfall Offer will be made via Brokers only. There will be no general public offer of New Units under the Shortfall Offer. Details of eligibility to participate in, and apply for New Units under, the Shortfall Offer, are set out in Section 11.4. Eligible Unitholders are also able to participate in the Shortfall Offer.

It is important to note that the Shortfall Offer closes at **5.00 pm (AEST) on 28 June 2019**.

New Units issued under the Offer will rank equally with existing Units, including in respect of entitlement to distributions.

## ***Further Information***

The Product Disclosure Statement contains important information regarding the Offer. I urge you to read it carefully and in its entirety, including Section 8, which sets out certain key risks associated with an investment in the Trust, and Section 10, which sets out the fees and other costs associated with investing in the Trust. If you have any questions, you should seek relevant professional advice before making an investment decision.

If you are an Eligible Unitholder, we thank you for your continued support. To new investors, we look forward to welcoming you to the Trust.

Yours sincerely,

For and on behalf of

**Neuberger Berman Australia Pty Limited**

**Jason Henchman**

Director



## 1. INVESTMENT OVERVIEW

The information set out in this Section 1 is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. In deciding whether to apply for New Units under the Offer, you should read this PDS carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

Question	Answer	
<b>1.1 ABOUT THE TRUST</b>		
<b>What is the Trust?</b>	<p>The NB Global Corporate Income Trust is a managed investment scheme, which has been registered with ASIC. The Trust was listed on the ASX as an investment entity on 26 September 2018 and trades under ASX Code: NBI.</p> <p>The Trust provides investors with an opportunity to receive monthly income by investing in the bonds<sup>7</sup> of large, liquid companies globally.</p>	Section 2
<b>What is the investment objective of the Trust?</b>	The Trust's investment objective is to provide its Unitholders with a consistent and stable income stream paid via monthly distributions, while achieving an attractive level of total return (income plus capital appreciation) over a full market cycle <sup>8</sup> .	Section 2
<b>What is the Investment Strategy of the Trust?</b>	The investment strategy for the Trust is to invest in and actively manage a portfolio of high yield bonds issued by companies located globally across both developed (e.g. the U.S. and the U.K.) and emerging (e.g. Brazil and Indonesia) markets, with a strong emphasis on capital preservation <sup>9</sup> by focusing on higher quality <sup>10</sup> within the Global High Yield Market <sup>11</sup> , large <sup>12</sup> and more liquid <sup>13</sup> companies and by avoiding companies with deteriorating financials.	Sections 4.3 and 4.4
<b>What type of bonds does the Trust invest in?</b>	The Investment Team invests in high yield bonds issued by companies located in both developed and emerging markets globally, with a focus on BB and B rated bonds.	Section 4.4
<b>What are high yield bonds?</b>	Bonds issued by a company (i.e. corporate bonds), as distinct from a government, which are designated as non-investment grade. Non-investment grade indicates the bonds have been assigned a credit rating of below BBB-/Baa3 by a credit rating agency or are unrated.	

<sup>7</sup> As more fully explained in the Glossary of Industry Terms at Section 15, a bond is a type of debt security, which, when issued, creates an obligation of its issuer (i.e. borrower) to make payments (generally, interest and principal) to the holder (i.e. lender or creditor) in return for a principal amount (i.e. price of the bond or "loan") paid to the issuer by the holder, i.e. in essence, a loan arrangement.

<sup>8</sup> As defined in the Glossary of Industry Terms at Section 15 and for the purpose of the investment objective, a full market cycle is the period beginning with either the high or low point for a financial market followed by a corresponding low or high point, as the case may be, and then ending when the market next achieves or exceeds the initial high or low point.

<sup>9</sup> Investors' capital is not guaranteed.

<sup>10</sup> Higher quality refers to a credit rating of BB or B as assigned to the bonds by a credit rating agency.

<sup>11</sup> For the purposes of this PDS, the Global High Yield Market comprises the constituents of the ICE BofAML Global High Yield Index. ICE Benchmark Administration Limited has not consented to the reference to their index data in this PDS.

<sup>12</sup> Large denotes a company with more than US\$100 million in EBITDA (i.e. earnings, but please refer to the explanation provided in the Glossary of Industry Terms in Section 15).

<sup>13</sup> Liquid denotes a company with more than US\$200 million in publicly traded debt outstanding.

Question	Answer
<p><b>What is the Target Distribution of the Trust?</b></p>	<p>The current target distribution amount per Unit for the financial year ending 30 June 2019, which is paid monthly by the Trust, is 5.25% per annum (net of fees and expenses) on the subscription price paid by investors under the initial public offer ("<b>IPO</b>") of the Trust. For the upcoming financial year beginning on 1 July 2019, the target distribution amount per Unit, which will be paid monthly by the Trust, is targeted to remain at 5.25% per annum (net of fees and expenses) on the NTA per Unit as at 1 July 2019 ("<b>Target Distribution</b>").</p> <p>The Target Distribution is only a target and may not be achieved. Actual distributions will be monitored against the Target Distribution. The Target Distribution is formally reviewed at least annually (as at the end of each financial year) and any change in Target Distribution will be notified by way of ASX announcement as required. Investors should review the Risk summary set out in Section 8 of this PDS.</p>
<p><b>What returns have been generated by the Trust since the IPO?</b></p>	<p>Since listing on the ASX, the Trust has paid monthly distributions to existing Unitholders amounting to 6.125 cents per Unit, with the first distribution being paid in mid-November 2018 in respect of October 2018. The distributions paid and declared are in line with the Trust's Investment Objective<sup>14</sup> and keep it firmly on track to achieving its stated Target Distribution.</p> <p>Successful Applicants under the Offer are expected to begin receiving ongoing monthly distributions in respect of New Units in mid-August 2019 for the month of July 2019.</p>

<sup>14</sup> Past performance is not a reliable indicator of future performance

Question	Answer
What are the key benefits of investing in the Trust?	<p>The key benefits of investing in the Trust include:</p> <p style="text-align: right;">Section 2.2</p> <ul style="list-style-type: none"> <li>• <b>Global:</b> Exposure to global corporate bonds.</li> <li>• <b>Income:</b> The Manager aims to deliver a stable and consistent income stream, which is currently targeted at 5.25% per annum (net of fees and expenses), paid monthly, and expected to remain at the same target rate for the financial year commencing 1 July 2019 ("<b>Target Distribution</b>")<sup>15</sup>.</li> <li>• <b>Security:</b> Access to a large, experienced and stable investment team employing a disciplined and repeatable investment process with a strong emphasis on capital preservation by focusing on higher quality (e.g. BB and B rated) high yield corporate bonds and avoiding companies with deteriorating financials.<sup>16</sup></li> <li>• <b>Diversification:</b> Exposure to a portfolio of 250-350 bonds issued by large, liquid global companies and diversified across countries, industries and credit quality.</li> <li>• <b>Lower volatility:</b> Access to an asset class with a track record of lower volatility and attractive returns, and, consequently, the potential to enhance the risk/return profile of your investment portfolio.</li> <li>• <b>Scale and Resources:</b> Access to a large investment team currently comprising 55 investment professionals and located globally, supported by the resources of the broader Neuberger Berman research platform with over 200 investment professionals.</li> <li>• <b>Experience:</b> Access to the expertise of senior portfolio managers averaging 25 years' industry experience and with a 21 years' track record managing high yield corporate bonds.</li> <li>• <b>Commitment:</b> The Manager has committed to pay for all the Offer Costs.</li> </ul>

<sup>15</sup> The Target Distribution is only an annualised 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 change in Target Distribution will be notified by way of ASX announcement as required. Investors should review the Risk summary set out in Section 8 of this PDS.

<sup>16</sup> Investors' capital is not guaranteed.

Question	Answer	
<b>What are the key risks associated with the Investment Strategy and an investment in the Trust?</b>	<p>All investments are subject to risk which means the value of your investment may rise or fall. Before making an investment decision, it is important to understand the risks that can affect the value of your investment.</p> <p>Key risks in relation to the Investment Strategy include:</p> <p><b>General economic and market conditions</b></p> <p>A change in the general economic and market conditions globally, such as a tightening of available credit, interest rate rises or recessions, may have an adverse effect on the liquidity and value of the Trust's investments.</p> <p><b>Emerging market risk</b></p> <p>Investing in emerging markets may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets.</p> <p><b>Credit risk</b></p> <p>In relation to fixed income investments, the risk that the borrower does not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time, the Trust may suffer loss which may impact on the financial performance of the Trust including its ability to achieve the Target Distribution.</p> <p><b>Interest rate risk</b></p> <p>The risk that the value or future returns of corporate bonds or other fixed income investments may be adversely impacted by changes in interest rates. For example, the value of a bond may fall when interest rates rise, and vice versa.</p> <p><b>Currency risk</b></p> <p>The Trust's investments are currently denominated in U.S. dollars, Euros and British pounds. Although it is intended for the Trust to be hedged fully against foreign exchange movement risk, it may from time to time not be able to achieve a full hedge and adverse movements in the exchange rate between the Australian dollar and foreign currencies may reduce the Australian dollar value of the Trust. For example, where a derivative hedge is not cost effective or not available.</p> <p><b>Investment Team risk</b></p> <p>There is a risk that the Investment Team will not perform to expectations, may cease to manage the Investment Strategy, or one of the key members of the Investment Team may resign, requiring the need to find replacements.</p>	Investors should read these risks together with the other risks described in Section 8

Question	Answer
	<p>Key risks in relation to an investment in the Trust include:</p> <p><b>Investment risk</b></p> <p>The value of your investment in the Trust may fall for a number of reasons, which means that you may receive less than your original investment when you sell your Units.</p> <p><b>Derivatives risk</b></p> <p>There is a risk that the use of Derivatives (for hedging purposes) by the Manager may magnify any losses incurred.</p> <p><b>Pricing Risk</b></p> <p>Units may trade on the ASX above or below the Offer Price or NTA per Unit.</p> <p><b>Liquidity risk relating to Units in the Trust</b></p> <p>The ability of a Unitholder in the Trust to sell their Units on the ASX will depend on the turnover or liquidity of the Units at the time of sale. Therefore, Unitholders may not be able to sell their Units at the time, in the volumes or at the price they desire.</p>
<b>1.2 FINANCIAL INFORMATION AND DISTRIBUTION</b>	
<b>What is the financial position of the Trust?</b>	<p>The interim report for the Trust for the period from 26 September 2018 to 31 December 2018 has been reviewed by PwC as auditor of the Trust and was released to the ASX on 28 February 2019. Unaudited pro forma financial statements to incorporate the impact of the Offer, as if it had occurred as at 31 March 2019, are set out in Section 6.</p> <p style="text-align: right;">Section 6</p>
<b>Is the Trust leveraged?</b>	<p>The Trust does not utilise leverage for investment purposes.</p> <p style="text-align: right;">Section 4.6</p>
<b>Does the Trust use hedging and/or Derivatives?</b>	<p>The Trust does not use Derivatives for speculative purposes. However, the Investment Team intends to mitigate various risks associated with the Investment Strategy, including, in particular, the Trust's exposure to foreign currencies and, potentially its sensitivity to interest rate rises. Currently, the Trust's exposure to all foreign currencies it holds is hedged back to the Australian dollar using certain Derivatives, including currency forwards.</p> <p style="text-align: right;">Section 4.7</p>
<b>What is the Trust's distribution policy?</b>	<p>The Trust pays consistent monthly distributions and the Responsible Entity expects to distribute 100% of the Distributable Earnings of the Trust on an annual basis. Refer to Section 2.5 "<i>Distribution Policy</i>" for further information in relation to Distributable Earnings.</p> <p>Unitholders generally receive monthly distributions within 7 Business Days of the end of each month.</p> <p style="text-align: right;">Section 2.5</p>

Question	Answer	
<b>Are distributions guaranteed?</b>	No, the Responsible Entity and the Manager can provide no guarantee as to the extent of future distributions, as these will depend on a number of factors, including future earnings, financial conditions, future prospects and other factors the Responsible Entity deems relevant.	Section 2.4
<b>Is there a distribution reinvestment plan?</b>	Yes. The Responsible Entity has established a Distribution Reinvestment Plan (“ <b>DRP</b> ”), which gives Unitholders the right to re-invest distributions from the Trust in additional Units. Details of the <b>DRP</b> (including access to a copy of the <b>DRP</b> rules) are available on the Trust’s website at <a href="http://www.nb.com/nbi">www.nb.com/nbi</a> . Unitholder participation in the <b>DRP</b> is optional. The Responsible Entity reserves the right to suspend the <b>DRP</b> at any time.	Section 2.5
<b>Is there be a Buy-Back facility?</b>	<p>The Responsible Entity may exercise its discretion, in consultation with the Manager, to purchase Units on-market with a view to addressing any unsatisfied liquidity in the Units and/or any material discount in the price at which the Units may have been trading to the NTA per Unit.</p> <p>It is not proposed that any such Buy-Back will exceed 10% of the smallest number of units in the Trust during the 12 months prior to any Buy-Back, unless otherwise approved by resolution of Unitholders.</p>	Section 2.10
<b>1.3 RESPONSIBLE ENTITY AND GOVERNANCE</b>		
<b>Who is the Responsible Entity of the Trust, and the issuer of the New Units and this PDS?</b>	<p>Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) is the Responsible Entity of the Trust and the issuer of the New Units and this PDS. The Responsible Entity holds an AFSL that permits it to act as Responsible Entity of the Trust.</p> <p>Equity Trustees Limited (“<b>Equity Trustees</b>”) is a wholly owned subsidiary of EQT Holdings Limited (ABN 22 607 797 615) (“<b>EQT Group</b>”), which is a public company listed on the Australian Securities Exchange (ASX: EQT).</p> <p>EQT Group is a provider of specialist services including estate management services, trustee services, financial and taxation advice, personal investment advice, responsible entity services, and services as a trustee of managed investment schemes.</p>	Section 5.2
<b>Who are the Directors of the Responsible Entity?</b>	<p>The current Directors of the Responsible Entity are:</p> <p>Philip D Gentry – Executive Director (Chairman)</p> <p>Harvey H Kalman – Executive Director</p> <p>Michael (Mick) J O’Brien – Executive Director</p> <p>Ian C Westley – Executive Director</p> <p>See Section 5.4 for further details regarding the background of the Directors.</p>	Section 5.4



Question	Answer	
<b>What fees does the Responsible Entity receive?</b>	The Responsible Entity is paid an ongoing fee and is entitled to reimbursement of certain expenses out of the Trust assets.	Sections 10 and 12.1
<b>Does any related party have a significant interest in the Trust or the Offer?</b>	Other than as set out in Section 14, there are no existing agreements or arrangements nor any currently proposed transactions in which the Responsible Entity was, or is to be, a participant and in which any related party of the Responsible Entity had or will have a direct or indirect interest in the Trust or the Offer.	Sections 2.12 and 14.5
<b>1.4 ABOUT THE MANAGER</b>		
<b>Who is the Manager of the Trust</b>	<p>Neuberger Berman Australia Pty Limited is the manager of the Trust. It operates under an Australian Financial Services Licence (AFSL 391401) and is part of Neuberger Berman.</p> <p>Founded in 1939, Neuberger Berman is a private, independent, employee-owned global asset management firm with a primary objective: to deliver compelling investment results for its clients over the long term. From offices in 23 countries, and with more than 600 investment professionals and over 2,100 employees in total, Neuberger Berman takes an active approach to the management of equity, fixed income, private equity and debt, hedge fund and quantitative strategies, along with the multi-asset class portfolios that bring them together. As of 31 March 2019, institutions, advisors, families and individuals around the globe have entrusted Neuberger Berman with US\$323 billion (\$455 billion) of their assets.</p>	Section 5.1
<b>Who manages the Investment Strategy?</b>	<p>The Investment Strategy is managed by the Investment Team, currently comprising 55 investment professionals, of which the following are currently the senior portfolio managers ("<b>Global High Yield Portfolio Management Team</b>"):</p> <ul style="list-style-type: none"> <li>• Thomas O'Reilly, Senior Portfolio Manager<sup>17</sup></li> <li>• Russ Covode, Senior Portfolio Manager</li> <li>• Vivek Bommi, Senior Portfolio Manager</li> <li>• Nish Popat, Senior Portfolio Manager</li> <li>• Jennifer Gorgoll, Senior Portfolio Manager</li> </ul> <p>See Section 5.1 for the professional biographies of each of the senior portfolio managers.</p>	Section 5.1

<sup>17</sup> In late 2018, the Trust announced that Thomas O'Reilly will retire on or about 31 December 2019 and will cease his portfolio management responsibilities at that time. Russ Covode, Vivek Bommi, Jennifer Gorgoll and Nish Popat (then constituting the Global High Yield Portfolio Management Team) will continue to act as the senior portfolio managers for the Investment Strategy.

Question	Answer	
<b>What are the key terms of the Management Agreement?</b>	<p>The Manager is responsible for managing the Trust in accordance with the Management Agreement.</p> <p>Unless terminated earlier, the Management Agreement provides for the appointment of the Manager for an initial term of five years. The Responsible Entity applied for and received the ASX's approval to extend the term to ten years. Upon the expiry of the initial term unless terminated earlier, the Management Agreement will continue until terminated by the parties.</p> <p>Under the Management Agreement, the Manager is entitled to both an investment management fee and administration fee out of the assets of the Trust.</p>	Section 10 and 12.1
<b>1.5 ABOUT THE OFFER</b>		
<b>What is the Offer?</b>	<p>The Responsible Entity is offering New Units for subscription at the Offer Price to raise up to \$476.3 million for the Trust.</p> <p>The Offer comprises:</p> <ul style="list-style-type: none"> <li>the Entitlement Offer; and</li> <li>the Shortfall Offer.</li> </ul>	Sections 11.1
<b>What is the Offer Price?</b>	<p>\$2.00 per New Unit under both the Entitlement Offer and the Shortfall Offer.</p> <p>The Offer Price is based on the NTA per Unit as at 10 May 2019, net of estimated Distributable Earnings for the financial year ending 30 June 2019.</p>	Key Offer Details
<b>When does the Offer open?</b>	The Offer opens on 5 June 2019.	Key Dates
<b>What is the Entitlement Offer?</b>	<p>A pro-rata non-renounceable entitlement offer under which Eligible Unitholders are invited to apply for 1 New Unit at the Offer Price for every 1 existing Unit held as at 7.00 pm (AEST) on the Record Date to raise up to \$414.1 million<sup>18</sup>.</p> <p>Under the Entitlement Offer, Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units at the Offer Price in excess of their Entitlement ("<b>Oversubscription Facility</b>"). Any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) will be offered to Eligible Investors under the Shortfall Offer.</p>	Section 11.3

<sup>18</sup> The Shortfall Offer, which will allow new investors to participate in the Offer, includes an invitation to apply for up to 31,060,161 million New Units over and above the Shortfall from the Entitlement Offer (representing that number of New Units which can be issued under the Trust's available placement capacity under ASX Listing Rule 7.1 ("**Placement Capacity**"). In that event, the number of New Units issued under this PDS will be up to approximately 238,127,902 New Units and the maximum gross proceeds from the Offer will be up to approximately \$476.3 million.

Question	Answer	
<b>Who is an Eligible Unitholder?</b>	<p>In order to be eligible to participate in the Entitlement Offer, a Unitholder must:</p> <ul style="list-style-type: none"> <li>• be registered as a Unitholder as at 7.00 pm (AEST) on the Record Date;</li> <li>• have a registered address on the Trust's unit register in Australia or New Zealand; and</li> <li>• for the avoidance of doubt, not be in the United States and must not be acting for the account or benefit of a person in the United States (to the extent that such a person holds Units for the account or benefit of such persons in the United States).</li> </ul>	Section 11.3
<b>What is my Entitlement?</b>	<p>Your Entitlement is the invitation to you under the Entitlement Offer to apply for 1 New Unit at the Offer Price for every 1 existing Unit you hold as at 7.00 pm (AEST) on the Record Date. Your Entitlement will be noted on your personalised <i>Entitlement and Acceptance Form</i>.</p>	Section 11.3
<b>What can I do in respect of my Entitlement?</b>	<p>As an Eligible Unitholder, you may do any of the following:</p> <ul style="list-style-type: none"> <li>• take up all or part of your Entitlement (i.e. acquire up to 1 New Unit at the Offer Price for every 1 existing Unit you hold as at 7.00 pm (AEST) on the Record Date); or</li> <li>• do nothing, in which case your Entitlement will lapse and you will not be issued New Units.</li> </ul> <p>You should be aware that if you do not take up all or part of your Entitlement, then your percentage voting interest in the Trust will be reduced to the extent of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement which you do not take up.</p> <p>Your percentage voting interest in the Trust will also be reduced to the extent of participation by investors under the Shortfall Offer.</p>	Section 11.3
<b>Can I trade my Entitlement?</b>	<p>Your Entitlement under the Entitlement Offer is non-renounceable and cannot be traded on the ASX or any other exchange, nor can it be privately transferred.</p>	Section 11.3

Question	Answer	
<b>Can I apply for New Units in excess of my Entitlement and what is the Oversubscription Facility?</b>	<p>If you are an Eligible Unitholder and you take up your Entitlement in full, you may also apply for Additional New Units at the Offer Price in excess of your Entitlement (“<b>Oversubscription Facility</b>”).</p> <p>Additional New Units have the same terms as New Units.</p> <p>Additional New Units will only be allocated to Eligible Unitholders if available (to the extent Eligible Unitholders do not take up their full Entitlement). Allocations of Additional New Units will be determined by the Responsible Entity.</p> <p>Any Excess Amount paid by an Eligible Unitholder may be treated as an application to apply for as many Additional New Units as the Excess Amount will pay for in full.</p> <p>No Additional New Units will be issued to an Eligible Unitholder which will result in them increasing their voting power in the Trust above 20%.</p>	Section 11.3
<b>How can I apply under the Entitlement Offer?</b>	<p>If you wish to take up all or part of your Entitlement, or to take up all of your Entitlement and also apply for Additional New Units in excess of your Entitlement, you should refer to the details provided in your personalised <i>Entitlement and Acceptance Form</i> accompanying this PDS. To apply and pay for New Units, please:</p> <ul style="list-style-type: none"> <li>• pay your Application Amount via BPAY<sup>®19</sup>, or</li> <li>• complete and return your personalised <i>Entitlement and Acceptance Form</i> accompanying this PDS, together with the Application Amount, by following the instructions set out in the <i>Entitlement and Acceptance Form</i><sup>20</sup>.</li> </ul>	Section 11.3
<b>When does the Entitlement Offer close?</b>	The Entitlement Offer closes at 5.00 pm (AEST) on 26 June 2019.	Key Dates and Section 11.3

<sup>19</sup> BPAY<sup>®</sup> payments can only be made in AUD.

<sup>20</sup> If you are paying by cheque or bank draft, your Application Amount and completed *Entitlement and Acceptance Form* must be received by the Unit Registry before 5.00 pm (AEST) on 26 June 2019.

Question	Answer	
<b>What is the Shortfall Offer?</b>	<p>The Responsible Entity intends to:</p> <ul style="list-style-type: none"> <li>offer any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) ("<b>Shortfall</b>") at the Offer Price to new Eligible Investors under this PDS; and</li> <li>under this PDS, offer to issue New Units (at the Offer Price) up to that number which represents the Trust's available placement capacity under ASX Listing Rule 7.1 ("<b>Placement Capacity</b>").</li> </ul> <p>The Shortfall and Placement Capacity together constitute and are referred to as the "<b>Shortfall Offer</b>".</p> <p>As at the date of this PDS, assuming the Entitlement Offer is fully taken up, the Trust may issue up to 31,060,161 New Units under its Placement Capacity without the requirement to obtain Unitholder approval for such issue.</p> <p>The offer of New Units under the Shortfall Offer will be made via Brokers only. There will be no general public offer of New Units under the Shortfall Offer. Details of eligibility to participate in, and apply for New Units under, the Shortfall Offer are set out in Section 11.4.</p>	Section 11.4
<b>Who is an Eligible Investor under the Shortfall Offer?</b>	<p>The Shortfall Offer is only open to persons ("<b>Eligible Investors</b>") who have received an invitation to participate and been offered a firm allocation from their Broker, and who are Retail Applicants with a residential address in Australia or New Zealand or Institutional Applicants with a registered address in Australia or New Zealand.</p> <p>Eligible Unitholders are also able to participate in the Shortfall Offer. If an Eligible Unitholder wishes to participate in the Shortfall Offer, they should contact a Broker.</p>	Section 11.4
<b>How can I apply under the Shortfall Offer?</b>	<p>Eligible Investors under the Shortfall Offer should contact their Broker for instructions on how to complete the <i>Shortfall Offer Application Form</i> accompanying this PDS, and how to pay their Application Amount.</p> <p><b>The Joint Lead Managers and the Co-Managers may seek to obtain identification information from Applicants.</b></p> <p><b>The Responsible Entity reserves the right to reject an Application if that information is not provided.</b></p>	Section 11.4
<b>Is there a minimum amount of New Units which I must apply for under the Shortfall Offer?</b>	<p>Yes. Each Applicant must subscribe for a minimum of 2,500 Units. Applications in excess of the minimum number of Units must be in multiples of 500 Units.</p>	Section 11.4

Question	Answer	
<b>How do I pay my Application Amount?</b>	Applicants under the Shortfall Offer must pay their requisite Application Amount in accordance with the instructions received from their Broker.	Section 11.4
<b>When does the Shortfall Offer close?</b>	The Shortfall Offer closes at 5.00 pm (AEST) on 28 June 2019.	Key Dates and Section 11.4
<b>Can I withdraw my Application under the Offer?</b>	<p>You cannot withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Units under the Offer.</p> <p>The Responsible Entity reserves the right not to proceed with the Offer at any time before the allotment of New Units, in which case the Responsible Entity will refund in full (without interest) any Application Amount already received in accordance with the Corporations Act.</p>	Section 11.5
<b>Is there a cooling-off period?</b>	No.	Important Notices and Section 11.5
<b>Can the Offer be withdrawn?</b>	<p>The Responsible Entity reserves the right not to proceed with the Offer at any time before the issue of New Units to successful Applicants.</p> <p>If the Offer does not proceed, Application Amounts will be refunded. No interest will be paid on any Application Amount refunded as a result of the withdrawal of the Offer.</p>	Sections 11.1 and 11.5
<b>What is the allocation policy under the Offer?</b>	<p>The basis of allocation of New Units under the Oversubscription Facility and the Shortfall Offer will be determined by the Responsible Entity.</p> <p>The Responsible Entity in conjunction with the Manager reserves the right in its absolute discretion to scale-back any Application</p>	Section 11.5
<b>When will I know if my Application has been successful?</b>	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful. It is expected that initial holding statements will be dispatched by post on or after 12 July 2019.	Section 11.5
<b>What are the terms of the New Units issued under the Offer?</b>	New Units issued under the Offer will rank equally with existing Units, including in respect of entitlement to distributions.	Section 11.5
<b>Will the New Units be quoted?</b>	The Responsible Entity has or will apply to the ASX within seven days of the date of this PDS for quotation of the New Units on the ASX.	Section 11.6



Question	Answer	
<b>When will New Units begin trading on the ASX?</b>	<p>Normal T+2 settlement trading of New Units issued under the Entitlement Offer is expected to commence on the ASX on 4 July 2019.</p> <p>Normal T+2 settlement trading of New Units issued under the Shortfall Offer is expected to commence on the ASX on 12 July 2019.</p> <p>It is the responsibility of successful Applicants to confirm their holding before trading their new Units. If you sell your New Units prior to receiving a holding statement, you do so at your own risk even if you obtained details of your holding from your Broker or from the Trust's Offer Information Line.</p>	Section 11.5
<b>Who are the Joint Lead Managers and Co-Managers to the Offer?</b>	<p>The Joint Lead Managers to the Offer are:</p> <ul style="list-style-type: none"> <li>• Evans Dixon</li> <li>• Morgans</li> <li>• NAB</li> <li>• Ord Minnett</li> </ul> <p>The Co-Managers to the Offer are:</p> <ul style="list-style-type: none"> <li>• Bell Potter</li> <li>• Patersons</li> <li>• Shaw and Partners</li> <li>• Wilsons</li> </ul>	Sections 11.2 and 12.3
<b>Is the Offer underwritten?</b>	No.	Section 11.2
<b>What is the purpose of the Offer and what is the proposed use of the proceeds raised under the Offer?</b>	The Responsible Entity is seeking to raise up to \$476.3 million and will use the funds raised under the Offer to finance the acquisition of investments consistent with the Investment Strategy.	Sections 6.2 and 11.1
<b>What is the timeframe for investment of the Offer proceeds?</b>	It is anticipated that it will take the Investment Team no more three days to invest the Offer proceeds.	Section 4.4

Question	Answer	
<b>Will the Offer impact the Target Distribution?</b>	The Trust expects to maintain its payment of monthly distributions to Unitholders immediately following completion of the Offer which are consistent with the Target Distribution <sup>21</sup> .	
<b>Will the Offer impact the NTA per Unit?</b>	The Offer is not expected have a material impact on the NTA per Unit.	-
<b>What is the expected impact on control of the Trust?</b>	The Offer is not expected have any significant impact on the control of the Trust.	-
<b>What are the fees and costs of the Offer?</b>	The aggregate fees and costs of the Offer (" <b>Offer Costs</b> "), which are anticipated to amount to approximately 2.5% of the Offer proceeds, will be paid in full by the Manager out of its own pocket (i.e. there will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for such fees and costs).	Sections 6.4, 11.3 and 12.1  See Section 10 for ongoing fees and costs relating to the Trust
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	No brokerage, commission or stamp duty is payable by Applicants on the issue or taking up of your Entitlement, or the issue of New Units under the Offer.	Section 11.3
<b>What are the tax implications of the Offer and an investment in the Trust?</b>	Participation in the Offer and an investment in the Trust may have taxation implications for investors. These implications will differ depending on the individual circumstances of each investor.	Section 13

<sup>21</sup> The Target Distribution is only an annualised 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 change in Target Distribution will be notified by way of ASX announcement as required. Investors should review the Risk summary set out in Section 8 of this PDS.

Question	Answer
<b>1.6 MATERIAL CONTRACTS RELATING TO THE TRUST</b>	
<b>What are the material contracts relating to the Trust?</b>	<div> <div> <ul style="list-style-type: none"> <li>• <b>Management Agreement</b> between the Responsible Entity and the Manager. See the <i>'What are the key terms of the Management Agreement?'</i> in Section 1.4 for more information about the Management Agreement;</li> <li>• <b>Investment Advisory Agreements</b> between the Manager and each of the Investment Advisers;</li> <li>• <b>Offer Management Agreement</b> between the Responsible Entity, the Manager and the Joint Lead Managers in relation to the Offer; and</li> <li>• <b>Appointment Agreement</b> between the Responsible Entity and JPMorgan in respect of the Trust incorporating the provisions of the existing Global Custody Agreement and Accounting and Relating Services Agreement between the Responsible Entity and JPMorgan.</li> </ul> </div> <div>Section 12</div> </div>
<b>1.7 FURTHER INFORMATION</b>	
<b>How can I obtain further information?</b>	<p>If you would like more information or have any questions relating to the Offer, please call the Trust's Offer Information Line on 1300 032 754 (within Australia) or +61 2 8023 5419 (outside Australia).</p> <p>If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.</p>

## 2. Overview of the Trust

### 2.1 Introduction

Neuberger Berman believes that there are many investors in Australia, particularly those approaching or already in retirement phase, who are holding excess, low-yielding cash positions and potentially impairing their longer term retirement objectives. Consequently, there appears to be a need for investment products, which produce stable and consistent distributions of income in excess of bank deposits and which provide diversification beyond Australian listed equities and Australian fixed income products.

In line with Neuberger Berman's commitment to product innovation and investment solutions attuned to evolving investor needs, Neuberger Berman Australia Pty Ltd (the "**Manager**") established the NB Global Corporate Income Trust (the "**Trust**").

The Trust is a managed investment scheme structured as a unit trust, which is registered with ASIC. Following its IPO which closed in early September 2018, the Trust was listed on the ASX as an investment entity on 26 September 2018 and trades under ASX Code: NBI.

The Trust provides investors with exposure to the high yield bonds of large and liquid companies globally, which the Manager believes may be an attractive investment solution for investors seeking stable and consistent income and diversification. As such, the Trust could be viewed to be, or to form part of, an income or retirement solution for direct or advised Australian retail and SMSF segments. By providing exposure to global high yield corporate bond markets, which are typically under-represented in Australian retail and SMSF investment portfolios, an allocation to the Trust can provide diversification benefits to a domestically-biased portfolio containing assets such as Australian equities, property and traditional fixed income, and improve the risk/return profile of an investor's investment portfolio. These features may potentially also benefit other investors seeking diversification and income within their portfolios.

### 2.2 Highlights

- **Global:** Exposure to global corporate bonds.
- **Income:** The Manager aims to deliver a stable and consistent income stream, which, for the financial year ending 30 June 2019, is currently targeted at 5.25% per annum (net of fees and expenses) on the subscription price paid by investors under the IPO of the Trust, paid monthly, and is targeted to remain at the same rate for the financial year commencing 1 July 2019 ("**Target Distribution**")<sup>22</sup>.
- **Security:** Access to a large, experienced and stable investment team employing a disciplined and repeatable investment process with a strong emphasis on capital preservation by focusing on higher quality<sup>23</sup> rated high yield corporate bonds within the Global High Yield Market<sup>24</sup> and avoiding companies with deteriorating financial conditions.<sup>25</sup>
- **Diversification:** Exposure to a portfolio of 250-350 bonds issued by large<sup>26</sup>, liquid<sup>27</sup> global companies and diversified across countries, industries and credit quality.

<sup>22</sup> 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 change in Target Distribution will be notified by way of ASX announcement as required. Investors should review the Risk summary set out in Section 8 of this PDS.

<sup>23</sup> Higher quality refers to a credit rating of BB or B as assigned to the bonds by a credit rating agency.

<sup>24</sup> For the purposes of this PDS, the Global High Yield Market comprises the constituents of the ICE BofAML Global High Yield Index.

<sup>25</sup> **Investors' capital is not guaranteed.**

<sup>26</sup> Large denotes a company with more than US\$100 million in EBITDA (i.e. earnings, but please refer to the explanation provided in the Glossary of Industry Terms in Section 15).

<sup>27</sup> Liquid denotes a company with more than US\$200 million in publicly traded debt outstanding.

- **Lower volatility:** Access to an asset class with a track record of lower volatility and attractive returns, and, consequently, the potential to enhance the risk/return profile of a typical Australian investment portfolio.
- **Scale and Resources:** A large investment team comprising 55 investment professionals located globally across Chicago, Atlanta, New York, London, The Hague, Singapore and Shanghai, which also has access to the resources of the broader Neuberger Berman research platform with over 200 investment professionals.
- **Experience:** Access to the expertise of senior portfolio managers averaging 25 years' industry experience and with a 21 years' track record managing high yield corporate bonds.
- **Commitment:** With a local presence in Australia since 2007 and currently overseeing \$7.4 billion in assets for an existing Australian client base, Neuberger Berman has also committed to pay for all upfront costs of the Offer in full out of its own pocket. (Please see Section 10 for more information on fees and costs.)

## 2.3 Investment Objective

The Trust's investment objective is to provide its Unitholders with a consistent and stable income stream paid via monthly distributions, while achieving an attractive level of total return (income plus capital appreciation) over a full market cycle.

## 2.4 Target Distribution

In line with the Trust's investment objective, for the financial year ending 30 June 2019, the Trust is currently targeting a distribution of 5.25% per annum (net of fees and expenses) on the subscription price of \$2.00 under the IPO, paid monthly. This equates to an annual target distribution amount of \$0.105 per Unit, which on an initial subscription for 5,000 Units under the IPO would amount to \$525.

Unitholders began receiving ongoing monthly distributions with effect from 31 October 2018 and such distributions are payable within 7 Business Days of the end of each month.

The Trust anticipates announcing to the ASX a target distribution rate to Unitholders for each upcoming 12 month period commencing from 1 July 2019 prior to the commencement of the relevant 12 month period. For the upcoming financial year beginning on 1 July 2019, the Trust expects to maintain the target distribution amount per Unit, which is paid monthly by the Trust, at 5.25% per annum (net of fees and expenses) on the NTA per Unit as at 1 July 2019 ("**Target Distribution**").

The first distribution payable in respect of New Units is expected to be made in mid-August 2019 for the month of July 2019.

Actual distributions will be monitored against the Target Distribution and any reduction in Target Distribution will be notified by way of ASX announcement as required.

The Target Distribution is only a target and there is no guarantee that the Target Distribution can or will be achieved. Investors should review the risk summary set out in Section 8 of this PDS.

## 2.5 Distribution Policy

The Responsible Entity has full discretion with regard to the distribution policy for the Trust and has the objective of paying consistent monthly distributions to Unitholders. In some circumstances, the Responsible Entity may also pay distributions at other times where it considers appropriate. It is also the Responsible Entity's distribution policy to distribute 100% of the Distributable Earnings on an annual basis. The "Distributable Earnings" is the cash available for distribution, being net profit attributable to the Units, adjusted for non-cash items and one-off and non-recurring items (including, for example, if unexpected processing charges arise or non-recurring legal

expenses).

Unitholders began receiving ongoing monthly distributions with effect from 31 October 2018. Distributions are payable within 7 Business Days of the end of each month, Unitholders received their first monthly distribution in mid-November 2018. The first distribution payable in respect of New Units is expected to be made in mid-August 2019 for the month of July 2019.

The Responsible Entity can provide no guarantee as to the extent of distributions, as these will depend on a number of factors, including future earnings, financial conditions, future prospects and other factors the Responsible Entity deems relevant.

Distributions received by Unitholders are generally assessable income and calculated based on Distributable Earnings attributable to the Units at the end of the distribution period divided by the number of Units on issue. Distributions received by Unitholders will be primarily comprised of ordinary income rather than capital gains for Australian tax purposes. Investors should review the Taxation summary set out in Section 13 of this PDS.

## **2.5.1 Distribution Reinvestment Plan**

The Responsible Entity has established a Distribution Reinvestment Plan ("DRP"), which gives Unitholders the right to re-invest distributions from the Trust in additional Units in the Trust. Details of the DRP (including a copy of the DRP rules) are available on the Trust's website at [www.nb.com/nbi](http://www.nb.com/nbi). Unitholder participation in the DRP is optional.

Australian and New Zealand investors electing to have their distribution paid in cash must nominate a bank account held in their own name with an Australian domiciled bank. Cash distributions will only be paid in Australian dollars to such an account. If participation in the DRP is elected, when the distribution is reinvested, investors will be allocated Units in accordance with the terms and conditions set out in the DRP rules and this PDS. The DRP will be offered to Australian and New Zealand investors on the following basis:

- At the time the price of the Units allotted pursuant to the DRP is set, the Responsible Entity will not have any information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Units if the information were publicly available.
- The right to acquire, or require the Responsible Entity to issue, Units will be offered to all Unitholders of the same class, other than those resident outside Australia and New Zealand who are excluded so as to avoid breaching overseas laws.
- Every Unitholder to whom the right is offered will be given a reasonable opportunity to accept it.
- Units will be issued on the terms disclosed, and will be subject to the same rights as Units issued to all unitholders of the same class.
- The Responsible Entity reserves the right to suspend at any time.

Unitholders who have not provided their bank account details for the payment of cash distributions will be deemed to have elected to reinvest all of their cash distributions in additional units in the Trust in accordance with the DRP.

There is available from the Responsible Entity, on request and free of charge, a copy of the most recent annual report of the Trust (if any), the PDS, the Constitution (including any amendments) and, once the Trust has completed its first accounting period and financial statements have been prepared, a copy of the most recent financial statements and the auditor's report (if any). Other than the Constitution, these documents may be obtained electronically from [www.nb.com/NBI](http://www.nb.com/NBI).

## **2.6 Borrowing Powers**

Neither the Responsible Entity nor the Manager will borrow on behalf of the Trust for investment purposes.



## 2.7 Hedging Transactions and Currency Risk Management

The Trust's investments are denominated in U.S. dollars, Euros and British pounds. However, the Trust's exposure to all foreign currencies are currently hedged to the Australian dollar. Please refer to Section 4.7 below for descriptions of, respectively, the hedging and currency risk management undertaken by the Investment Team on behalf of the Trust.

## 2.8 Liquidity

### 2.8.1 Units of the Trust

While the Trust is listed, Units are not able to be redeemed except under a withdrawal offer or a Buy-Back of Units which satisfies the Corporations Act and the Listing Rules (see Section 2.10 below).

However, Unitholders' liquidity is achieved by way of the ability to sell Units on the ASX and the Responsible Entity will apply for quotation of the New Units on the ASX.

It is expected, subject to the quotation of the New Units on the ASX, that the New Units will commence normal T+2 settlement trading on the ASX on:

- in the case of New Units issued under the Entitlement Offer, 4 July 2019; and
- in the case of New Units issued under the Shortfall Offer, 12 July 2019.

After the New Units commence trading on a normal settlement basis, such Units may be sold on the ASX by Unitholders instructing their stockbroker.

### 2.8.2 Investments of the Trust

Since the Trust invests in the bonds of large and liquid global companies, its investments are generally liquid and the Manager expects that 80% of the Trust's assets will be able to be realised, in most market conditions, within 10 days.

## 2.9 Withdrawals

While the Trust is listed, Units are not able to be redeemed except under a withdrawal offer or a Buy-Back of Units which satisfies the Corporations Act and the Listing Rules. However, while the Trust is listed, the Units may be sold on the ASX. The ability to sell the Units on the ASX is a function of the turnover of the Units. Further, there may be a trading halt or suspension of quotation of Units during which the Units may not be sold on the ASX. Please refer to Section 8.16 for further details regarding the Liquidity Risk regarding Units in the Trust.

## 2.10 Buy-Backs

The Responsible Entity may exercise its discretion, in consultation with the Manager, to purchase Units on-market with a view to addressing any unsatisfied liquidity in the Units and/or any material discount in the price at which the Units may have been trading to the NTA per Unit.

The timing of the commencement and conduct of a Buy-Back (if undertaken) will be in accordance with the Constitution, Listing Rules and all applicable laws. It is not proposed that any such Buy-Back will exceed 10% of the smallest number of Units on issue in the Trust during the 12 months prior to any Buy-Back, unless otherwise approved by ordinary resolution of Unitholders. If the Responsible Entity proposes the commencement of the Buy-Back facility it will give the required notice to the ASX. The Responsible Entity is not permitted to Buy-Back a Unit for at least 14 days after the giving of the notice.

Units purchased by the Responsible Entity on behalf of the Trust under a Buy-Back will be immediately cancelled.

A Buy-Back will only be undertaken if it is considered to be in the best interests of Unitholders.

## 2.11 Further issues of units

The Responsible Entity has the authority, subject to the Constitution, Listing Rules and applicable laws, to allot further units following the Listing. Further issues of units will only be made if the Responsible Entity determines such issues to be in the best interests of Unitholders. Relevant factors in making such determination include net asset performance, liquidity and perceived investor demand.

## 2.12 Trust structure

### 2.12.1 Investment structure

The Trust is a registered managed investment scheme domiciled in Australia and listed on the ASX. In general, each Unit in the Trust represents a Unitholder's interest in the assets attributable to that class of Units as a whole, subject also to liabilities attributable to that class of Units. However, a Unit does not give a Unitholder an interest in any particular asset of the Trust.

The investment structure is operated as summarised below:

- The Responsible Entity is responsible for overseeing the management and operation of the Trust.
- The Responsible Entity has entered into a Management Agreement with the Manager with respect to the management of the Trust (see Section 12.1).
- The Manager has entered into an Investment Advisory Agreement with each of the Investment Advisers with respect to the investment of the assets of the Trust (see Section 2.12.3). Members of the Investment Team are employed across the Investment Advisers and implement the Investment Strategy of the Trust as described in this PDS.

### 2.12.2 Service providers

As at the date of this PDS, the service providers to the Trust are:

- **Manager:** Neuberger Berman Australia Pty Limited is responsible for managing the Trust. For further details on the Manager, refer to Section 5.
- **Administrator and Custodian:** JPMorgan Chase Bank, National Association ("**JPMorgan**") provides administration, fund accounting, valuation and arrangement of custodial services for the Trust.
- **Unit Registry:** Boardroom Pty Ltd provides unit registry services for the Trust.
- **Auditor:** PricewaterhouseCoopers is the independent auditor of the Trust and has been engaged as the auditor of the Trust's compliance plan and financial reports.

The Responsible Entity has entered into service agreements with the service providers and, with the assistance of the Manager, regularly monitors the performance of the service providers against the service levels set out in the relevant agreements.

The Manager has engaged NB Europe and NB Investment Advisers as the Investment Advisers (see below).

### 2.12.3 Related party relationships

The Manager has entered into an Investment Advisory Agreement with each of the Investment Advisers, Neuberger Berman Europe Limited ("**NB Europe**") and Neuberger Berman Investment Advisers LLC ("**NB Investment Advisers**"). The Investment Advisers have been delegated certain investment management duties in

relation to the Trust (including foreign currency hedging). For further details on NB Europe and NB Investment Advisers, refer to Section 5.

## *Investment Adviser's indemnification*

The Investment Adviser will not be liable to the Manager except by reason of acts which constitute bad faith, wilful misconduct, gross negligence or reckless disregard of the Investment Adviser's duties.

The Investment Advisers, and their directors, managers, officers, employees and affiliates (each, an "**Investment Adviser Indemnified Party**") are indemnified by the Manager to the same extent that the Manager is indemnified from the Trust under the Management Agreement (refer to Section 12.1 below).

## *Fees*

Fees payable to the Investment Advisers are borne by the Manager.

## *Term and Termination*

The Investment Advisory Agreements will run concurrently with the Management Agreement and be terminated upon the termination of the Management Agreement. Refer to Section 12.1 ("*Management Agreement*") for information regarding the term and termination regime under the Management Agreement.

The Manager and the Investment Advisers are related parties of each other due to being indirectly controlled by Neuberger Berman Group LLC. Each of NB Europe and NB Investment Advisers is permitted under its Investment Advisory Agreement to sub-contract the performance of its services to affiliates. Neuberger Berman and the Responsible Entity are not related parties. No other service providers to the Trust are related to Neuberger Berman or the Responsible Entity.

## **2.13 Valuation, location and custody of assets**

### **2.13.1 Valuation of the Trust**

The Responsible Entity has engaged independent specialist fund administrator JPMorgan to determine the NTA per Unit and the NTA of the Trust daily.

In accordance with the Responsible Entity's Valuation Policy, the assets of the Trust are valued:

- using prices obtained from independent sources, such as recognised pricing services or brokers specialising in the relevant markets; and
- in the case of cash deposits, at their face value plus any accrued interest.

The NTA of the Trust is expected to be calculated and made available daily on the Trust's website and on the ASX. The NTA will reflect the carrying value of the debt investments measured at fair value through profit or loss, in accordance with the ASX Listing Rules and Australian Accounting Standards. For financial instruments not classified and measured at fair value through profit or loss, these are measured at amortised cost less impairment.

### **2.13.2 Types of assets**

The custodial arrangements in respect of various asset classes for the Trust are described in the table below.

Asset Class	Custodian	Location of Custodian	Location of Asset	Allocation Range
Fixed income investments	JPMorgan	Global	Global	Up to 100%
Cash equivalent investments	JPMorgan	Global	Global	0-10%

Exchange-traded Derivatives	Various counterparties	Global	Global	For hedging purposes
Over-the-counter Derivatives	Various counterparties	Global	Global	For hedging purposes

The Responsible Entity has engaged independent specialist custodial and administrative services provider JPMorgan Chase Bank, NA (Sydney Branch) to provide administration and custody services in respect of the assets of the Trust.

## 2.14 Reports to Unitholders

The Trust is required to report in accordance with the Corporations Act and Listing Rules including under the continuous disclosure regime. The Responsible Entity provides regular, accurate and timely disclosures to the market through:

- releases to the ASX in accordance with Listing Rules; and
- posting of such material on the Trust's website ([www.nb.com/NBI](http://www.nb.com/NBI)).

Copies of documents lodged with ASIC or the ASX may be obtained from ASIC or the ASX, respectively.

For accounting and financial reporting purposes, the Trust reports on a 30 June financial year end basis. The Trust reports to Unitholders formally in line with the day, month, half-year (31 December) and full-year (30 June) end. This reporting includes:

- daily NTA per Unit;
- monthly distribution;
- the Trust's half-yearly financial report which is reviewed by an auditor for each period ending 31 December; and
- the Trust's annual audited financial report for each period ending 30 June.

For taxation purposes, the Trust reports on a 30 June tax year end basis.

The Responsible Entity releases to the ASX and posts on the Trust's website a daily statement of the NTA per Unit. The calculation of the NTA per Unit is made in accordance with the Listing Rules.

The Responsible Entity will also make available to all investors on the Trust's website the annual report for each period ending 30 June detailing each of the following:

- the actual allocation to each asset type;
- the liquidity profile of the Trust's assets as at the end of the period;
- the maturity profile of the liabilities as at the end of the period; and
- the key service providers if they have changed since the latest report given to Unitholders, including any change in their related party status.

The following information is also available on the Trust's website and will be disclosed with the frequency specified:

- daily, the current total market capitalisation of the Trust and the NTA per Unit;
- monthly, the key service providers if they have changed since the last report given to Unitholders, including any change in their related party status; and
- monthly, for each of the following matters since the last report on those matters:
  - the net return on the Trust's assets after fees, costs and taxes;

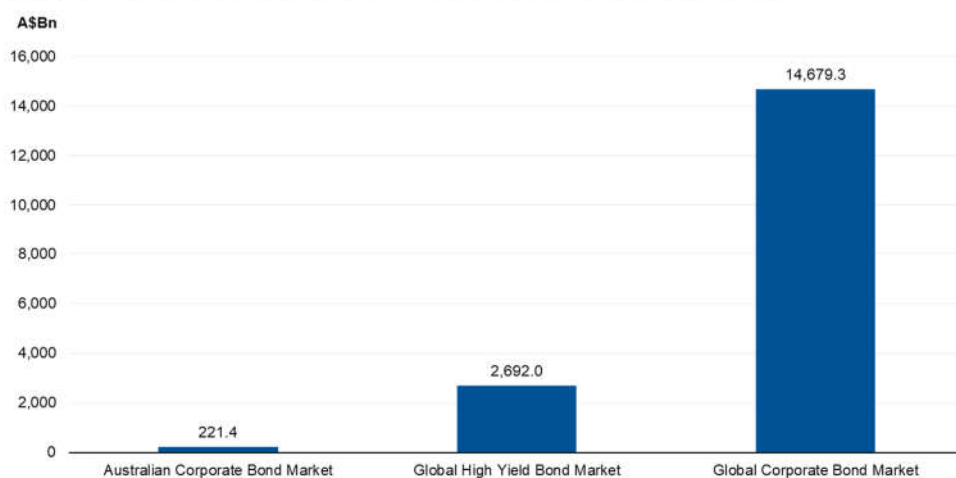
- any material change in the Trust's risk profile;
- any material change in the Trust's investment strategy; and
- any change in the individuals playing a key role in investment decisions for the Trust.

## 3. Overview of the Global High Yield Market

### 3.1 Introduction to the Global High Yield Market

This section provides an overview of the global high yield bonds market. The market comprises the constituents of the ICE BofAML Global High Yield Index<sup>28</sup> ("**Global High Yield Market**"). Although many investors in Australia may be unfamiliar with the Global High Yield Market, at \$2.7 trillion in size, it has grown to become a material segment of the global fixed income market.

**Chart 3.1A: Global Corporate Bond market vs Australian Corporate Bond Market**



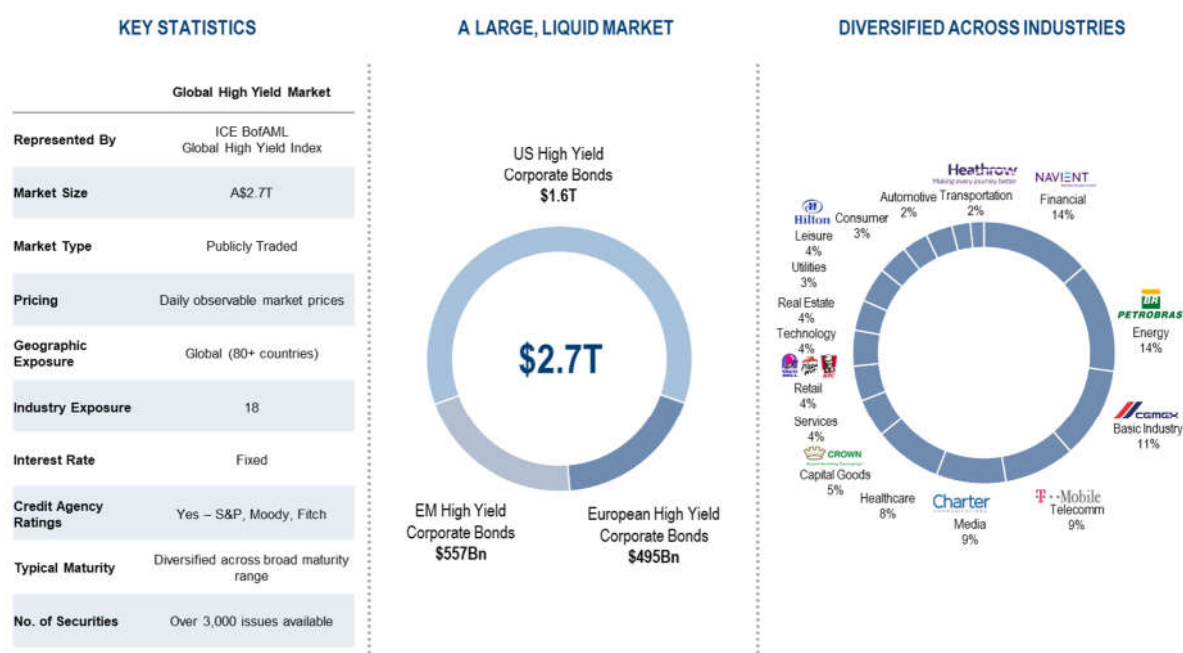
Sources: <sup>1</sup> BondAdviser; <sup>2</sup> ICE BofAML Global High Yield Index (HW00); <sup>3</sup> ICE BofAML Global Corporate Index (G0BC). Data as of December 31, 2018, USD(US\$):AUD(\$) exchange rate of 1.4187 as at December 31, 2018.

The Global High Yield Market has evolved to exhibit: robust liquidity, with daily turnover standing at around \$15 billion; high transparency, with daily observable market prices for the bonds in issue; and, broad diversification, comprising over 1,500 issuers from 79 countries globally and representing approximately 18 global industries.

<sup>28</sup> ICE Benchmark Administration Limited has not consented to the reference to their index data in this PDS.

# NB GLOBAL CORPORATE INCOME TRUST

**Chart 3.1B: Introducing The Global High Yield Market**

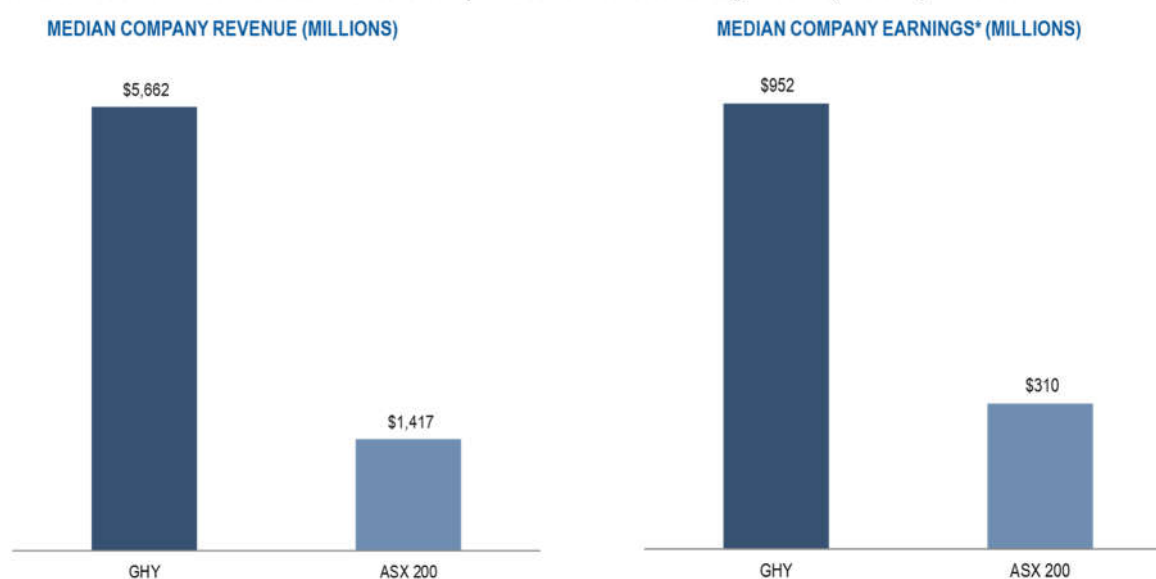


Sources: Bloomberg, Neuberger Berman and ICE BofAML Global High Yield Index. Bloomberg has not consented to the use of this data in this PDS.

Data as of December 31, 2018; USD(US\$):AUD(\$) exchange rate of 1.4187 as at December 31, 2018.

Companies issuing bonds in the Global High Yield Market now include familiar household names, such as Dell, Hertz, Netflix, Virgin Media and Yum! Brands (e.g. KFC, Pizza Hut and Taco Bell) and are significant in size, with the median revenue of companies in the Global High Yield Market being \$5.7 billion and median earnings of \$952 billion.

**Chart 3.1C: Financial Statistics for Companies in the Global High Yield (“GHY”) Market**



\*Company Earnings is represented by EBITDA.

Sources: Neuberger Berman, ICE BofAML Global High Yield Index and the ASX 200. Data as of March 31, 2019; USD(US\$):AUD(\$) exchange rate of 1.4092 as at March 31, 2019.

## 3.1.1 High Yield Bond Basics

A *bond* is a debt security which follows the same principle as a loan where the investor “lends” a principal amount to the borrower in exchange for interest payments and, generally, at maturity (i.e. the end of the term of bond) the repayment of the principal amount. The fixed interest payment on the bond is known as the *coupon*. The *yield* is, basically, the income return, which is usually expressed as an annual percentage rate based on the bond’s purchase price, current market price or face value.

A *corporate bond* is simply a bond issued by a company. It becomes known as “*high yield*”, “*below investment grade*”, “*non-investment grade*” or “*sub-investment grade*”, when it is assigned a credit rating below BBB– or Baa3 by one of the three established credit rating agencies (e.g. Fitch Ratings Inc, Moody’s Investors Service or Standard & Poor’s). Issuers are rated on their creditworthiness, i.e. their ability to make interest payments and, at maturity, repay the principal amount, as scheduled. Those issuers considered to be at greater risk of not making their interest payments or principal repayments, i.e. defaulting, are rated below investment grade. These issuers must pay higher coupons to attract investors to buy their bonds.

**Table 1: Credit Agencies’ Ratings Matrix**

	S&P	Moody's	Fitch
Investment Grade	AAA   BBB–	Aaa   Baa3	AAA   BBB–
	BB+	Ba1	BB+
Non-Investment Grade (High Yield)	C	Ca	C
Default	SD	C	D
	D		DD
			DDD

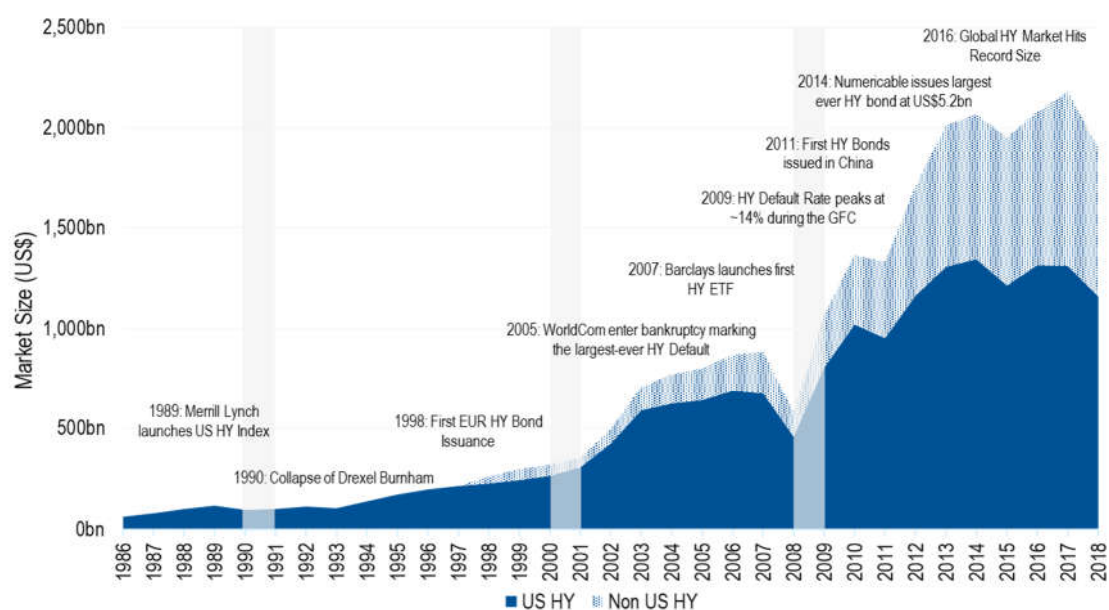
The purpose of this chart is to illustrate the use of ratings. The specific rating allocated by each credit rating agency varies between agencies. No credit ratings agency referred to in this PDS has had any involvement in the preparation of this PDS or the management of the Trust.

## 3.1.2 History and evolution

Until the 1980s, high yield bonds were simply the outstanding bonds of “fallen angels” – former investment grade companies which had been downgraded to below investment grade. During the 1980s, however, investment banks, led by Drexel Burnham Lambert, launched the modern high yield bond market by arranging for relatively small companies in the U.S. to issue new bonds, primarily for the purposes of financing mergers, acquisitions and leveraged buy outs (“**LBO’s**”). These were commonly referred to as “junk bonds” due to their association with low-quality companies with questionable business models.



**Chart 3.1D: Evolution of the Global High Yield (“HY”) Market**

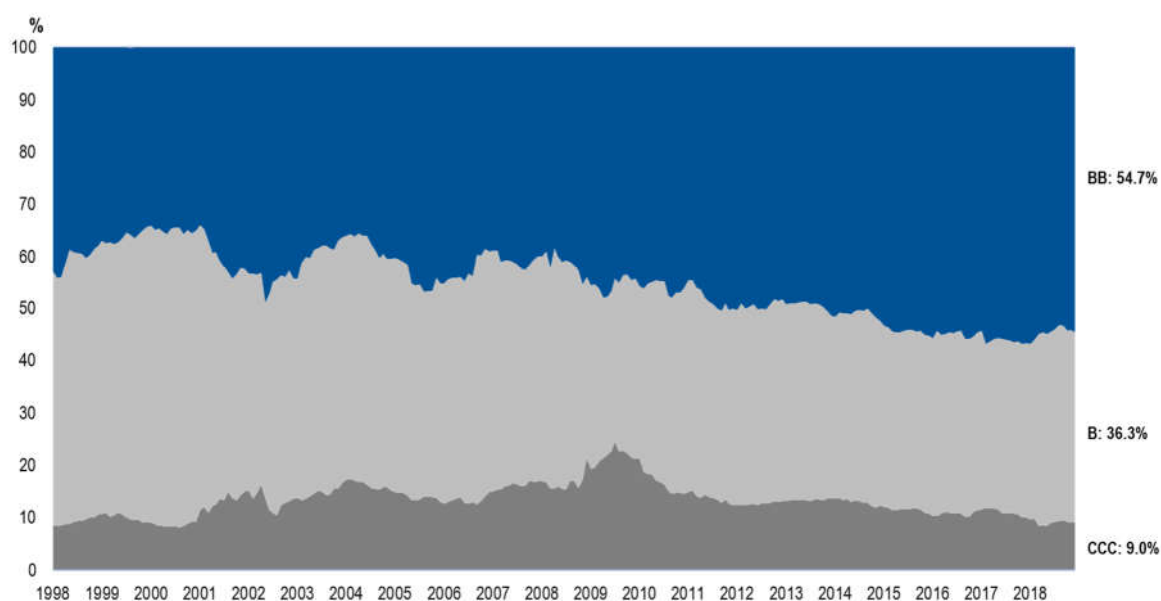


\*Shaded areas indicate recessionary periods.

Sources: Bloomberg, Bank of America Merrill Lynch. Data as of December 31, 2018.

In the decades since, however, the global high yield bond market has matured dramatically, not only with the significant growth in the number of issuers, now more than 1,500, but also in respect of the overall credit quality of the market now comprising mostly BB (54.7%) and B (36.3%) rated bonds.

**Chart 3.1E: Breakdown of Credit Quality of the Global High Yield Market**



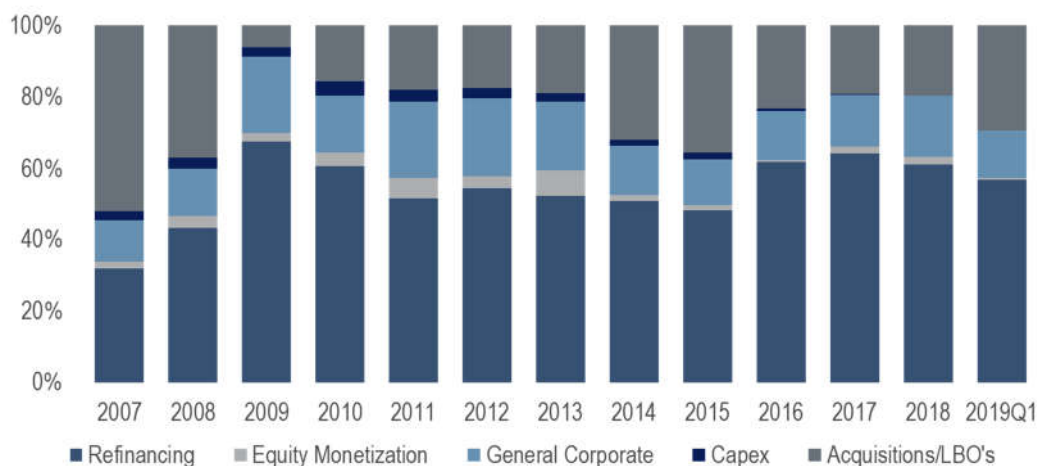
Sources: Bloomberg, ICE BofAML Global High Yield Index.

Data as of December 31, 2018.



In observing new high yield bond issuance by purpose, as illustrated in Chart 3.1F below, the Manager believes it is also apparent that more than 70% of the proceeds from such new issuance were used to refinance existing outstanding debt or for general corporate purposes.

**Chart 3.1F: Global High Yield Market – New Issuance Volume by Purpose**



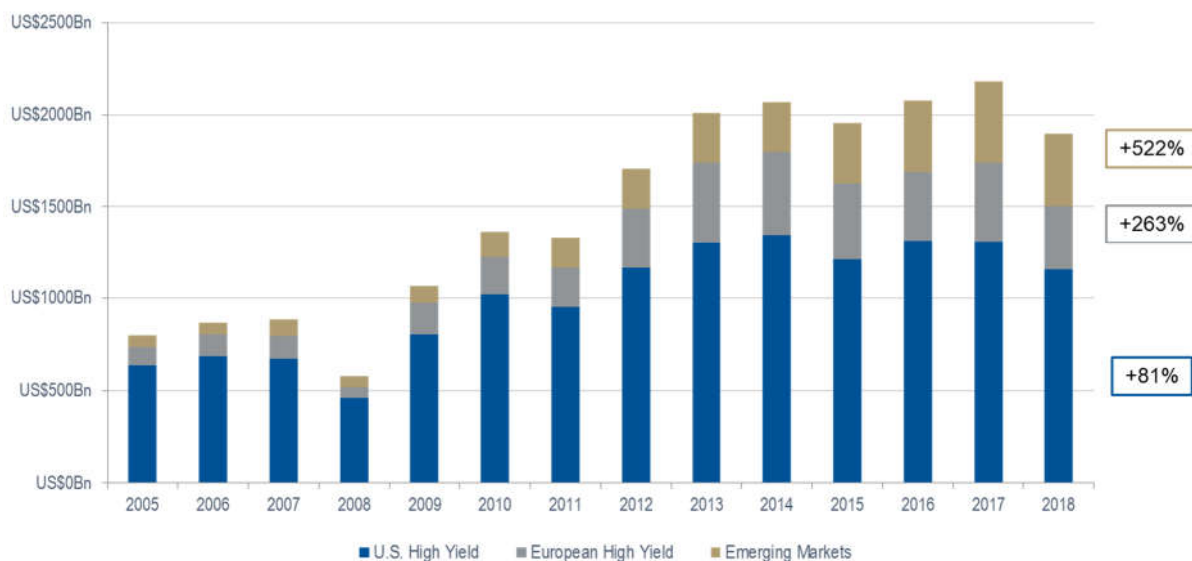
*The purpose of issuance for the bonds in which the Trust invests may vary.*

*Sources: ICE BofAML Global High Yield Index, Standard & Poor's LCD. Data as of March 31, 2019.*

## “Globalisation” of high yield bonds

It is not too long ago that “investing in high yield bonds” effectively meant “investing in U.S. high yield bonds”. However, the Manager believes the rapid growth of the European and emerging high yield markets has challenged this perception, and now provides investors with a meaningful source of income diversification. As shown in Chart 3.1G below, the past decade has seen a transformation in high yield bond markets. Globally, outstanding issuance has increased by 138%, driven by remarkable growth, from a low base, in both Europe and the emerging markets (“EM”).

**Chart 3.1G: “Globalisation” of the Global High Yield Market**



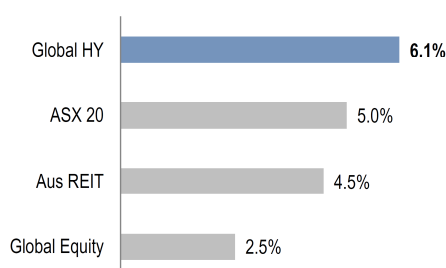
*Source: ICE BofAML Global High Yield Index. Emerging markets defined as issuers with a country of risk other than an FX-G10 member, a Western European nation, or a territory of the U.S.. U.S. represents non-EM USD HY bonds. European represents European currency HY bonds. Data as of December 31, 2018.*

As the chart illustrates, the size of the European market was less than US\$100 billion back in 2005 and is now more than three times that size. EM high yield has also grown significantly from just US\$60 billion in 2005 to nearly US\$400 billion as at the end of 2018. Together they represent more than a third of the Global High Yield Market. On size alone, the Manager believes that investors should not ignore European and EM high yield bonds. However, the Manager believes the argument for investing in global high yield bonds becomes even more compelling when taking into account the recent outperformance of European high yield bonds, the additional yield produced by EM high yield bonds (naturally, with some additional risk) and the meaningful diversification benefits which both provide.

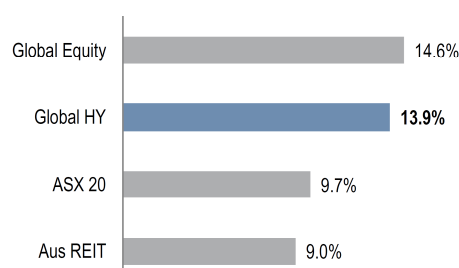
## 3.2 The attributes of Global High Yield Bonds

**Chart 3.2A: Key Statistics for the Global High Yield Market**

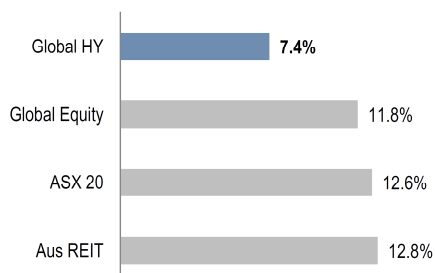
### 1. ATTRACTIVE YIELD<sup>1</sup>



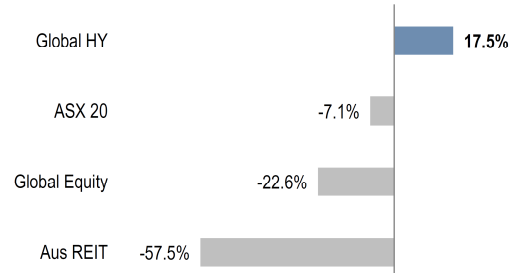
### 2. ATTRACTIVE RETURN (10YR)<sup>2</sup>



### 3. LESS VOLATILE (10YR)<sup>3</sup>



### 4. PERFORMANCE DURING THE GFC (2008-2009)<sup>4</sup>



Sources: Morningstar, Bloomberg. Morningstar has not consented to the use of this data in this PDS.

Indices: ICE BofAML Global High Yield Index (A\$ hedged) for Global HY;; S&P/ASX 20 TR for ASX 20; S&P/ASX 200 A-REIT for Aus REIT; and, MSCI World (A\$ hedged) for Global Equity. Unless stated otherwise, all Index data as of March 31, 2019.

1. Yield: current yield of respective indices (unfranked); Global HY is represented by yield-to-worst. This yield information does not take into account the effect of tax, fees and expenses. 2. Return: 10 years' annualised return of respective indices; 3.

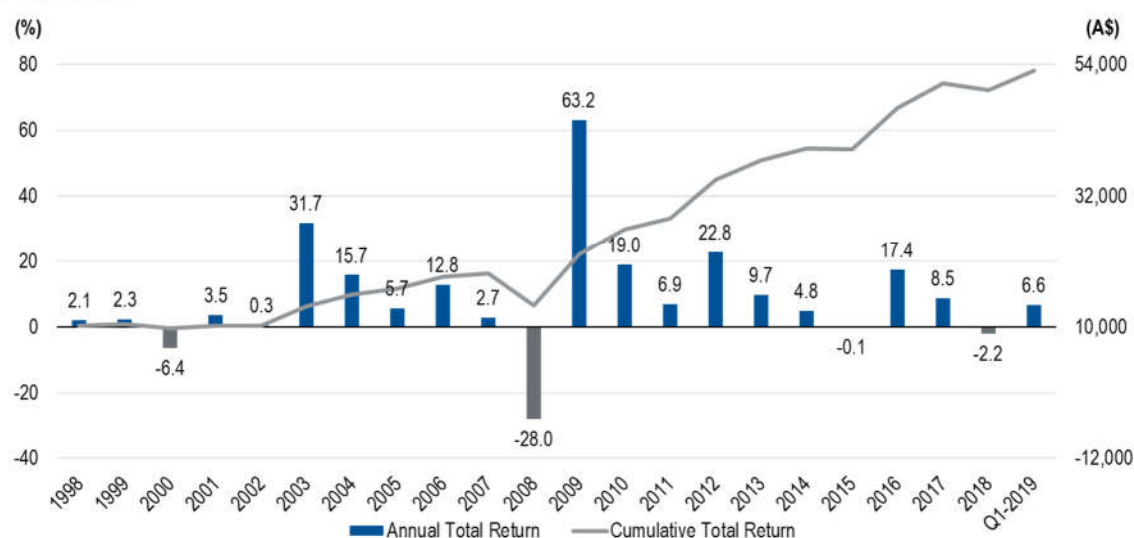
Volatility: 10 years annualised standard deviation of respective indices; 4. Calculation Period: 2008-2009

**Past performance of the Global High Yield Market is not a reliable indicator of the future performance of the market or the Trust.**

As illustrated in Chart 3.2A above, the Global High Yield Market is currently providing an attractive yield (i.e. income return on the bond) and has produced a strong total return (capital growth and income) over the past 10 years. It also demonstrates lower volatility, particularly when compared to equities, and outperformed many other asset classes during the global financial crisis ("GFC").

The Manager believes that the combination of capital growth in the price of the bond and income from the coupon payments has contributed historically to an attractive level of total return. In that regard, as illustrated by Chart 3.2B below, the Global High Yield Market has not, since its inception in 1998, experienced two consecutive years or more of negative returns.

**Chart 3.2B: Annual Total Return (AUD Hedged) Performance of the Global High Yield Market since 1998**

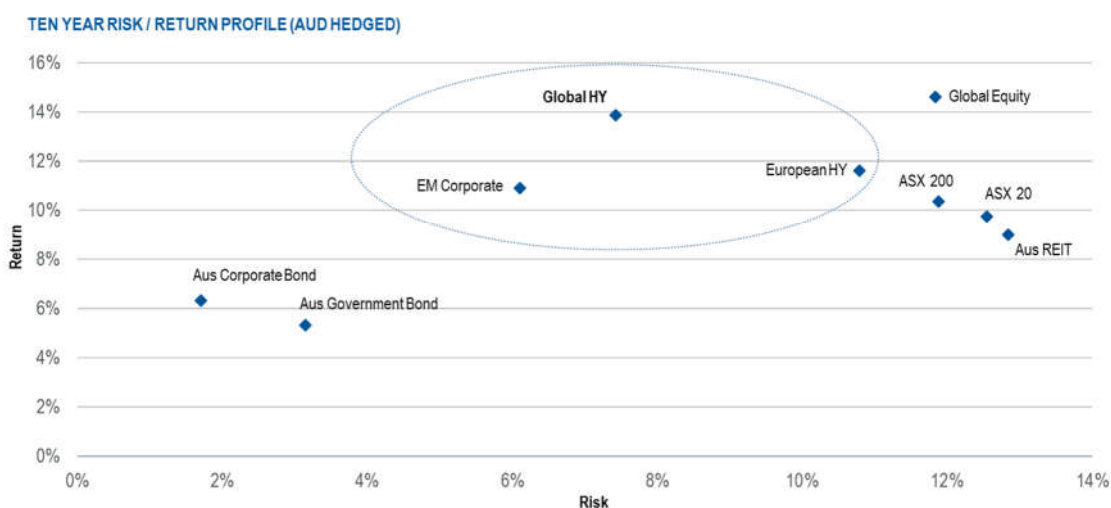


Source: ICE BofAML Global High Yield (AUD hedged) Index

**Past performance of the Global High Yield Market is not a reliable indicator of the future performance of the market or the Trust.**

Given its historic returns and lower volatility, the Manager believes that high yield bonds provide a compelling risk/return profile when compared to other asset classes, as shown in Chart 3.2C below.

**Chart 3.2C: 10-Year Risk/Return Profile of Global High Yield Market versus other asset classes**



Source: FactSet. All data for the 10 year period ended March 31, 2019.

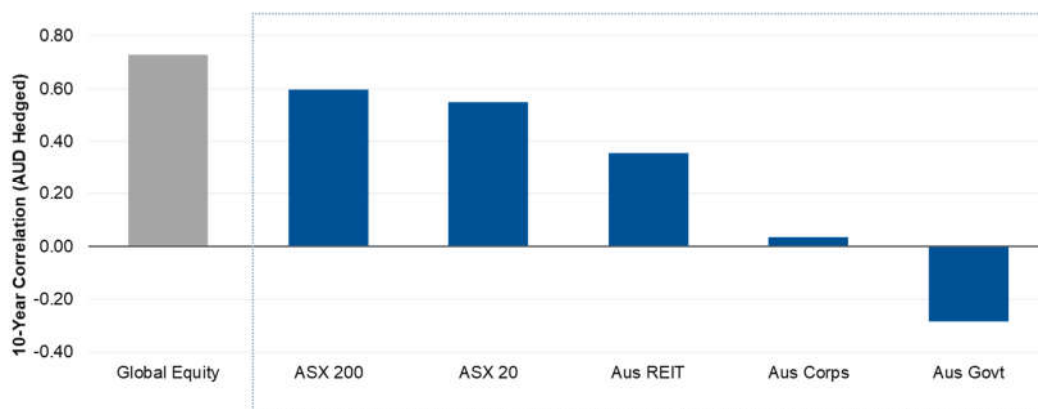
Indices: ICE BofA Merrill Lynch Global High Yield (AUD Hedged); JPM CEMBI Diversified (linked) Index (AUD Hedged); ICE BofA Merrill Lynch European Currency Non-Financial High Yield 3% Constrained (AUD Hedged); RBA Cash Rate; S&P/ASX 200, S&P/ASX 20, S&P/ASX A-REIT Index, MSCI World (AUD Hedged), Bloomberg Barclays Ausbond Credit 0+ yr Index and Bloomberg Ausbond Govt 0+ yr Index.

**Past performance of the Global High Yield Market is not a reliable indicator of the future performance of the market or the Trust.**

In addition to the risk/return profile of global high yield bonds, the Manager believes that investors should consider the diversification benefits of including global high yield in their portfolios. Chart 3.2D below depicts the correlation of the Global High Yield Market to various asset classes over the past 10 years. A high correlation number indicates that the relevant asset class, e.g. Global Equity, has behaved somewhat similarly to the Global

High Yield Market over the past 10 years. Conversely, a low correlation indicates that the relevant asset class, e.g. Australian REITs, has behaved somewhat differently to the Global High Yield Market. The Manager believes that Australian or New Zealand investors, with portfolios that are predominantly invested in domestic assets, may receive portfolio diversification benefits by investing in global high yield bonds.

**Chart 3.2D: Potential Diversification Benefits – Lower Correlation to Australian Asset Classes**



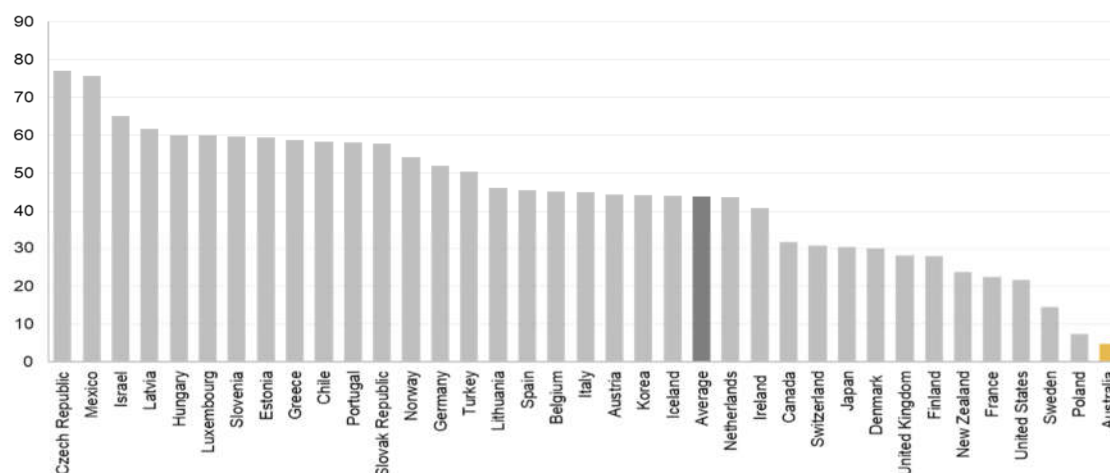
Source: Neuberger Berman. Data as of March 31, 2019.

Indices used in correlation analysis - Global High Yield: Bloomberg Barclays Global High Yield; Global Equity: MSCI World Index (AUD Hedged); Global Fixed Income: Bloomberg Barclays Global Agg Bond Index (AUD Hedged); Aus Property: S&P/ASX A-REIT Index; Aus Fixed Income: Barclays Ausbond Credit 0+ yr Index and Aus Govt Bonds: Bloomberg Ausbond Govt 0+ yr Index.

**Past performance of the Global High Yield Market is not a reliable indicator of the future performance of the market or the Trust.**

In addition to the potential diversification benefits within the asset class, resulting from the number of issuers, countries and industries represented in the Global High Yield Market, the asset class itself, being global fixed income, may potentially provide diversification benefits to Australian and New Zealand investors. According to statistics compiled by the Organisation for Economic Co-operation and Development (OECD), as illustrated in Chart 3.2E below, OECD countries' pension systems have an average fixed income allocation of 43.9%. Australia's superannuation system, however, with a fixed income allocation of only 16%, had the lowest allocation out of all OECD countries due to a range of factors, including its domestic fixed income asset allocation being heavily dominated by cash and deposits.

**Chart 3.2E: OECD Countries' Pension Fund Asset Allocations to Bonds and Bills 2017**



Source: OECD Pension Markets in Focus No.14 (2018)

## 3.3 Outlook for Global High Yield

*The Manager sets out below its views in relation to the outlook for key market factors that may impact the Global High Yield Market. There is no guarantee that the outlook summary set out below is correct.*

### 3.3.1 Rising interest rates

In rising interest rate environments, the Manager believes that high yield bonds have historically performed strongly. While high yield, like most other asset classes, can react negatively in the short term while interest rates are rising, investment grade corporate bonds may be more likely to post losses. Over the medium term, while investment grade has been more likely to post a positive return following a period of rising Treasury yields, the average return to high yield bonds has still tended to be stronger. This is due, to a large extent, to the amount of the coupon payment, which cushions the potential decline in bond prices as interest rates rise, but also to the fact that in a rising interest rate environment companies are generally doing well, leading to growth in earnings and an improvement in company fundamentals.

**Chart 3.3A: Impact of Rising Interest Rates on Global High Yield**

#### HY CORPORATE BONDS GENERALLY PERFORM STRONGLY

Median Return during periods of rising U.S. Treasury yields (2000 – 2016)

■ 3 months' return during period ■ Immediate 3 months' return after period



#### BEING LESS SENSITIVE TO RISING RATES

COUPON PAYMENT <sup>1</sup>			Higher Coupon ↑
Global Investment Grade	Australia Bonds	Global High Yield	
2.9%	1.9%	6.1%	
DURATION <sup>2</sup>			Shorter Duration ↓
Global Investment Grade	Australia Bonds	Global High Yield	
7 yrs	5 yrs	4 yrs	

Sources: Bloomberg, Neuberger Berman. All data as of March 31, 2019, unless otherwise specified.

Indices: ICE BofAML Global High Yield Index (USD Hedged); Bloomberg Barclays Global Aggregate Corporate Bond Index (USD Hedged); Bloomberg Barclays AusBond Composite 0+ Years Index; and S&P U.S. Treasury Bond Current 5-Year Index.

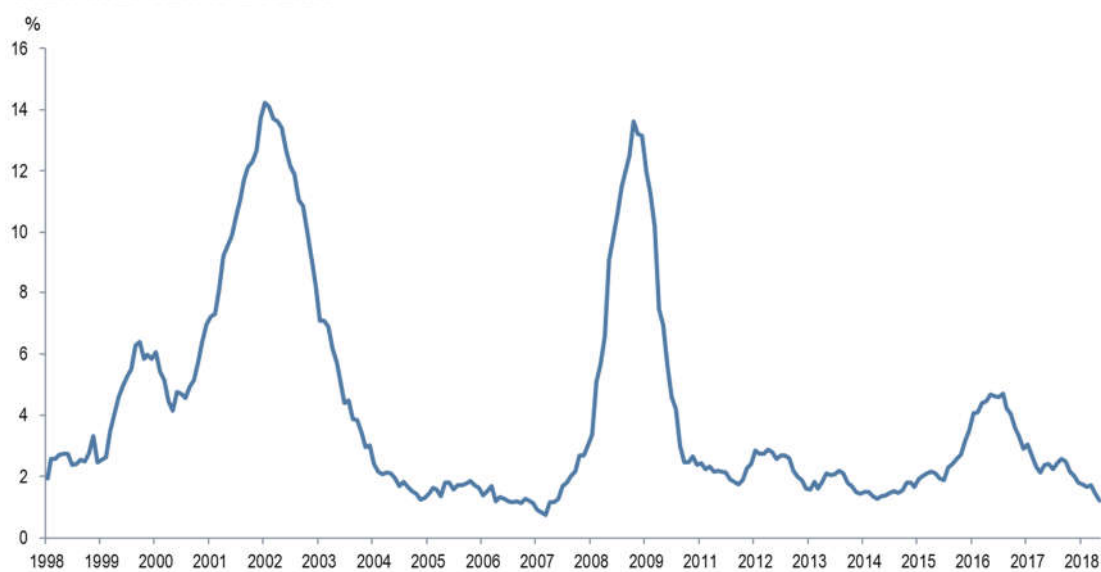
<sup>1</sup> Coupon Payment is represented by Yield-to-Worst <sup>2</sup> Duration is represented by Modified Duration, but Global High Yield is represented by Effective Duration. This is not intended as a projection of future interest rates.

### 3.3.2 Risk of recession and defaults

While investors may think the growth in the Global High Yield Market must be symptomatic of a borrowing binge that will result in defaults rising at a similar rate, the Manager believes that this is not the case. One key reason is that much of the new issuance comes, not from companies which were already active issuers in the high yield markets, but from new issuers diversifying their funding away from bank loans. Against the backdrop of a return to robust economic performance in the U.S., and the expectation of recovery in Europe, the Manager believes that corporate borrowers in the global high yield markets generally appear to be in good financial shape at this time.

As Chart 3.3B below shows, the number of borrowers defaulting - globally and across all three regions - has remained steady over the past few years as the Global High Yield Market has grown. In general, the Investment Team has noted strong cash flows and conservative management teams, using the extended period of low interest rates to refinance existing high yield bonds by issuing new bonds with longer terms at lower coupons. As a result, default rates have fallen materially since the spike during the GFC and will, the Manager believes, remain low for the foreseeable future.

**Chart 3.3B: Rate of Defaults**



Source: BofA Merrill Lynch Global Research. **Data as at 31 December 2018.**

## 4. Overview of the Investment Strategy

### 4.1 Overview

Neuberger Berman has a long and distinguished track record in managing high yield corporate bonds dating back to 1997. It believes that its credentials and key differentiators versus peers to be the following:

- **21 year track record in high yield corporate bond management** - the Investment Team began managing U.S. high yield bonds in 1997 (which, at that time, represented approximately 87% of the Global High Yield Market) and, subsequently, began managing emerging market (“EM”) high yield bonds in 2003 and then European high yield bonds in 2006, in line with the growth and evolution of high yield markets globally, as depicted below. The Investment Team formally launched its dedicated EM high yield bond and European high yield bond strategies in, respectively, 2013 and 2014; and launched its global high yield bond strategy (generally referred to as **Global High Yield** and, specifically in this PDS, as the “**Investment Strategy**”) in 2016, bringing together its respective U.S., European and EM high yield capabilities. As at 31 March 2019, the Investment Team managed more than \$60 billion in high yield corporate bonds.
- **Depth and breadth of the Investment Team** - currently comprising 55 investment professionals, Neuberger Berman believes that the Investment Team is one of the largest in the industry. The team is led by five senior portfolio managers, with on average 25 years’ industry experience, who are supported by 36 research analysts, 4 economists/strategists, 7 traders and 3 client portfolio managers.
- **An alignment of interests with investors** – the Investment Team’s remuneration structure consists of a deferred compensation component that is invested in the strategies which the team manages. In addition, the five senior portfolio managers are all equity partners of Neuberger Berman.
- **A defensive investment approach that places a strong emphasis on capital preservation,<sup>29</sup> particularly in anticipation of and during downturns in the market, while still seeking to participate in capital appreciation when the market is rising.** By way of example, although the Investment Team will aim to maintain the average credit rating of bonds held in the Portfolio at between BB and B, it will opportunistically invest more of the Portfolio in BBB rated bonds if it believes it is prudent to move to a more defensive position or will increase the Portfolio’s holdings of CCC rated bonds where it believes it is appropriate to take on more risk in anticipation of achieving a higher return.
- **History of low default rates** – the Investment Team believes that its “defensive” approach, and the quality of its credit analysis, ongoing monitoring and active management have contributed to the team’s strong track record of experiencing only one defaulting bond in all of its high yield strategies since 1997.
- **Environmental, Social and Governance (“ESG”) integration in the Investment Team’s investment process** – please refer to Section 4.5 below for information on ESG considerations.

### 4.2 Investment Objectives

In effecting the Investment Strategy, the Investment Team is seeking to provide Unitholders with a consistent and stable income stream paid via monthly distributions, while achieving an attractive level of total return (income plus capital appreciation) over a full market cycle.<sup>30</sup>

### 4.3 Investment Strategy and Philosophy

The Investment Team’s strategy for the Trust is to invest in and actively manage a portfolio of high yield corporate bonds issued by companies located globally across both developed and emerging markets, with a

<sup>29</sup> Investors’ capital is not guaranteed.

<sup>30</sup> As defined in the Glossary of Industry Terms at the end of this PDS and for the purpose of the investment objective, a full market cycle is the period beginning with either the high or low point for a financial market followed by a corresponding low or high point, as the case may be, and then ending when the market next achieves or exceeds the initial high or low point.



strong emphasis on capital preservation<sup>31</sup> by focusing on higher quality<sup>32</sup> within the Global High Yield Market<sup>33</sup>, large<sup>34</sup> and more liquid<sup>35</sup> companies and by avoiding companies with deteriorating financials (“**Investment Strategy**”).

## 4.4 Overview of Investment Process and Portfolio Construction

In implementing the Investment Strategy, the Investment Team adheres to a disciplined and repeatable investment process which involves the following four core elements:

**Chart 4.4A: Investment Process**



Source: Neuberger Berman. For illustrative purposes only.

- **Credit Analysis** – the Developed Markets (“**DM**”) and Emerging Markets (“**EM**”) research analysts within the Investment Team undertake in-depth analysis on each potential investment within their respective investment universes with a view to generating investment ideas, which, subject to further vetting, may then be recommended to the Global High Yield Credit Committee for final review and approval to be included in the Portfolio. Please refer to Section 4.4.1 below for more detail.
- **Regional Sleeve Construction** – the Investment Team then takes each investment approved by the Global High Yield Credit Committee and categorises it by region as U.S., Europe or EM, being the three regions to which the Portfolio’s investments are broadly allocated, with a focus on diversification by country, industry and credit quality;
- **Asset allocation** –the Portfolio’s strategic asset allocation target to each region is currently determined to be in line with the underlying regional allocations of the Global High Yield Market, namely 60% to U.S. high yield corporate bonds, 20% to European high yield corporate bonds and 20% to EM U.S. dollar-denominated high yield corporate bonds. However, the allocations are expected to change over time, albeit only gradually, as the weighting of the three regions within the Global High Yield Market itself changes. Additionally, the Global High Yield Asset Allocation Committee may tilt the Portfolio’s regional allocations away from the strategic asset allocation target and, in so doing, will actively manage those allocations on a tactical basis.
- **Risk management** – throughout the investment process, the Investment Team utilises various third party risk management systems to assess risks associated with the potential investments and resulting Portfolio. Additionally, at the end of the process, Neuberger Berman’s risk management team will

<sup>31</sup> Investors’ capital is not guaranteed.

<sup>32</sup> Higher quality refers to a credit rating of BB or B as assigned to the bonds by a credit rating agency.

<sup>33</sup> For the purposes of this PDS, the Global High Yield Market comprises the constituents of the ICE BofAML Global High Yield Index.

<sup>34</sup> Large denotes a company with more than US\$100 million in EBITDA (i.e. earnings, but please refer to the explanation provided in the Glossary of Industry Terms in Section 15.

<sup>35</sup> Liquid denotes a company with more than US\$200 million in publicly traded debt outstanding.

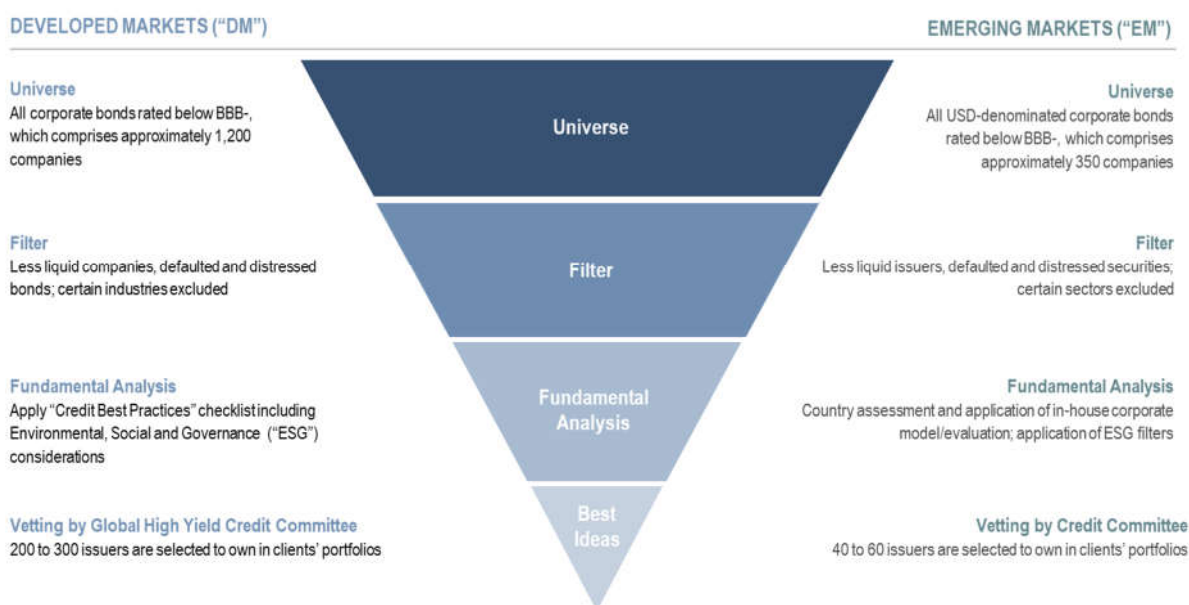


provide independent oversight by performing an analysis of the whole Portfolio with a view to ensuring that the senior portfolio managers have not ended up with unintended risks in the Portfolio.

## 4.4.1 Credit Analysis

The Investment Team undertakes a bottom-up approach to selecting the companies, the bonds of which will constitute the Portfolio. Bottom-up investing in the case of corporate bonds involves a primary focus on the credit analysis of an individual company, which will involve looking carefully into such items as its business strategy and operations, financial situation and management. The Investment Team believes that the primary source of the Trust's returns will be derived from the in-depth credit analysis undertaken by the team's analysts on the individual companies issuing the bonds.

**Chart 4.4B: Global High Yield Credit Analysis**



Source: Neuberger Berman. For illustrative purposes only.

The credit ratings noted above are those of Standard & Poor's. No credit ratings agency referred to in this PDS has had any involvement in the preparation of this PDS or the management of the Trust. Ratings of BB and below are considered non-investment grade. Credit ratings are subject to change at any time. This material is intended as a broad overview of the Investment Team's philosophy and investment process and is subject to change without notice.

## Universe

The investment process begins with the screening of the respective developed markets high yield universe and emerging markets high yield universe to identify companies, the bonds of which the Investment Team will consider for purchase. This initial universe is a combined and screened sub-set of the broad Global High Yield Market.

For the developed markets component of the Portfolio, the initial universe will comprise all corporate bonds rated below BBB- (approximately 1,200 issuers). For the EM component of the Portfolio, the initial universe will comprise all U.S. dollar-denominated corporate bonds rated below BBB- (approximately 350 issuers).

## **Filter**

The Investment Team's goal is to reduce the initial universe to a manageable size of potential investments ("**Investment Universe**") that the team will subject to its detailed fundamental credit analysis. From the combined broad initial universe (roughly 1,550 issuers), the team generally<sup>36</sup> intends to screen out:

- **for the U.S.**, companies which: (1) have less than US\$500 million in publicly-traded debt outstanding; or (2) are assessed to be close to defaulting; or (3) have less than US\$100 million in EBITDA
- **for Europe**, companies which: (1) have less than US\$200 million in publicly-traded debt outstanding; or (2) are assessed to be close to defaulting; or (3) have less than US\$75 million in EBITDA
- **for EM**, companies which: (1) have less than US\$300 million in publicly-traded debt outstanding; (2) or are assessed to be close to defaulting; or (3) have less than US\$75 million in EBITDA

## **Fundamental Analysis**

While the senior portfolio managers are ultimately responsible for making buy and sell decisions, the Investment Team's analysts have primary responsibility for identifying investment ideas and carrying out all aspect of the research process. As such, the team has an organisational structure through which it seeks to maximise the potential contributions of its analysts while incorporating the perspectives of the portfolio managers and traders. The team's approach closely aligns the analyst's mission (to identify the best performing bonds) with a portfolio's goals and objectives. In addition, the analysts witness their recommendations at work in portfolios, which is believed to be highly motivating as they have a direct contribution to the success of the strategy. From a practical point of view, this alignment of interests is also motivating since an analyst's compensation is tied directly to the performance of his/her recommendations.

In seeking to avoid investing in the bonds of companies with deteriorating financial conditions, the analysts carry out in-depth credit analysis of each individual company. The team believes this is the most important component for successful high yield investing. The team's credit analysis is fundamental and focuses primarily on understanding a company's financial strength.

In undertaking its credit analysis, the Investment Team utilises its "Credit Best Practices Checklist" to try to ensure that the analysts consistently cover the same important aspects of credit research, such as a company's business operations and strategy, its financials and its management. This checklist also includes Environmental, Social and Governance considerations (see Section 4.5 below for further details).

Analysts visit with management at least twice per year (at their offices or at road shows and conferences) and speak with their company contacts at least quarterly. The team believes it is extremely important to know the management team, in addition to analysing their financials.

A key source of added value is the team's relative value analysis. The goal is to select bonds that analysts believe offer not only strong credit fundamentals, but also the potential for capital appreciation. An internal credit rating is assigned to each potential investment and that rating is used to compare the bond's value to other bonds in the same industry and similarly rated bonds across other industries. The internal credit rating is a key driver in the valuation process and analysts use it to combine insightful relative valuation work with their disciplined credit analysis.

Another source of added value in the team's investment process is industry and quality rotation. The team seeks attractive investment results in both bullish and bearish markets. This means it will proactively transition the Portfolio's investment into more defensive industry sectors and higher rated (e.g. BBB) bonds during times of economic weakness while proactively increasing the Portfolio's exposure to more cyclical sectors and lower rated (e.g. CCC) bonds during stronger economic times.

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<sup>36</sup> These screening criteria are general guidelines, not investment restrictions. Refer to Section 4.9 below for more detail regarding the Trust's Authorised Investments and Investment Guidelines.

For the EM segment of the Portfolio, country selection is an important source of potential added value, as the performance of high yield bonds issued by EM companies tends to be significantly impacted by changes in the credit quality of the respective EM country in which the company is located.

The upfront work completed to put an idea into the Portfolio is only the beginning of the Investment Team's credit analysis work. Once a bond is purchased, key drivers identified during the initial credit analysis work as most important to the company's ongoing success are monitored. By staying ahead of developments that the team believes might impact the financial performance of the issuer, the team seeks to be able to sell early, ideally before potential bad news is reflected in the price of the bond. The Investment Team's proactive monitoring process is one reason that it has generated a significant portion of its added value in down markets.

## Global High Yield Credit Committee

Analysts' recommendations are first vetted within their respective sector teams, being the Consumer Sector team, Cyclical Sector team, Telecom/Media/Technology (TMT) Sector team and Energy/Utilities Sector team. Once a potential investment idea has been evaluated by the respective sector team and approved by the Global High Yield Credit Committee, it can then be put forward as a recommendation for the Portfolio.

## 4.4.2 Portfolio Construction

In constructing the Portfolio, the Investment Team adopts a top-down investing approach. A top-down approach involves focusing on broader economic and market cycle themes in attempting to identify the regions, countries within regions and industries that are believed most likely to outperform the broader market.

## Regional sleeve construction

The recommended bonds approved by the Global High Yield Credit Committee are then put into one of the three regional sleeves of the Portfolio, comprising the U.S., Europe and EM. The senior portfolio managers specialise by region and take responsibility for constructing their respective regional sleeve. In doing so, they will look to implement positions which represent the best ideas from their respective regional investment universe within a disciplined portfolio construction approach that seeks appropriate diversification across country, industry and credit quality.

**Chart 4.4C: Portfolio Construction Process**

### Regional Sleeve Construction:

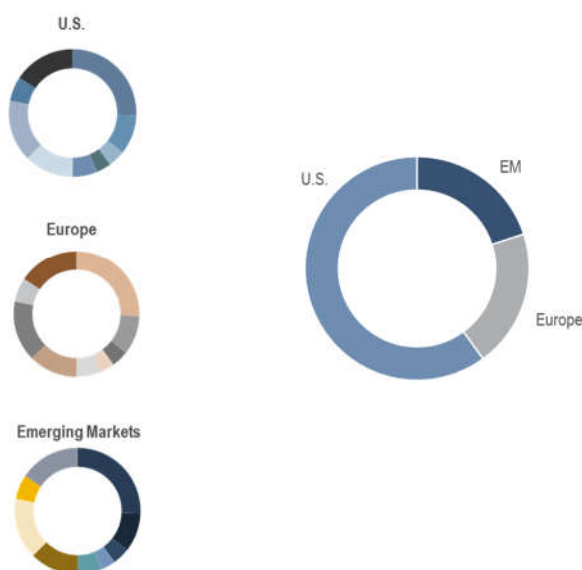
Global High Yield Credit Committee best ideas, diversified by country, industry and credit quality

### Asset Allocation Overlay:

Global High Yield Asset Allocation Committee determines the allocation of the Portfolio to each of the U.S., European and EM sleeves

### Risk Management:

- Avoid unintended build-up of risk factors in overall portfolio
- Senior Portfolio Managers and Risk Management teams utilize third party proprietary risk tools

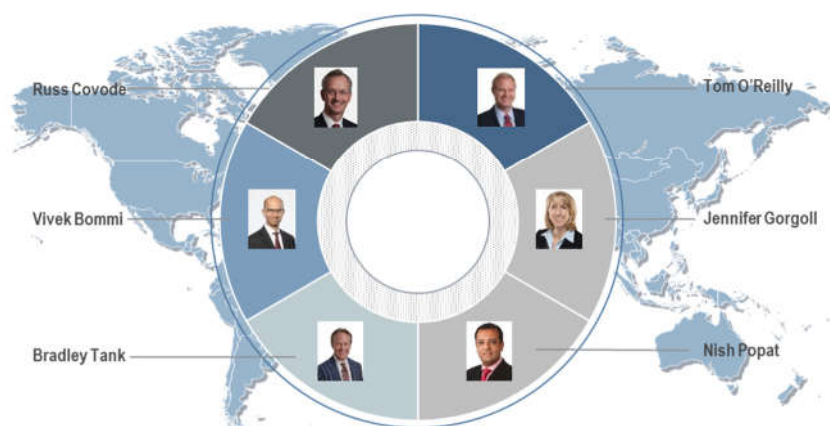


Source: Neuberger Berman. For illustrative purposes only.

## Asset allocation overlay

Allocating to each region is believed to be an additional source of added value for the Investment Strategy, and is based on a rigorous top-down allocation process focused on both the global economic and political outlook and regional economic fundamentals and valuations in order to determine relative value opportunities. The Global High Yield Asset Allocation Committee is responsible for the overall asset allocation process for the strategy.

**Chart 4.4D: Global High Yield Asset Allocation Committee**



Source: Neuberger Berman. For illustrative purposes only.

The Global High Yield Asset Allocation Committee currently comprises the Global High Yield Portfolio Management Team and Brad Tank, Chief Investment Officer and Global Head of Fixed Income for Neuberger Berman. Their top-down insight drives allocation across the Investment Strategy's three regions.

## Risk management

At a strategy level, the Investment Team will utilise various third party risk management systems throughout the investment process. Additionally, Neuberger Berman's risk management team provides independent risk oversight by performing an analysis of the whole Portfolio with a view to ensuring that the Investment Team has not ended up with unintended risks in the Portfolio.

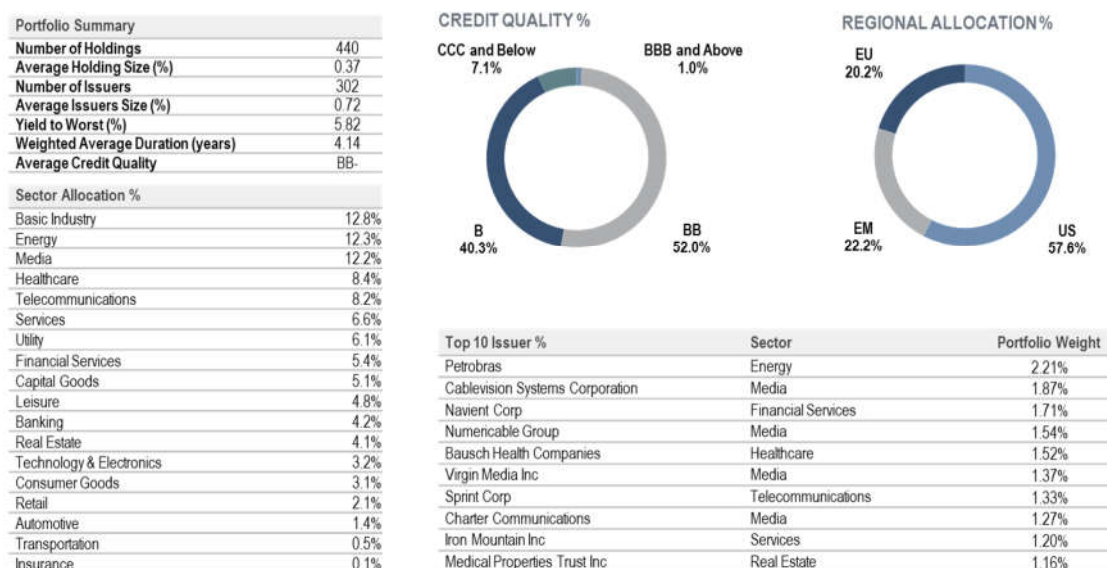
### 4.4.3 Implementation

Finally, implementation is the responsibility of the Global High Yield Portfolio Management Team, which establishes the overall Portfolio structure. The team evaluates the various ideas that are available for implementation and then executes them in compliance with the Portfolio's specific investment objectives and investment guidelines.

## Portfolio

The snapshot of the Trust's Portfolio as of 31 March 2019 is as follows:

**Chart 4.4E: Portfolio Snapshot**



Source: Neuberger Berman as of 31 March 2019.

It is anticipated that it will take the Investment Team no more than three days to invest the Offer proceeds.

## 4.5 Environmental, Social and Governance (“ESG”)

The Investment Team takes account of labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments relating to the Trust to the extent set out below.

Other than as stated below, the Investment Team has no predetermined view about what it regards to be a labour standard or environmental, social or ethical consideration or how far they will be taken into account in the selection, retention or realisation of investments relating to the Trust. The Investment Team will obtain ESG related information from various third party providers of ESG research and ratings for issuers in the global high yield corporate bond market, which it then uses in its overall assessment of a particular corporate bond issuer.

The Investment Team may have regard to the following ESG considerations in determining the risk score of an issuer:

1. Environmental factors such as operations, supply chain and product and services;
2. Social issues such as the degree of union/non-union employees, whether the issuer is involved in any legal proceedings from current/former employees, whether it has faced any product or safety issues, and the extent of the company's involvement in community and philanthropic activities; and
3. Corporate governance factors such as the independence of the board of directors for the company, whether executive compensation has been set for long term sustainability or short term performance; business ethics and public policy.

ESG factors are taken into account as part of the overall assessment of an issuer as described above. Decisions about whether to buy, hold or sell investments are based primarily on financial and economic factors. The Investment Team takes these considerations into account in the selection, retention or realisation of investments relating to the Trust to the extent that they may financially affect the investment, as reflected by the risk score given by the Investment Team to the issuer.

The Investment Team excludes issuers in emerging markets which are involved in certain types of controversial weapons (e.g. chemical and biological weapons, cluster bombs and landmines) and child labour.

The Investment Team adheres to Neuberger Berman's policy approach to considering ESG issues in investments.

## **4.6 Leverage**

The Trust does not employ leverage for investment purposes.

## **4.7 Risk management and use of Derivatives**

The Investment Team intends to mitigate certain risks associated with the Investment Strategy, such as the Trust's exposure to foreign currencies and its sensitivity to interest rate rises. In order to hedge such risks, the Investment Team uses certain Derivatives as described below. There is no intention to utilise Derivatives for speculative purposes.

### **4.7.1 Currency risk management**

The Investment Team employs a hedging strategy in order to minimise the currency risk arising from the Trust's foreign currency denominated investments. The aim of the Investment Team's currency hedging strategy is to neutralise any non-Australian dollar exposure using currency forwards. To that end, it monitors the currency hedge ratio on a daily basis and adjusts the currency hedges monthly, as required.

### **4.7.2 Interest rate risk management**

The Investment Team may determine it is in the best interests of the Trust to manage the overall interest rate risk of the Portfolio by hedging with various interest rate Derivatives, such as interest rate futures, as deemed appropriate.

### **4.7.3 Types of Derivatives**

Derivatives used by the Trust may be traded on exchanges or over-the-counter ("**OTC**").

### **4.7.4 Criteria for engaging Derivatives counterparties**

Neuberger Berman's Operational Risk Group oversees the process of reviewing and approving new trading counterparties. Factors considered in a typical review include:

- A credit review based on financial and/or third-party ratings data.
- A review of regulatory information by Neuberger Berman's Compliance function.
- Business needs as determined by trading and/or relevant investment decision makers.

Additionally, Neuberger Berman regularly monitors industry and market activity to help identify developments that could impact those counterparties selected by Neuberger Berman to which the firm and its clients have large exposure.

OTC Derivatives counterparties selected by Neuberger Berman are required to have an investment grade rating from a major credit rating agency or an equivalent Neuberger Berman internal rating based on a credit review performed by the Operational Risk Group. For exchange traded Derivatives, counterparties to be used as execution brokers are also subject to a review in accordance with the process described in the section above. However, an investment grade rating or equivalent internal rating is not required for execution brokers of exchange traded Derivatives given that this type of activity poses less counterparty risk compared to OTC Derivatives.

## **4.8 Short selling**

The Trust will not engage in short selling.



## 4.9 Authorised Investments and Investment Guidelines

Although the Manager does not intend to track any index in managing the Trust, it has regard to the Global High Yield Market, as represented by the ICE BofAML Global High Yield Index (AUD Hedged) (“**Index**”). This Index tracks the performance of U.S. Dollar, Canadian Dollar, British Pounds and Euro denominated non-investment grade corporate debt securities publicly issued in the major domestic or Eurobond markets and limits exposure to each issuer included in the Index to a maximum of 2% of the Index.

In addition, the Manager has agreed with the Responsible Entity under the Management Agreement that it will only invest the Trust in certain investments (“**Authorised Investments**”) and that it will endeavour to adhere to various investment guidelines in investing and managing the Trust (“**Investment Guidelines**”).

### **Authorised Investments**

Generally, the Manager is currently authorised to invest the Trust in all debt securities represented in the Index and their equivalents as determined by the Manager. Specifically, those investments include:

- corporate bonds;
- derivative instruments (for hedging purposes only); and
- cash and cash equivalents.

### **Investment Guidelines**

#### *Portfolio*

- The Portfolio will hold no less than 100 issues at any time.
- The Portfolio’s minimum exposure to high yield bonds at any time will be 80% of the Trust’s NAV.
- The Portfolio’s maximum exposure to CCC rated bonds at any time will be 30% of the Trust’s NAV.
- The Portfolio will not hold any unrated bonds.
- The Portfolio’s maximum holding of cash or cash equivalents will be 10% of the Trust’s NAV.

#### *Industry*

The Portfolio’s exposure to any industry will generally not exceed the greater of 20% of the Trust’s NAV or 3 times the Index weighting of that industry, subject to an absolute maximum of 30% of the Trust’s NAV.

#### *Issue / Issuer*

- The Portfolio will not be invested in any bond issue which is less than US\$200 million in size at the time of investment.
- The Portfolio’s maximum exposure to a single issuer will not exceed 3% of the Trust’s NAV.
- The Portfolio will not hold more than 10% of an issuer’s outstanding debt at any time.

## 4.10 Changes to Investment Strategy

The Manager is currently implementing the Investment Strategy of the Trust by investing in the high yield bonds of companies globally. The Responsible Entity will release to the ASX any material changes to the Trust’s investment strategy and post such changes on the Trust’s website.

## 4.11 Specific risks associated with the Investment Strategy

Certain of the key specific risks associated with the Investment Strategy are set out in Section 8.1.

## 5. About Neuberger Berman and the Responsible Entity

### 5.1 Neuberger Berman

Chart 5.1A: Neuberger Berman Information



Source: Neuberger Berman. For illustrative purposes only. All information as of 31 March 2019.

Neuberger Berman was founded in 1939 with a primary objective: to deliver compelling investment results for its clients over the long term. This remains its singular purpose today, driven by a culture rooted in deep fundamental research, the pursuit of investment insight and continuous innovation on behalf of clients, and facilitated by the free exchange of ideas across the organisation.

As a private, independent, employee-owned investment manager, Neuberger Berman is structurally aligned with the long-term interests of its clients; it has no external parent or public shareholders to serve, nor other lines of business to distract it from its core mission: managing the assets of its clients. Also, given Neuberger Berman's policy to invest 100% of the deferred compensation of its investment professionals (which includes the Investment Team), in the strategies which they manage, it believes that its investment professionals are truly aligned with the interests of their clients.

From offices in 23 countries, and with more than 600 investment professionals and over 2,100 employees in total, Neuberger Berman takes an active approach to the management of equity, fixed income, private equity and debt, hedge fund and quantitative strategies, along with the multi-asset class portfolios that bring them together. As of 31 March 2019, institutions, advisors, families and individuals around the globe have entrusted Neuberger Berman with US\$323 billion (\$455 billion) of their assets.

#### 5.1.1 The Manager

Neuberger Berman Australia Pty Limited is the manager of the Trust (the "**Manager**") and operates under an Australian financial services licence. It is a proprietary limited company incorporated in Australia and, as a wholly-owned subsidiary of Neuberger Berman Group LLC, is part of Neuberger Berman.

The Manager's primary role is to make available Neuberger Berman's investment strategies to wholesale investors in the Australian market and to provide certain financial services relating to such strategies. As at 31



March 2019, the Manager had oversight over \$7.4 billion in assets for Australia based clients across equities, fixed income and alternatives.

## 5.1.2 The Investment Advisers

The Manager has delegated certain investment management duties relating to the Trust to its affiliate, Neuberger Berman Europe Limited ("**NB Europe**"). NB Europe is a wholly-owned subsidiary of Neuberger Berman Group LLC and a part of Neuberger Berman. It is authorised and regulated by the U.K. FCA and registered with the U.S. SEC as an investment adviser under the U.S. Investment Advisers Act 1940.

The Manager has also delegated certain investment management duties relating to the Trust to another affiliate, Neuberger Berman Investment Advisers LLC ("**NB Investment Advisers**"). NB Investment Advisers is also a wholly-owned subsidiary of Neuberger Berman Group LLC and a part of Neuberger Berman. It is registered with the U.S. SEC as an investment adviser under the U.S. Investment Advisers Act 1940.

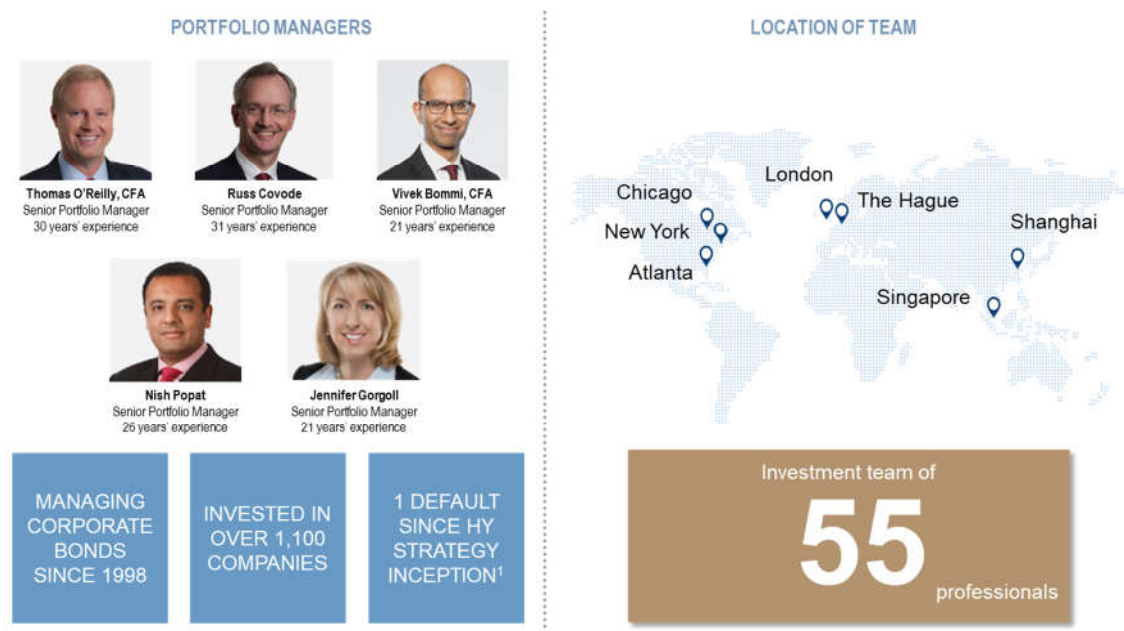
NB Europe and NB Investment Advisers are collectively referred to in this PDS as the "**Investment Advisers**" and each as an "**Investment Adviser**". The Investment Strategy of the Trust is implemented by the Investment Team, which is employed across the Investment Advisers.

## 5.1.3 The Investment Team

The Investment Strategy is currently managed by five senior portfolio managers from Neuberger Berman's Global Non-Investment Grade Credit and Emerging Market Corporate Debt teams, who focus on the high yield bonds of companies located across both the developed and emerging high yield markets and, as of the date of this PDS, collectively average 25 years' industry experience (the "**Global High Yield Portfolio Management Team**").

The Global High Yield Portfolio Management Team is supported by 36 research analysts, 4 economists/strategists, 7 dedicated traders and 3 client portfolio managers, and collectively comprise an investment team of 55 professionals (the "**Investment Team**").

Chart 5.1B: Investment Team



Source: Neuberger Berman. For illustrative purposes only. All information as of 14 May 2019. Neuberger Berman High Yield Strategy inception date is 1 December 1997.

Below are the professional biographies for each of the current members of the Global High Yield Portfolio Management Team:

**Thomas P. O'Reilly**, CFA, Managing Director, joined the firm in 1997. Tom is the Head of Global Non-Investment Grade Fixed Income and is also a Senior Portfolio Manager for High Yield and Blended Credit portfolios. Tom serves on the firm's Partnership Committee and is a member of the investment team setting overall portfolio strategy. Tom had previously been a high yield analyst at Stein Roe and Bank of America for eight years. Tom earned a BS in Finance from Indiana University, an MBA from Loyola University, and has been awarded the Chartered Financial Analyst designation.<sup>37</sup>

**Russ Covode**, Managing Director, joined the firm in 2004. Russ serves as a Senior Portfolio Manager for high yield and blended credit portfolios. In addition, he sits on the Credit Committee for high yield bonds and senior floating rate loans. Prior to joining the firm, Russ spent five years at Banc One Capital Markets, where he was most recently a principal in the bank's mezzanine fund. Before that, he spent seven years with the high yield group at Banc of America Securities in various positions including leading the bank's high yield capital markets desk. Russ began his career with S.G. Warburg & Co. in New York. Russ earned a BA from Colorado College and an MBA from the University of Chicago.

**Vivek Bommi**, CFA, Managing Director, joined the firm in 2007. Vivek is a Senior Portfolio Manager. In addition, he sits on the Credit Committee for high yield bonds and senior floating rate loans. Prior to joining the firm, Vivek worked in the leverage finance groups at The Carlyle Group and Banc of America Securities. He started his career as an investment analyst at Intel Capital. Vivek earned a BS from the University of Illinois, an MBA from Columbia Business School, has been awarded the Chartered Financial Analyst designation and is a Certified Public Accountant.

**Nish Popat**, Managing Director, joined the firm in 2013. Nish is a Co-Lead Senior Portfolio Manager on the Emerging Markets Corporate Debt team. Nish joined the firm after working at ING Investment Management, where he was most recently a senior portfolio manager on the Emerging Markets Corporate Debt team. Prior to that role, he was head of fixed income for the Middle East and North Africa. Prior to joining ING, Nish was the head of the fixed income trading desk at NBD Investment Bank running relative value/market-making books in Middle East debt, and before that worked in Saudi Arabia for the Saudi Holland Bank as head of fixed income and derivatives. Nish started his career in London where he held several fixed income positions.

**Jennifer Gorgoll**, CFA, Managing Director, joined the firm in 2013. Jennifer is a Co-Lead and Senior Portfolio Manager on the Emerging Markets Corporate Debt team responsible for global portfolios investing in high grade and high yield emerging market corporate debt across the regions. Jennifer joined the firm after working at ING Investment Management, where she was most recently the head and a senior portfolio manager of the Emerging Markets Corporate Debt team. Before that Jennifer worked in ING's Private Placement group where she focused on private fixed income investments in emerging market corporates and structured credit. She also spent several years in the Special Asset Group where she was responsible for restructuring distressed assets globally. Prior to joining ING Investment Management, Jennifer worked at Prudential Capital Group specialising in private placements for US-domiciled companies based in the Southeast and before that worked in the Financial Institutions Group at Salomon Brothers Inc. and at Patricof & Co. Capital Corp., a boutique investment bank. Jennifer received an MBA with Honors from Columbia Business School with a concentration in Finance and a BS in Finance and Insurance from The Honors College at the University of South Carolina. Jennifer has been awarded the Chartered Financial Analyst designation.

#### 5.1.4 Track Record

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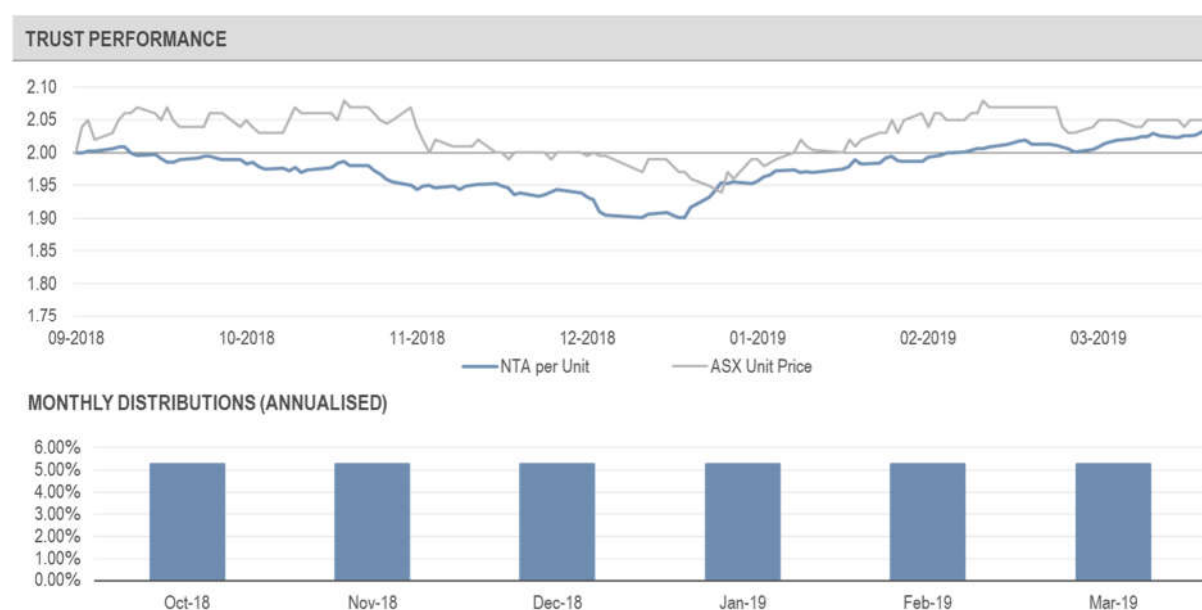
<sup>37</sup> In late 2018, the Trust announced that Thomas O'Reilly will retire on or about 31 December 2019 and will cease his portfolio management responsibilities at that time. Russ Covode, Vivek Bommi, Jennifer Gorgoll and Nish Popat (then constituting the Global High Yield Portfolio Management Team) will continue to act as the senior portfolio managers for the Investment Strategy.

The information below summarises: (1) the actual performance of the Trust (“**Trust Performance**”) for the period from its inception on 26 September 2018 to 31 March 2019 (“**Trust Performance Measurement Period**”); (2) the total return of the Trust (“**Trust Performance (TR)**”) for the Trust Performance Measurement Period; and (3) the historical performance of the other portfolios managed by Neuberger Berman which invest in high yield corporate bonds using the same investment strategy as the Trust (“**Global High Yield Performance**”) for the period from June 2014 to 25 September 2018 (“**Global High Yield Performance Management Period**”). The Global High Yield Performance has been included as the Trust is a recently established entity with a limited period of past performance information, but it is not the actual performance of the Trust.

## Trust Performance

The Trust Performance in this section is consistent with the way in which the Trust’s performance is reported to Unitholders by way of monthly investment reports and on the Trust’s website. It has been prepared net of fees and costs, and includes the impact of the Trust’s hedging of its foreign currency exposure back to Australian dollars.

The below graph shows both the Trust Performance and the performance of the Trust’s ASX unit price, in each case for the Trust Performance Measurement Period. It also shows the monthly distributions which have been paid over the Trust Performance Measurement Period.



Source: Neuberger Berman. Data as of 31 March 2019.

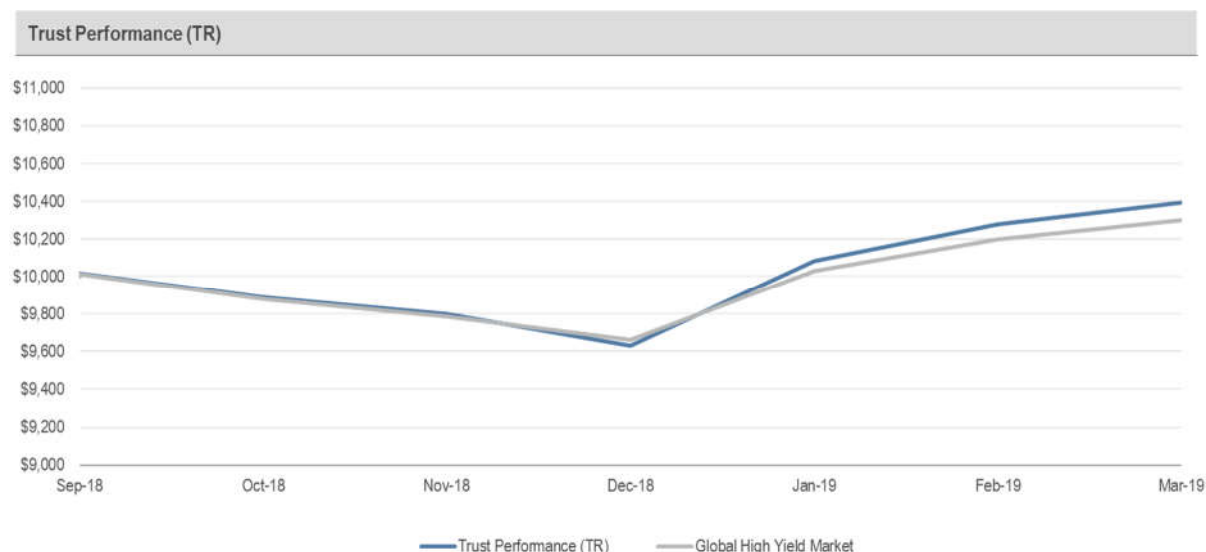
## Trust Performance (TR)

In order to be consistent with the Global High Yield Performance shown below, the Trust Performance (TR) has been prepared net of fees and costs, inclusive of the impact of the Trust’s hedging of its foreign currency exposure back to Australian dollars and is based on a reinvestment of distributions back into the Trust, i.e. it shows total return, being the aggregate of capital growth and income.<sup>38</sup>

The below graph shows both the Trust Performance (TR) and the performance of the Global High Yield Market (as represented by the ICE BofAML Global High Yield (AUD hedged) Index), in each case over the Trust Performance Measurement Period, assuming an initial investment of \$10,000 at the start of the period and reinvestment of income.

<sup>38</sup> The Responsible Entity has established a Distribution Reinvestment Plan (“DRP”), which gives Unitholders the right to reinvest distributions from the Trust in additional Units in the Trust. Details of the DRP are available on the Trust’s website [www.nb.com/nbi](http://www.nb.com/nbi). Unitholder participation is optional and the Responsible Entity reserves the right to suspend at any time.

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Source: Neuberger Berman. Data as of 31 March 2019.

<sup>1</sup> Global High Yield Market is represented by the ICE BofAML Global High Yield (AUD hedged) Index, which is not reduced by an amount on account of fees and costs. Trust Performance (TR) is shown net of fees and costs.

**Investors should note that neither the Trust Performance nor the Trust Performance (TR) is a reliable indicator of the future performance of the Trust. The performance of the Trust could be significantly different to both the Trust Performance and the Trust Performance (TR).**

## Global High Yield Performance

The Global High Yield Performance has been prepared under the following assumptions:

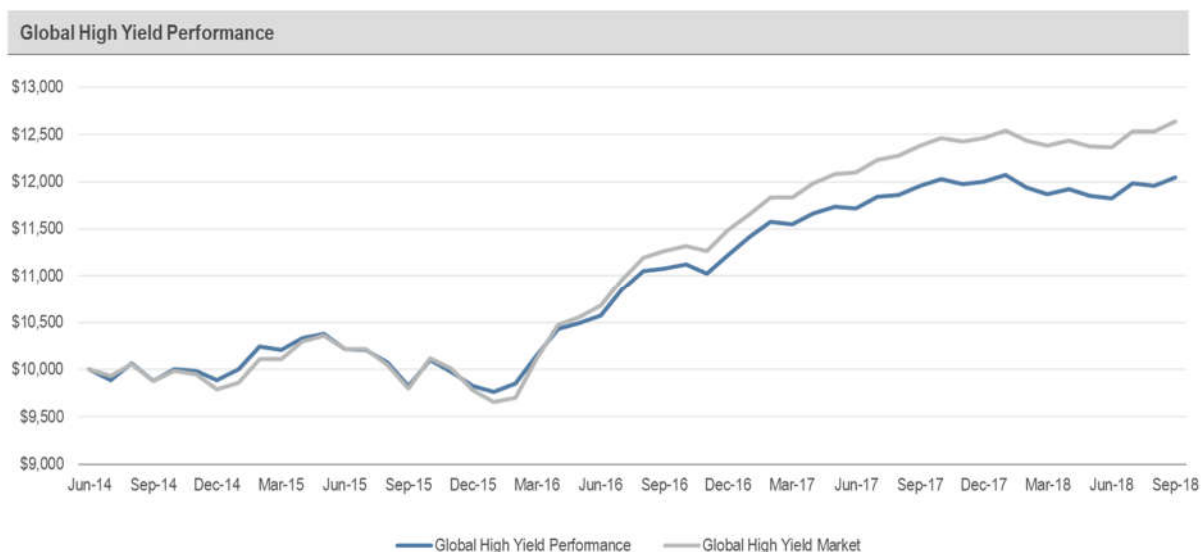
- equivalent management costs (refer to Section 10 ("Fees and other costs") for further information) were paid to Neuberger Berman as outlined in this PDS; and
- each of the portfolios was hedged for currency exchange purposes and converted to Australian dollars, based on the prevailing spot exchange rate at the inception of the relevant strategy and cost of hedging over the period.

The information in this section is based on a reinvestment of income back into the same portfolio, i.e. it shows total return, being the aggregate of capital growth and income.<sup>39</sup>

**Investors should note that the Global High Yield Performance is not the actual performance of the Trust and the Global High Yield Performance is not a reliable indicator of the future performance of the Trust. The performance of the Trust could be significantly different to the Global High Yield Performance.**

The below graph shows both the Global High Yield Performance and the performance of the Global High Yield Market (as represented by the ICE BofAML Global High Yield (AUD hedged) Index), in each case for the Global High Yield Performance Management Period, assuming an initial investment of \$10,000 at the start of the period and reinvestment of income.

<sup>39</sup> The Responsible Entity has established a Distribution Reinvestment Plan ("DRP"), which gives Unitholders the right to reinvest distributions from the Trust in additional Units in the Trust. Details of the DRP are available on the Trust's website [www.nb.com/nbi](http://www.nb.com/nbi). Unitholder participation is optional and the Responsible Entity reserves the right to suspend at any time.



Source: Neuberger Berman. Data as of 25 September 2018.

<sup>1</sup> Global High Yield Market is represented by the ICE BofAML Global High Yield (AUD hedged) Index, which is not reduced by an amount on account of fees and costs. Global High Yield Performance is shown net of fees and costs that would be payable in relation to the Trust.

The Global High Yield Performance is calculated using pre-tax returns (net of fees and costs) for the period since June 2014, which was the date of inception of Neuberger Berman's dedicated European high yield bonds strategy. By June 2014, Neuberger Berman was managing funds under a cumulative global high yield bonds strategy as it had previously launched its dedicated U.S. high yield strategy and EM high yield strategy in 1997 and 2013, respectively.

Based on the above assumptions, an investment of \$10,000 in the Global High Yield strategy over the GHY Performance Measurement Period would have increased to \$12,043.21 (being the total return, i.e. aggregate of capital of \$9,603.21 and income received of \$2,440.00, over that period).<sup>40</sup>

## 5.2 About the Responsible Entity

Equity Trustees Limited ("**Equity Trustees**") is a wholly owned subsidiary of EQT Holdings Limited (ABN 22 607 797 615) ("**EQT Group**"), which is a public company listed on the Australian Securities Exchange (ASX: EQT). Equity Trustees is the Trust's Responsible Entity and issuer of this PDS.

Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today EQT Group is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

## 5.3 Role of the Responsible Entity

The Responsible Entity is responsible for the overall management of the Trust in accordance with its duties to Unitholders. The Responsible Entity's responsibilities and obligations, as responsible entity of the Trust, are governed by the Constitution, the Corporations Act and general trust law. Under the Corporations Act and the Constitution, the Responsible Entity is required to act in the best interests of Unitholders.

<sup>40</sup> Past performance is not a reliable indicator of the future performance of the Trust.

The role of the Responsible Entity includes:

- acting honestly and in the best interest of Unitholders and in doing so, exercising the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position;
- monitoring the operations, financial position and performance of the Trust;
- overseeing the risk management and compliance of the Trust;
- ensuring the Constitution meets the requirements of the Corporations Act and the ASX Listing Rules and that the Trust complies with the Constitution; and
- ensuring the Trust's Compliance Plan meets the requirements of the Corporations Act and the ASX Listing Rules and that the Trust complies with the Compliance Plan.

## 5.4 Board of the Responsible Entity

The Board of the Responsible Entity (the "**Board**") comprises four executive directors. The Board is committed to promoting and maintaining high standards of integrity and conducting its business professionally and ethically for the benefit of all its stakeholders. The Board in carrying out its functions, will at all times act honestly, fairly and with integrity.

The directors of Equity Trustees are:

### **Philip D Gentry – Executive Director (Chairman)**

*BSc, MBA and Stanford Executive Program, GAICD, A Fin*

- Executive Director (Appointed June 2016)
- Chief Financial Officer and Chief Operating Officer of the EQT Group

Philip is the chair of Equity Trustees. In addition to his role as a director of several subsidiary companies in the EQT Group, he is a member of the EQT Group's executive leadership team and is responsible for EQT Group's operational functions in finance, technology, operations, and strategy.

Philip has more than 25 years' experience in leadership positions within financial services, property, agribusiness, logistics, international trade and commodity management. He has previously held positions including Chief Financial Officer of Grocon, Managing Director of Agrium Asia Pacific, Chief Financial Officer of AWB and a number of leadership positions at ANZ Bank in the areas of corporate banking, strategic development, international trade finance and investor relations.

He is a Graduate Associate of the Institute of Company Directors, and is a member of the Financial Services Institute of Australasia, the Greenfleet's Business Advisory Council and the Financial Executives Institute.

### **Harvey H Kalman – Executive Director**

*BEC, Grad Dip App Fin & Inv, Grad Dip Acc, CFTP (Snr)*

- Executive Director (Appointed June 2016)
- Executive General Manager, Corporate Trustee and Fund Services
- Head of Global Fund Services

Harvey has overall responsibility for the operational compliance of all Management Company (ManCo), Authorised Corporate Director (ACD), Responsible Entity (RE) and Corporate Trustee (Trustee) relationships and joined Equity Trustees as General Manager, Funds Management in January 2000. Harvey oversees the global Funds Services business of Equity Trustees, and has more than 25 years' experience in the financial services industry.



Previous experience includes KPMG, consultant to the Funds Management industry and ANZ Banking Group. Harvey's roles at ANZ included Senior Adviser and Head of Strategy in the ANZ Funds Management area, Manager – Special Projects, Group Risk Management and executive liaison officer for the ANZ Board Risk Management Committee and the ANZ Credit Approvals Committee. He also previously held roles as Deputy Director – Research and Policy at the Australian Society of Corporate Treasurers, Senior Policy Adviser – Environment and Heritage for the Federal Opposition and at Ford Credit in Treasury and Risk Management.

Harvey is a director of several subsidiary companies in the EQT Group and a member of EQT Group's executive leadership team.

Outside directorships/memberships include the Menzies Foundation and Chair of its Board Audit and Investments Committee, and a member of the Bialik Colleges Investments Committee.

### **Michael (Mick) J. O'Brien – Executive Director**

*CFA, GAICD*

- Executive Director (Appointed July 2018)
- Managing Director of the EQT Group

Mick has broad wealth management experience in superannuation, investment management, insurance and advice, spanning over 30 years in both retail and institutional markets. Mick was formerly CEO and director of Invesco Australia Limited, director of Franklin Global Property Limited, director of Alliance Capital Management Australia and Chief Investment Officer of AXA Australia and New Zealand where he was also a director of AXA's Responsible Entities and Regulated Superannuation Entities.

As Managing Director of the EQT Group, Mick is responsible for the overall management of the EQT Group's activities. Mick is a director of several subsidiary companies in the EQT Group

Mick qualified as a Fellow of the Institute of Actuaries of Australia and holds the Chartered Financial Analyst designation and a non-executive director of Templeton Global Growth Fund Limited.

### **Ian Westley – Executive Director**

*BAGrSc, Dip Fin Services*

- Executive Director (Appointed June 2016)
- Executive General Manager, Trustee and Wealth Services - Private Clients

Ian is responsible for developing the strategy for the traditional trustee services business unit of the EQT Group and growing the business in emerging (non-traditional) trustee markets. Over the last four years, he has been involved in the acquisition and integration of the ANZ Trustees and Sandhurst Trustees Estates and Trusts business into the EQT Group's private client business. Previous experience includes roles with the EQT Group as General Manager Private Clients, General Manager Sales and Business Development and National Manager Business Development. Prior to joining the EQT Group, Ian was at Premier Inks Sales Manager and Cannon (Sales Representative and Major Account Manager).

Ian is a director of several subsidiary companies in the EQT Group and a member of EQT Group's executive leadership team.

## 6. FINANCIAL INFORMATION

### 6.1 Introduction

The Trust was established on 4 July 2018 and listed on the ASX on 26 September 2018. Below is a brief outline of the key developments since the Trust listed on the ASX:

Key Milestone		
<b>Funds Raised in IPO</b>	\$2.00 / unit	\$413,977,782
<b>Units Allotted on 19 September 2018</b>		206,988,891
<b>Cumulative Distributions from IPO to March 2019*</b>	\$0.00875 / Unit	\$10,866,912
<b>31 March 2019 Units on issue**</b>		207,041,475
<b>31 March 2019 NTA</b>		\$2.02 / unit
<b>Units on issue as at 13 May 2019**</b>		207,067,741
<b>10 May 2019 NTA</b>		\$2.03/ unit

\* As per unaudited management accounts. The March distribution payable in April has been included as a payable in the Historical Statement of Financial Position (See Section 6.2)

\*\* Units on issue include 78,850 new Units under the Trust's distribution reinvestment plan.

This Section contains a summary of the Historical and Pro Forma Historical Financial Information of the Trust, which includes:

- Historical Statement of Financial Position as at 31 December 2018 (see Section 6.2);
- Historical and Pro Forma Historical Statement of Financial Position as at 31 March 2019 (see Section 6.2);
- Historical Statement of Comprehensive Income for the period ended 31 December 2018 and 31 March 2019 (see Section 6.3);
- Historical Statement of Cash Flows for the period ended 31 December 2018 (see Section 6.4);
- Historical and Pro Forma Historical Statements of Cash Flows for the period ended 31 March 2019 (see Section 6.4);
- The Material assumptions used in the preparation of the Pro Forma Historical Financial Information (see Section 6.5);
- Historical and Pro Forma Historical Capital structure of the Fund on completion of the Offer (see Section 6.6);
- Historical and Pro Forma Historical Cash balance of the Fund on completion of the Offer (see Section 6.7); and
- Significant accounting policies of the Fund (see Section 6.8).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of NB Global Corporate Income Trust, after adjusting for the effects of the Entitlement Offer ("pro forma adjustments"). The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information for the period ended 31 December 2018 has been extracted from the interim financial report of the Trust, which was reviewed by PricewaterhouseCoopers in accordance with the Australian Auditing Standards and is available for review on the ASX.



PricewaterhouseCoopers issued an unmodified review conclusion on the financial report. The Historical Financial Information for the period ended 31 March 2019 is based on unaudited management accounts of the Trust.

All amounts disclosed in this Section are presented in Australian dollars.

The Historical and Pro Forma Historical Financial Information has been reviewed by Pitcher Partners, which has provided an Investigating Accountant's Report on the Historical and Pro Forma Historical Financial Information in Section 7.

The information in this Section should also be read in conjunction with the Risk Factors set out in Section 8 and other information contained in this PDS.

## 6.2 Historical and Pro Forma Historical Statement of Financial Position

The Historical and Pro Forma Historical Statement of Financial Position set out below has been prepared to illustrate the financial position of the Trust following completion of the Offer. The pro forma balances have been derived from the Historical Financial Information and adjusted for the pro forma adjustments with respect to the Offer as if such events had occurred as at 31 March 2019.

The Pro Forma Historical Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the Completion of the Offer. The Historical and Pro Forma Historical Statement of Financial Position has been prepared in accordance with the principles and significant accounting policies set out in Section 6.8.

		Historical Statement of Financial Position		Pro Forma Historical Statement of Financial Position	
	Notes	As at 31 December 2018 (\$'000)	As at 31 March 2019 (\$'000)	Subscription (\$250 million) (\$'000)	Maximum Subscription (\$476 million) (\$'000)
<b>Assets</b>					
Cash and cash equivalents	6.7	2,738	3,531	253,531	479,787
Receivables		7	10,157	10,157	10,157
Financial Assets		414,910	424,289	424,289	424,289
<b>Total Assets</b>		<b>417,655</b>	<b>437,977</b>	<b>687,977</b>	<b>914,233</b>
<b>Liabilities</b>					
Distributions payable		1,811	1,935	1,935	1,935
Payables		307	1,904	1,904	1,904
Financial liabilities		22,214	15,159	15,159	15,159
<b>Total liabilities</b>		<b>24,214</b>	<b>18,998</b>	<b>18,998</b>	<b>18,998</b>
<b>Net Assets attributable to Unitholders - equity</b>		<b>393,323</b>	<b>418,979</b>	<b>668,979</b>	<b>895,235</b>

## 6.3 Historical Statement of Comprehensive Income

The Historical Statement of Comprehensive Income set out below represents the financial performance of the Trust for the 3-month period from 26 September 2018 to 31 December 2018 and 6-month period to 31 March 2019. There are no pro forma adjustments affecting the balances as at 31 March 2019.

	For the period 26 September 2018 to 31 December 2018 (\$'000)	For the period 26 September 2018 to 31 March 2019 (\$'000)
<b>Investment income</b>		
Interest income	30	32
Net gains/ (losses) on financial instruments at fair value through profit or loss	(14,371)	17,492
Other income	7	6
<b>Total investment income</b>	<b>(14,334)</b>	<b>17,530</b>
<b>Expenses</b>		
Management fees	756	1,452
Responsible entity fees	42	52
Administrative expenses	120	259
<b>Total Expenses</b>	<b>918</b>	<b>1,764</b>
<b>Profit/(loss)</b>	<b>(15,252)</b>	<b>15,766</b>
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>(15,252)</b>	<b>15,766</b>
<b>Earnings per Unit for profit attributable to Unitholders</b>		
<b>Basic and diluted gain/(loss) per Unit (cents)</b>	<b>(7.37)</b>	<b>7.61</b>

## 6.4 Historical and Pro Forma Historical Statement of Cash Flows

The Historical and Pro Forma Historical Statement of Cash Flows set out below have been prepared to illustrate the financial performance of the Trust for the period from 26 September 2018 to 31 March 2019 and following completion of the Offer. The pro forma balances have been derived from the Historical Financial Information and adjusted for the pro forma adjustments which includes the expenditure of funds associated with the Offer as if such events had occurred as at 31 March 2019.

The Historical and Pro Forma Historical Statement of Cash Flows is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the Offer. The Historical and Pro Forma Historical Statement of Cash Flows has been prepared in accordance with the principles and significant accounting policies set out in Section 6.8.

# NB GLOBAL CORPORATE INCOME TRUST

		Historical Statement of Cash Flows		Pro Forma Historical Statement of Cash Flows	
	Notes	For the period 26 September 2018 to 31 December 2018 (\$'000)	For the period 26 September 2018 to 31 March 2019 (\$'000)	Subscription (\$250 million) (\$'000)	Maximum Subscription (\$476 million) (\$'000)
<b>Cash flows from operating activities</b>					
Interest received		29	6,036	6,036	6,036
Proceeds from sale of financial instruments		20,916	71,018	71,018	71,018
Purchase of financial instruments		(426,886)	(476,050)	(476,050)	(476,050)
Administrative expenses paid		(611)	(1,433)	(1,433)	(1,433)
Other expenses paid		(76)	(148)	(148)	(148)
<b>Net cash outflow from operating activities</b>		<b>(406,547)</b>	<b>(400,577)</b>	<b>(400,577)</b>	<b>(400,577)</b>
<b>Cash flows from financing activities</b>					
Proceeds from application from unit holders		413,978	413,978	663,978	890,234
Distributions paid to Unitholders		(3,592)	(8,830)	(8,830)	(8,830)
<b>Net cash inflow from financing activities</b>		<b>410,386</b>	<b>405,148</b>	<b>655,148</b>	<b>881,404</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,839</b>	<b>4,571</b>	<b>254,571</b>	<b>480,827</b>
Effect of foreign currency exchange rate		(1,101)	(1,040)	(1,040)	(1,040)
Cash and cash equivalents at the beginning of the period		-	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	6.7	<b>2,738</b>	<b>3,531</b>	<b>253,531</b>	<b>491,531</b>

## 6.5 Material Assumptions in preparation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared on the basis of the following assumptions by the Board:

- application of the significant accounting policies set out in Section 6.7;
- the column headed "Subscription \$250 million", has been prepared on the basis of subscriptions for 125 million New Units by participants in the offer under this PDS at an offer price of \$2.00 per Unit;
- the column headed "Maximum Subscription \$476 million", has been prepared on the basis of subscriptions of 238 million New Units by participants in the offer under this PDS at an offer price of \$2.00 per New Unit;

- d) No adjustment has been made to the pro forma statement of financial position and pro forma statement of cash flows for income earned, and expenses accrued since 31 March 2019.

## 6.6 Historical and Pro Forma Historical Capital Structure

Set out below is the anticipated pro forma capital structure of the Trust on completion of the Offer under the different indicated subscription amounts.

	Historical		Pro Forma Historical	
	Reviewed 31 December 2018 Accounts ('000 Units)	Unaudited 31 March 2019 Accounts ('000 Units)	Subscription (\$250 million) ('000 Units)	Maximum Subscription (\$476 million) ('000 Units)
As at 31 March 2019	206,988	207,041	207,041	207,041
Pro Forma Adjustment - Capital Raising	-	-	123,539	238,128
Pro Forma Balance	206,988	207,041	330,581	445,169
NTA per Unit <sup>41</sup>	\$1.90	\$2.02	\$2.02	\$2.02

## 6.7 Historical and Pro Forma Historical Cash

Set out below is a reconciliation of the pro forma cash balance under the different indicated subscription amounts:

	Reviewed 31 December 2018 Accounts (\$'000)	Unaudited 31 March 2019 Accounts (\$'000)	Subscription (\$250 million) (\$'000)	Maximum Subscription (\$476 million) (\$'000)
As at 31 March 2019	2,738	3,531	3,531	3,531
Pro Forma Adjustment – Estimated Unit allotment from Offer	-	-	250,000	476,256
Pro Forma Balance	2,738	3,531	253,531	479,787

## 6.8 Significant Accounting policies

A summary of significant accounting policies that have been adopted in the preparation of the Pro Forma Historical Financial Information set out in Section 6, and which will be adopted prospectively in preparation of the financial statements of the Trust for the financial year ending 30 June each year, is set out as follows.

The Historical and Pro Forma Historical Financial Information has been prepared in accordance with Australian Accounting Standards and interpretations and other authoritative pronouncements of the Accounting Standards Board (AASB), and the Corporations Act.

Australian Accounting Standards set out an accounting framework that the AASB have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which

<sup>36</sup> NTA is calculated as the Trust's net assets position attributable to Unitholders in the Pro Forma Historical Statement of Financial Position in Section 6.2 divided by the corresponding indicated subscription amounts.

they apply. Compliance with Australian Accounting Standards ensures that the unaudited Historical and Pro Forma Historical Statements of Financial Information and notes also comply with the recognition and measurement requirements of International Financial Reporting Standards.

The financial information presented in this PDS is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards. The Historical and Pro Forma Historical Financial Information have been prepared on the basis of assumptions outlined in this Section 6.5.

All amounts disclosed in this Section are presented in Australian dollars.

## **6.8.1 Basis of preparation**

The Pro Forma Historical Financial Information has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Historical and Pro Forma Historical Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders and loans.

## **6.8.2 Functional and Presentation Currency**

The Historical and Pro Forma Historical Financial Information is presented in Australian dollars, which is the Trust's functional currency.

## **6.8.3 Use of Estimates and Judgements**

The preparation of the Pro Forma Historical Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **6.8.4 Financial Instruments**

### **Classification**

#### *Financial assets*

The Trust classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

The Trust classifies its assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Trust's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Trust's documented Investment Strategy. The Trust's policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cashflows and for sale. The collection of contractual cash flows is only incidental to achieving the Trust's business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

For cash and cash equivalents, due from brokers and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

## *Financial liabilities*

Derivative contracts that have a negative fair value are presented as financial liabilities at fair value through profit or loss. For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distribution payable, due to brokers, management fee payable and other payables).

### **6.8.5 Recognition / Derecognition**

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

### **6.8.6 Measurement**

At initial recognition, the Trust measures its investments, which are classified as financial assets and liabilities at fair value through profit or loss, at their fair values. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or liabilities at fair value through profit or loss' category are presented in the condensed statement of comprehensive income in the period in which they arise.

For financial assets and liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured according to their classification.

For further details on how the fair value of financial instruments is determined please see Note 3 to the interim financial statements.

### **6.8.7 Impairment**

At each reporting date, the Trust shall measure the loss allowance on financial assets at amortised cost (cash, due from brokers and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Trust shall measure the loss allowance at an amount equal to 12 month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A

significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

## **6.8.8 Offsetting Financial Instruments**

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## **6.8.9 Net assets attributable to unitholders - equity**

Units in the Trust are intended to be listed on the ASX and traded by Unitholders and are, therefore, classified as equity. The Units can be traded on the ASX at any time for cash based on the listed price. While the Trust is a listed investment and liquidity is generally expected to exist in the secondary market (ASX), there are no guarantees that an active trading market with sufficient liquidity will be available.

## **6.8.10 Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability on the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represent the Trust's main income generating activity.

## **6.8.11 Investment Income**

Interest income from financial assets at amortised cost is recognised on a time proportionate basis using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rates and includes interest from debt securities. Interest from financial assets at fair value through profit or loss is recognised under net gains/(losses) on financial instruments at fair value through profit or loss in the condensed statement of comprehensive income.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

## **6.8.12 Expenses**

All expenses are recognised in the condensed statement of comprehensive income on an accruals basis.

## **6.8.13 Income Tax**

Under the AMIT taxation regime, the Trust is not subject to income tax provided the relevant AMIT attribution amounts have been attributed to Unitholders.

## **6.8.14 Payables**

Payables include liabilities, accrued expenses owed by the Trust and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the condensed statement of financial position.



Distributions declared effective 31 December in relation to Unitholders who have previously elected to reinvest distributions are recognised as reinvested effective 1 January of the following financial year.

### **6.8.15 Goods and Services Tax (GST)**

The GST incurred on the costs of various services provided to the Trust by third parties such as management, administration and custodian services where applicable have been passed onto the Trust. The Trust qualifies for Input Tax Credits or Reduced Input Tax Credits (RITC) (where applicable) at a rate ranging between 55% and 100%. Hence, fees for these services and any other expenses have been recognised in the condensed statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the condensed statement of financial position. Cash flows relating to GST are included in the condensed statement of cash flows on a gross basis.

### **6.8.16 Distributions**

The Trust may distribute its distributable income, in accordance with the Constitution, to Unitholders by way of cash or reinvestment into the Trust. The distributions are recognised in the condensed statement of changes in equity.

## 7. Independent Limited Assurance Report



**Pitcher Partners Sydney Corporate Finance Pty Ltd**

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

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Sydney NSW 2001

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14 May 2019

The Directors  
Equity Trustees Limited  
as responsible entity for the  
NB Global Corporate Income Trust  
Level 1, 575 Bourke Street,  
Melbourne VIC 3000

Dear Directors,

### **PART 1: INDEPENDENT LIMITED ASSURANCE REPORT ON NB GLOBAL CORPORATE INCOME TRUST HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION**

#### **7.1 INTRODUCTION**

The Directors of Equity Trustees Limited (in its capacity as responsible entity of the NB Global Corporate Income Trust) have engaged Pitcher Partners to report on the Historical and pro forma Historical Financial Information of the Trust.

We have prepared this Independent Limited Assurance Report (Report) to be included in the PDS dated on or about 14 May 2019 and relating to the Offer.

The Offer is not underwritten.

Under the Offer, there will be no options attached to the Units.

Unless stated otherwise, expressions defined in the product disclosure statement (in which this Report is included) (PDS) have the same meaning in this Report and section references are to sections of the PDS.

The nature of this Report is such that it can only be issued by an entity which holds an AFSL under the Corporations Act. Pitcher Partners holds the appropriate AFSL authority under the Corporations Act. Refer to our Financial Services Guide included as Part 2 of this Report.

#### **7.2 BACKGROUND**

The Trust was established on 4 July 2018 and listed on the ASX on 26 September 2018. As at the date of this Report, the Trust has 207,067,741 units on issue. As at 31 March 2019 the net assets of the Trust were \$418,979,000.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms.  
Pitcher Partners Sydney Corporate Finance Pty Ltd, ABN 77 122 981 184. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.

**bakertilly**  
NETWORK MEMBER

[pitcher.com.au](http://pitcher.com.au)



## 7.3 SCOPE

This Report deals with the Historical and Pro Forma Historical Financial Information included in section 6 of the PDS (*Financial Information*). The Financial Information consists of the actual Historical Financial Information of the Trust as at 31 December 2018 and 31 March 2019 and the pro forma Historical Financial Information of the Trust as at 31 March 2019 and related notes as set out in section 6 of the PDS.

The unaudited pro forma Statement of Financial Information in section 6 has been prepared to illustrate the Financial Information of the Trust on completion of the Offer and have been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events to which the pro forma assumptions relate, as described in section 6.4 of the PDS, as if those events had occurred as at 31 March 2019. Due to its nature, the pro forma Historical Financial Information does not represent the Trust's actual or prospective Financial Information.

The pro forma Statement of Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Pitcher Partners disclaims any responsibility for any reliance on this Report or the Financial Information to which it relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full PDS and has been prepared for inclusion in the PDS.

## 7.4 DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for the preparation and presentation of the Financial Information including the selection and determination of pro forma assumptions, accounting policies and the notes included in the Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

## 7.5 OUR RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on the Financial Information of the Trust.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any Financial Information used as a source of the Financial Information.





## 7.6 CONCLUSION

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Financial Information is not presented fairly, in all material respects, on the basis of the assumptions described in section 6.5 of the PDS and in accordance with the recognition and measurement principles described under Australian Accounting Standards, other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Trust as described in section 6.8 of the PDS.

## 7.7 RESTRICTION ON USE

Without modifying our conclusions, we draw attention to section 6 of the PDS, which describes the purpose of the Financial Information, being for inclusion in the PDS. As a result, the Financial Information may not be suitable for use for another purpose.

Investors should consider the statement of investment risks set out in section 8 of the PDS.

## 7.8 LEGAL PROCEEDINGS

The Trust is a newly established trust which has not conducted any business to date. The Trust is not and has not been, since its establishment to the date of this PDS, involved in any legal or arbitration proceedings that have had a significant effect on the Financial Information of the Trust.

As far as the Directors are aware, no such proceedings are threatened against the Trust.

## 7.9 SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of the Trust have come to our attention, that would require comment on, or adjustment to the information referred to in our Report, or that would cause such information to be misleading or deceptive.

## 7.10 SOURCES OF INFORMATION

Pitcher Partners has made enquiries of the Directors, selected management of the Responsible Entity, members of the Manager's Investment Committee and other parties as considered necessary during the course of our analysis of the Financial Information of the Trust. We have also referred to the PDS and material documents which relate to the proposed operations of the Trust.

We have no reason to believe the information supplied is not reliable.

## 7.11 INDEPENDENCE OR DISCLOSURE OF INTEREST

Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

Neither Pitcher Partners Sydney Corporate Finance Pty Ltd, Pitcher Partners Sydney Wealth Management Pty Ltd, nor any director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.



## 7.12 LIABILITY

The liability of Pitcher Partners is limited to the inclusion of this Report in the PDS. Pitcher Partners has not authorised the issue of the PDS. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other Statement or material in or omissions from, the PDS.

## 7.13 FINANCIAL SERVICES GUIDE

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist retail investors in their use of any general financial product advice in our Report.

## 7.14 CONSENT TO USE

We consent to the inclusion of this Report in the both the hard copy and electronic versions of the PDS in the form and context in which it is included. As at the date of this Report, this consent has not been withdrawn.

Yours faithfully  
Pitcher Partners Sydney Corporate Finance Pty Ltd

A handwritten signature in black ink, appearing to read 'S Whiddett'.

Scott Whiddett  
Director





## PART 2 - FINANCIAL SERVICES GUIDE

### 1. Pitcher Partners Sydney Corporate Finance Pty Ltd

Pitcher Partners Sydney Corporate Finance Pty Ltd ("Pitcher Partners") is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd ("Licence Holder") in relation to Australian Financial Services Licence No. 336950.

Pitcher Partners may provide the following financial services to wholesale and retail clients as an authorised representative of the Licence Holder:

- financial product advice in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, deposit and payment products, life products, retirement savings accounts and superannuation (collectively "Authorised Financial Products"); and
- applying for, varying or disposing of a financial product on behalf of another person in respect of Authorised Financial Products.

### 2. Financial Services Guide

The Corporations Act 2001 (Cth) requires Pitcher Partners to provide this Financial Services Guide ("FSG") in connection with its provision of an Independent Limited Assurance Report ("Report") which is included in the PDS issued by Equity Trustees Limited as responsible entity for the NB Global Corporate Income Trust (the "Entity").

### 3. General Financial Product Advice

The financial product advice provided in our Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence ("AFSL") to assist you in this assessment.

### 4. Remuneration

Pitcher Partners' client is the Entity to which it provides the Report. Pitcher Partners receives its remuneration from the Entity. Our fee for the Report is based on a time cost or fixed fee basis. This fee has been agreed in writing with the party who engaged us. Neither Pitcher Partners nor its directors and employees, nor any related bodies corporate (including the Licence Holder) receive any commissions or other benefits in connection with the preparation of this Report, except for the fees referred to above.

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of Pitcher Partners or related entities but any bonuses are not directly connected with any assignment and in particular not directly related to the engagement for which our Report was provided.

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connections with the reports that we are licensed to provide.

### 5. Independence

Pitcher Partners is required to be independent of the Entity.

Neither Pitcher Partners, Pitcher Partners Sydney Wealth Management Pty Ltd, any director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee in connection with the preparation of our Report for which professional fees in the order of \$38,000 (excluding GST) will be received. No pecuniary or other benefit, direct or indirect, has been received by Pitcher Partners, their directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

### 6. Complaints Resolution

Pitcher Partners is only responsible for its Report and this FSG. Complaints or questions about the PDS should not be directed to Pitcher Partners which is not responsible for that document.

Both Pitcher Partners and the Licence Holder may be contacted as follows:

- By phone: (02) 9221 2099
- By fax: (02) 9223 1762
- By mail: GPO Box 1615  
SYDNEY NSW 2001

If you have a complaint about Pitcher Partners' Report or this FSG you should take the following steps:

1. Contact the Enquiries and Complaints Officer of the Licence Holder on (02) 9221 2099 or send a written complaint to the Licence Holder at Level 16, Tower 2 Darling Park, 201 Sussex Street Sydney NSW 2000. We will try and resolve your complaint quickly and fairly.
2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Industry Complaints Service at PO Box 579 Collins St West, Melbourne, Victoria 3007 or call on 1300 78 08 08. We are a member of this scheme.
3. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

The Licence Holder, as holder of the AFSL, gives authority to Pitcher Partners to distribute this FSG.

## 8. Risk Factors

Investment in any trust carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each asset class, whether it is cash, fixed interest, property, Australian or international shares, has associated investment risks and the return achieved by each will vary accordingly.

You should be aware that an investment in the Trust contains risk and neither the Responsible Entity nor the Manager guarantees the amount of any income or capital return from the Units, the performance of the Trust or the security of your investment.

Past performance is not a reliable indicator of future performance. Investments in the Trust and the Investment Strategy are generally subject to risks, including possible delays in the payment of withdrawal proceeds, and loss of income and/or capital.

The following discussion of certain key risk factors does not purport to be an exhaustive list or a complete explanation of all the risks involved in an investment in the Trust or the Investment Strategy. You are recommended to talk to an adviser about the risks involved in investing in the Trust, including the Investment Strategy, and how it might impact on your individual financial circumstances.

You should carefully consider the key risks described below and all of the other information set out in this PDS before deciding to invest in the Units.

The risks set out below highlight the key risk factors associated with investing in the Trust. This list does not purport to be exhaustive.

TYPE OF RISK	DESCRIPTION OF RISK
<b>8.1 Investment Strategy risks</b>	<p>All investing and trading activities risk the loss of capital. The success of the Investment Strategy will be affected by both general economic and market conditions, as well as by changes in laws, currency exchange controls and national and international political and socioeconomic circumstances.</p> <p>While the Manager attempts to moderate these risks, there can be no assurance that the Trust's investment and trading activities will be successful or that investors will not suffer significant losses.</p> <p><b>Emerging Markets</b></p> <p>Investing in emerging markets may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets.</p> <p>Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; and (f) certain considerations regarding the maintenance of Trust's securities and cash with brokers and securities depositories outside of Australia. Separately, bid and offer spreads of the price of securities may be significant and accordingly, the Trust may incur significant trading costs. The following outlines additional risks associated with emerging markets:</p> <p><b>General Economic and Market Conditions</b></p>



TYPE OF RISK	DESCRIPTION OF RISK
	<p>The success of the Trust's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of the Trust's investments. Volatility or illiquidity could impair the Trust's profitability or result in losses.</p> <p>The economies of individual emerging markets may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.</p> <p>For some countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Trust, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Trust's investments in those countries.</p> <p>Where the Trust's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and thereby subjecting the Trust to greater exposure to potentially adverse developments within those markets or sectors.</p> <p><b>Securities Markets</b></p> <p>Securities markets in emerging market countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. There is often less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in developed market countries. Commissions for trading on emerging markets stock exchanges are generally higher than commissions for trading on developed market exchanges. In addition, settlement of trades in some overseas markets is much slower and more subject to failure than in Australia. Furthermore, some of the Trust's investments may not be listed on any stock market.</p> <p><b>Risk of Errors and Omissions in Information</b></p> <p>Companies in emerging markets are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is usually less publicly available information about an emerging market's company than about a company in a developed country. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not be of the same standard as in more developed economies.</p>

TYPE OF RISK	DESCRIPTION OF RISK
	<p><b>Investment and Repatriation Restrictions</b></p> <p>Some emerging markets have laws and regulations that currently preclude direct foreign investment in the securities of their companies.</p> <p>Governmental approval for foreign investments may be required under certain circumstances in some emerging markets. For this and other reasons, some attractive securities may not be available to the Trust.</p> <p>Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental approval in some emerging markets. The Trust could be adversely affected by delays in or a refusal to grant any such approval or by withholding taxes imposed by emerging market countries on interest or dividends paid on securities held by the Trust or gains from the disposition of such securities.</p> <p><b>Legal Risk</b></p> <p>Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships in emerging markets are new and largely untested. As a result, the Trust may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which assets of the Trust are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Trust and its operations. In addition, the income and gains of the Trust may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.</p>
<p><b>8.2</b></p> <p><b>Emerging market debt securities</b></p>	<p>All or a significant portion of the Trust's assets may be invested in debt securities of Emerging Market countries, including short-term and long-term securities denominated in various currencies, which may be unrated or rated in the lower rating categories by the various credit rating agencies. In addition to the risks related to investments in Emerging Market countries generally, debt securities of Emerging Market countries may be subject to greater risk of loss of principal and interest than debt securities issued by obligors in developed countries and may be considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They may also be generally subject to greater risk than securities issued by obligors in developed countries in the case of deterioration of general economic conditions.</p> <p>The market for debt securities of Emerging Market countries may be thinner and less active than that for debt securities issued by obligors in developed countries, which can adversely affect the prices at which debt securities of Emerging Market countries are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities and the economies of Emerging Market countries generally, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.</p>
<p><b>8.3</b></p> <p><b>Fixed income securities</b></p>	<p>Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also</p>

TYPE OF RISK	DESCRIPTION OF RISK
	<p>be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). In addition, the Manager may invest the Trust in fixed-income securities which are interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the Trust will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital. Fixed income securities are also exposed to the risk that their or their issuers' credit ratings may be downgraded, which can cause a significant drop in the value of such securities. In the event of such downgrading, the value of the Trust may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.</p>
<p><b>8.4</b>      <b>Interest rate risk</b></p>	<p>The risk that the investment value or future returns of an asset may be adversely impacted by changes in interest rates. The value of fixed rate securities (such as bonds) in which the Trust may invest generally will have an inverse relationship with interest rates. For example, the value of a bond may fall when interest rates rise, and vice versa. Generally, the longer the maturity of the bond, the greater its sensitivity to changes in interest rates (i.e. duration) and the greater the impact that changes in interest rates will have on the value of the bond.</p>
<p><b>8.5</b>      <b>Credit risk</b></p>	<p>The issuer or party to a transaction may not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time.</p> <p>The market value of an investment can also fall significantly when the perceived risk of a debt security increases or its credit rating declines, and can negatively impact on the performance of the Portfolio.</p>
<p><b>8.6</b>      <b>High yield</b></p>	<p>In respect of investors in lower rated or unrated (i.e. non-investment grade or high yield) securities, such securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities generally are not meant for short-term investing.</p> <p>The risk of loss due to default by these issuers is significantly greater because lower rated and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In addition, investors in such securities may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, investors may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating the Net Asset Value per Unit of the Trust. Lower rated or unrated fixed income obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, an investor holding such security may have to replace the security with a lower yielding security, resulting in a decreased return for investors.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>8.7 Derivatives risk</b>	<p>The risk that the Trust makes substantial losses or has volatile returns through the use of Derivatives (for hedging purposes).</p> <p>Derivatives are instruments whose value is derived from the value of an underlying asset and can be highly volatile. A derivative's value can change in response to a range of factors such as changes in interest rates, foreign exchange rates, credit ratings or volatility of the underlying assets.</p> <p>Derivatives also involve a higher level of risk and volatility than buying an asset directly. This is because derivatives require very little or no initial investment to gain exposure to markets. As a result, derivatives magnify both potential investment gains and losses. Losses from derivative transactions can be substantial and can exceed the original amount invested.</p> <p>The Investment Team will only use derivatives for the purposes listed in Section 4.7. If the Trust invests in Derivatives at inopportune times or if the Investment Team judges market conditions incorrectly, such investments may lower the Trust's return or result in a loss. The Trust also could experience losses if its Derivatives were poorly correlated with its other investments or if the Trust was unable to liquidate its position because of an illiquid secondary market. The market for many Derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for Derivatives. The assets of the Trust may be pledged as collateral in swap and other Derivatives transactions. Thus, if the Trust defaults on such an obligation, the counterparty may be entitled to some or all of the assets of the Trust as a result of the default.</p> <p>Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as over-the-counter ("OTC") derivatives. No clearing agency guarantees OTC derivatives. Therefore, each party to an OTC Derivative bears the risk that the counterparty will default. Accordingly, the Investment Team will consider the creditworthiness of counterparties to OTC Derivatives in the same manner as it would review the credit quality of a bond to be purchased by the Trust.</p>
<b>8.8 Currency risk</b>	<p>The functional currency of the Trust is the Australian dollar and the Manager intends to invest entirely in non-Australian dollar assets. For unhedged investments in non-Australian dollar denominated assets, there is potential for adverse movements in exchange rates to reduce their Australian dollar value and, therefore, the value of the Trust. A rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. Where this risk is hedged, the hedge may not provide complete protection from adverse currency movements.</p> <p>The Manager intends to hedge fully against foreign exchange movement risk, but may from time to time not be able to do so. For example, where a derivative hedge is not cost effective or not available.</p>
<b>8.9 Hedging risks</b>	<p>The Trust will employ hedging techniques designed to minimise fluctuations in the relative values of the Trust's investments by reducing the risk of adverse movements in currency exchange rates and, potentially, interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks and can also limit potential gains. Therefore, while the Trust may benefit from the use of these hedging techniques, unanticipated changes in currency exchange rates, interest rates or the prices of the Portfolio's investments may result in a poorer overall performance of the Trust than if it had not entered into such hedging transactions.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>8.10 Investment Team risk</b>	<p>There is a risk that the Investment Team will not perform to expectations. The success and profitability of the Investment Strategy, and, therefore, the Trust, will depend in large part upon the skill and expertise of the Investment Team. If the Investment Team were to lose the services of any of its key members, the financial condition and operations of the Investment Strategy could be materially and adversely affected. There can be no assurance that the Investment Team will remain wholly intact throughout the term of the Trust.</p>
<b>8.11 Counterparty risk</b>	<p>A loss may occur if the other party to a contract, such as a derivatives counterparty or a custodian, defaults on their obligations under the contract. The performance of the Trust's Portfolio relies on the successful performance of the Responsible Entity's contracts with external parties with respect to the Trust. The Trust could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract. In the case of a counterparty default, the Trust may also be exposed to adverse market movements while the Investment Team sources replacement transactions.</p> <p>Further, the Investment Team's ability to transact with multiple counterparties may increase the potential for losses to the Trust due to the lack of an independent evaluation of a counterparty's financial capabilities and the absence of a regulated market for facilitating the settlement of over the counter derivatives.</p>
<b>8.12 Legal and regulatory risk</b>	<p>Changes in legislation and other rules in domestic and foreign markets, including those dealing with taxation, accounting and investments, may adversely impact the Trust, the Trust's investments or an investment in the Trust. Changes in political situations and changes to foreign and domestic tax positions can also impact on the Trust.</p>
<b>8.13 Potential conflicts of interest</b>	<p>The Responsible Entity, the Manager and third party service providers may, in the course of their business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Trust and its Unitholders.</p>
<b>8.14 Investment risk</b>	<p>The value of an investment in the Trust and its investments may fall over the short or long term for a number of reasons, including the risks set out in this PDS, which means that Unitholders may receive less than their original investment when they sell their Units. The price of an individual security may fluctuate or under perform other asset classes over time. An investor is exposed to these risks through their holding in Units and through the Trust's investments.</p> <p>The Units may also trade on the ASX at a discount to the NTA per Unit for short or long periods of time and, therefore, the performance of the Units may not be correlated with the performance of the Trust's Portfolio.</p>
<b>8.15 Pricing risk</b>	<p>Units may subsequently trade on the ASX at, above or below the Offer Price or NTA per Unit. The price at which Units trade on the ASX may be affected by a range of factors including: movements and volatility on the ASX; general economic conditions in Australia and in any of the countries globally in which the Trust invests, including inflation, interests rates and currency exchange rates; changes in government, fiscal, monetary and regulation policies; and changes to laws (particularly taxation laws). Changes in the stock market rating of Units relative to other listed securities, may also affect the price at which Units trade.</p>

TYPE OF RISK	DESCRIPTION OF RISK
<b>8.16</b> <b>Liquidity risk relating to Units in the Trust</b>	<p>Liquidity of the Units will be dependent on the relative volume of the buyers and sellers in the market at any given time. Changes in liquidity may affect the price at which Unitholders are able to sell their Units. Significant blocks of Units held by individual investors may reduce liquidity in the trading of Units.</p>
<b>8.17</b> <b>Trust risks</b>	<p>There are risks particular to the Trust, including that: it could terminate; its fees and expenses could change; the Responsible Entity of the Trust could be replaced; and the Manager and/or the Investment Advisers could change.</p>
<b>8.18</b> <b>Limited operating or performance history of the Trust</b>	<p>Although the Investment Team has extensive experience analysing, investing in and managing high yield investments, the Trust has a limited financial, operating and performance history upon which to evaluate its likely performance. There is a risk that the investment objectives of the Trust will not be achieved.</p>
<b>8.19</b> <b>Buy-Back</b>	<p>The Responsible Entity has full discretion whether or not to implement a Buy-Back. It is possible that the Responsible Entity may not have funds immediately available to finance a Buy-Back and, accordingly, there is no guarantee a Buy-Back will be implemented.</p>
<b>8.20</b> <b>Taxation</b>	<p>There may be tax implications arising from applications for Units, the receipt of distributions (if any) and returns of capital from the Trust, and on any disposal of Units.</p> <p>For further detail around tax considerations refer to Section 13.</p> <p>Tax considerations vary between investors depending on each investor's individual tax circumstances. Prospective investors should seek professional tax advice in connection with any investment in Units.</p>

## 9. Corporate Governance and Compliance for the Trust

### 9.1 Corporate Governance

The Responsible Entity is committed to best practice corporate governance and compliance arrangements for the Trust. The Responsible Entity has adopted the principles and recommendations in the ASX Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) ("**ASX Recommendations**") to the extent they apply to an externally managed listed entity. The Responsible Entity's Corporate Governance Statement, a summary of which is provided in Section 9, sets out the approach adopted by the Responsible Entity and the Trust in relation to the ASX Recommendations.

More broadly, this Section 9 summarises the key aspects of the Responsible Entity's and the Trust's corporate governance framework.

### 9.2 Board Roles and Responsibilities

The Board is responsible for the overall governance of the Trust and ensuring the Trust is managed in the best interests of Unitholders. The Board recognises the role and importance of good corporate governance and compliance. In performing its functions in respect of the Trust, the Board will endeavour to ensure the Trust is effectively managed in accordance with high standards of corporate governance and the law.

The key functions of the Board in relation to the Trust include:

- contributing to and approving management's development of strategy for the Trust;
- approving and making available the PDS for the Trust;
- overseeing and approving the annual and half-year financial accounts of the Trust;
- monitoring the Trust's compliance with regulatory, prudential and ethical standards;
- maintaining and monitoring an appropriate risk management framework for the Trust which identifies and manages financial, operational and business risk of the Trust; and
- ensuring the Responsible Entity has implemented adequate systems of internal controls in relation to the Trust together with appropriate monitoring of compliance activities.

Matters of substance affecting the Trust are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis.

Further details of the responsibilities of the Board are set out in the Board's Charter, which has been prepared having regard to ASX Recommendations. A copy of the Board's Charter is available on the Trust's website ([www.nb.com/NBI](http://www.nb.com/NBI)) and is available, free of charge, on request from the Responsible Entity.

### 9.3 Compliance Plan

The Responsible Entity has prepared and lodged a Compliance Plan for the Trust with ASIC. The Compliance Plan describes the structures, systems and processes used by the Responsible Entity to comply with the Corporations Act, the Constitution and the ASX Listing Rules. The matters covered in the Compliance Plan include: promotion of the Trust and respective disclosures, information technology, the Constitution, AFS Licence requirements, corporate governance and compliance, agents and external service providers, education, training and recruitment, complaints handling, record keeping, custody, investment management, Trust fees and performance, investment risks, valuation of Trust assets, and applications, redemptions and distributions.

An audit of the compliance plan is carried out on an annual basis by the Trust's Compliance Plan Auditor. An audit report is prepared and lodged with ASIC providing an opinion as to whether the Responsible Entity has complied



with the Compliance Plan throughout the year and if the Compliance Plan continues to comply with the requirements of the Corporations Act and other relevant laws.

A copy of the Compliance Plan is available from the Responsible Entity.

## 9.4 Corporate Governance Policies

The Responsible Entity has also developed and adopted the following corporate governance policies, which have been prepared having regard to the ASX Recommendations to the extent these principles are applicable to the Trust and the Responsible Entity. These policies are available on the Trust's website ([www.nb.com/NBI](http://www.nb.com/NBI)):

**Code of Conduct and Ethics** – This policy sets out the standards of ethical behaviour that the Responsible Entity expects from its Directors, officers, employees and contractor's, including those involved in the management and operation of the Trust.

**Continuous Disclosure Policy** – The Responsible Entity is required to disclose to the ASX any information concerning the Trust which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units. The policy sets out the processes and measures to ensure that the Responsible Entity complies with its continuous disclosure obligations under the Listing Rules and the Corporations Act in relation to the Trust.

**Securities Dealing Policy** – This policy is designed to assist in maintaining investor confidence in the integrity of dealings in the Trust's securities and sets out the Responsible Entity's internal controls and processes to prevent any breach of the insider trading laws.

**Unitholder Communication Policy** – This policy sets out how communication with unitholders and other stakeholders is publicised and promoted, and where and what information can be sourced.

## 9.5 Overview of the Responsible Entity's compliance with the ASX Corporate Governance Principles

### Principle 1 – Lay solid foundations for management and oversight

The Trust is externally governed by an independent responsible entity, Equity Trustees.

The Constitution of the Trust and the Corporations Act set out the duties and responsibilities of the Responsible Entity in relation to managing the affairs of the Trust. It is the responsibility of the Board to ensure those duties and responsibilities are met.

The Board meets regularly and considers critical compliance and risk management matters to ensure that the Trust is managed in the best interests of Unitholders. The Board utilises the Board Audit Committee, Compliance Committee, and Disclosure Committee to assist with managing the affairs of the Trust.

The Board has formalised its role and responsibilities, which are set out in the Board's Charter. Although the Board retains overall responsibility for the management of the Trust, all matters not specifically reserved for the Board and necessary for the day-to-day management of the Trust may be delegated by the Board to the management of the Responsible Entity or appropriately contracted qualified persons authorised by the Responsible Entity (such as the Manager, custodian, fund administrator, and unit registrar).

### Principle 2 – Structure of the Board to add value

The Board comprises of four executive directors, and together they collectively have the appropriate balance of skills, knowledge, experience, and diversity to enable it to discharge its duties and responsibilities effectively.

Refer to Section 5.4 for more detail.

The Board has a Compliance Committee comprised of a majority of non-executive members to oversee the Trust's compliance and the Responsible Entity's legislative, trustee and listing obligations.

## **Principle 3 – Act ethically and responsibly**

The Responsible Entity is committed to maintaining high standards of integrity and conducting its business in accordance with high standards of ethical behaviour.

As part of this commitment, the Responsible Entity has adopted a Code of Conduct and Ethics, which sets out the standards of ethical behaviour expected from its Directors, officers and employees, including those involved in the management and operation of the Trust. A copy of the Code of Conduct is available on the Trust website.

## **Principle 4 – Safeguard integrity in corporate reporting**

The Responsible Entity has established a Board Audit Committee to oversee the integrity of the Trust's financial reporting, the appointment and independence of the Trust's auditor, internal financial controls, and financial procedures and policies. The Board Audit Committee comprises four members with financial and accounting qualifications and experience in the funds management and/or trustee services business, with at least one independent member.

## **Principle 5 – Make timely and balanced disclosure**

The Responsible Entity is committed to fair and open disclosure to Unitholders and stakeholders on matters that would have a material effect on the price or value of the units of the Trust. The Responsible Entity has developed a Continuous Disclosure Policy to ensure the Responsible Entity provides timely and balanced disclosure to the market in accordance with its disclosure obligations under the Corporations Act and the ASX Listing Rules.

## **Principle 6 – Respect the rights of security holders**

The Responsible Entity is committed to effective two-way communication with Unitholders and the market and believes that Unitholders should be fully informed in a timely manner of major events that may influence the Trust. The Responsible Entity has adopted a Unitholder Communication Policy which sets out measures it utilises to ensure communication with Unitholders is effective, frequent, clear and accessible. A copy of the policy is available on the Trust's website.

## **Principle 7 – Recognise and manage risk**

The Board reviews the Responsible Entity's risk management framework at least annually to ensure it continues to be effective, and is designed to assist the Responsible Entity to identify, assess, monitor and manage risks.

The Board may utilise the Compliance Committee to provide additional oversight of risk.

The Responsible Entity has an internal audit function. The Board, the Compliance Committee and the management of the Responsible Entity regularly liaises with internal audit and reviews audit processes and reports.

Refer to Section 4.5 for information relating to the Manager's approach in taking into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments relating to the Trust.

## **Principle 8 – Remunerate fairly and responsibly**

The Trust does not have any employees. Fees and expenses paid out of the assets of the Trust are unrelated to the remuneration of the Directors and management of the Responsible Entity involved with the operation of the Trust. Directors and management remuneration is determined and dealt with separately by the EQT Group.

The Management Agreement sets out the terms governing the remuneration of the Manager. A summary of the Management Agreement, including the fees payable, is set out in Sections 10 (*Fees and other costs*) and 12.1 (*Management Agreement*).

## 10. FEES AND OTHER COSTS

### 10.1 Consumer Advisory Warning

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your Trust balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Trust or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

### 10.2 Fees and other costs

This table shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust's assets as a whole.

All fees and other costs quoted in this Section 10 are quoted inclusive of GST less any reduced input tax credits claimable by the Trust.

Taxes are set out in another part of this PDS. Refer to the 'Taxation' section of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the Trust</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment by you	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>1</sup></b>		
The ongoing fees and costs of managing your investment	<b>Management fee:</b> 0.70% per annum of the NAV of the Trust. <sup>2</sup>	Calculated and accrued daily and paid to the Manager monthly in arrears out of the Trust's assets.
	<b>Responsible Entity fee:</b> 0.025% per annum of the NAV of the Trust. <sup>3</sup>	Calculated and accrued daily and paid to the Responsible Entity monthly in arrears out of the Trust's assets.
	<b>Administration fee:</b> 0.125% per annum of the NAV of the Trust.	Calculated and accrued daily and paid to the Manager monthly in arrears out of the Trust's assets.
<b>Service fees</b>		
<b>Investment switching fee</b> The fee for changing investment options	Nil	Not applicable

**Notes:**

<sup>1</sup> See "What do the management costs of the Trust pay for?" under "Additional explanation of fees and costs" in Section 10.4.1 below for more details.

<sup>2</sup> The amount of this fee can be negotiated with Wholesale Clients. See "Differential fees" under "Additional explanation of fees and costs" in Section 10.4.5 below for more details. The Trust may also incur a termination fee (payable to the Manager) in certain circumstances, as described in the "Additional explanation of fees and costs" below.

<sup>3</sup> The amount of the fee has been rounded down from 0.0251% per annum and is subject to a minimum annual fee of \$38,500. A fee of \$11,000 is payable if the Responsible Entity is removed within 5 years of the commencement of the Trust.

## 10.3 Example of annual fees and costs for the Trust

This table gives an example of how the fees and costs for the Trust can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example – Balance of \$50,000 <sup>1</sup>		
<b>Contribution fees</b>	Nil	You will not be charged any contribution fees.
<b>PLUS Management costs</b>	0.85% per annum <sup>1</sup>	For every \$50,000 you have invested in the Trust, you will be charged \$425 each year.
<b>EQUALS Cost of the Trust</b>	If you had an investment of \$50,000 in the Trust, you would be charged fees of <b>\$425</b> . <sup>1</sup>	

### Notes:

<sup>1</sup> The termination fee is not included in the above table as it is payable only in certain circumstances (see below).

## 10.4 Additional explanation of fees and other costs

### 10.4.1 What do the management costs of the Trust pay for?

The management costs of the Trust include the Responsible Entity's fee, the Management fee and the Administration fee, referred to in the above table. The Manager may delegate certain investment management duties to the Investment Advisers, being related entities of the Manager. Any fees charged by the Investment Advisers will be borne by the Manager and are not an additional fee to Unitholders.

The Manager will meet all ordinary and everyday ongoing operating expenses of the Trust properly incurred in the administration, custody and management of the Trust (including audit, corporate advisory, legal and tax consulting fees), but not including taxes or similar charges. While such ordinary and everyday expenses will be borne by the Manager, the Responsible Entity and/or the Manager reserve the right to recover abnormal or extraordinary expenses out of the assets of the Trust. Abnormal or extraordinary expenses are expected to occur infrequently and may include (without limitation), costs of litigation, costs to defend claims in relation to the Trust and termination and wind up costs.

The above management costs do not include transactional and operational costs (which are outlined below).

The management costs reduce the NTA of the Trust and are reflected in the NTA per Unit.

### 10.4.2 Potential termination fee in certain circumstances

The Manager may also be entitled to a further fee payable out of the Trust assets in certain circumstances, as summarised below.

If the Management Agreement is terminated by ordinary resolution of Unitholders after the initial term of 10 years ("Initial Term"), the Manager will be entitled to a payment at the termination date calculated at the usual base management fee rate (0.70%) multiplied by the Relevant Portfolio Value multiplied by the greater of:

- one (1); and
- the number of years (or part thereof) remaining in the Rolled Period within which the termination takes effect.

For these purposes, Relevant Portfolio Value means the Portfolio Value of the Trust as at the effective termination date and Rolled Period means each rolling five-year period following the Initial Term.

If the Management Agreement is terminated for cause during the Initial Term or later (see 'Termination by Responsible Entity' events at Section 12.1(a) to (f)), the Manager will not be entitled to a termination payment.

By way of illustration, if the Manager is entitled to a termination payment at the 3<sup>rd</sup> anniversary of the end of the Initial Term, an investor with an investment of \$50,000 in the Trust would be charged a further fee of \$700, representing 0.70% of \$50,000, multiplied by 2 (being the number of years remaining in the Rolled Period).

If the Management Agreement is terminated in the circumstances set out at '*Termination by the Manager*' (Section 12.1(a) and (b)), the Manager is entitled to be paid out of the assets of the Trust, a further fee equal to 0.70% of the Relevant Portfolio Value. By way of illustration, if the Manager is entitled to a termination payment in these circumstances, an investor with an investment of \$50,000 in the Trust would be charged a further fee of \$350.

#### **10.4.3 Manager intends to cover all Offer Costs**

The fees and costs in respect of the Offer ("**Offer Costs**") are those which are necessary for the Offer and comprise: the fees paid to the Lead Arrangers, Joint Lead Managers, Co-Managers and other brokers; the listing fees; advertising, distribution, marketing and printing costs (including the costs incurred in connection with the Offer roadshow); and legal, accounting and advisory fees.

Under the Constitution and Management Agreement, the Responsible Entity and Manager are entitled to pay such Offer Costs out of the Offer proceeds or out of Trust assets. However, the Manager has agreed to pay for all Offer Costs in full out of its own pocket. There will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for such Offer Costs.

#### **10.4.4 What are the transactional and operational costs?**

Transactional and operational costs include brokerage, buy sell spread, settlement costs, clearing costs and stamp duty on investment transactions. Such costs are deducted from the Trust from time to time as and when they are incurred. They are an additional cost to investors and are reflected in the NTA per Unit.

Based on the transactional and operational costs incurred by the Trust over the period from its inception to 31 March 2019, an estimate of the net transactional and operational costs in respect of the 2018/2019 financial year (annualised) is set out in the table below.

Total transactional and operational costs (% per annum of NTA)	Recovery through buy/sell spread (% per annum of NTA)	Net transactional and operational costs (% per annum of NTA)	For every \$50,000 you have in the Trust, you will likely incur approximately:
0.05	Nil	0.05	\$25

#### **10.4.5 Differential fees**

The Manager may from time to time negotiate a different fee arrangement (by way of a rebate of fees) with investors who are Wholesale Clients or as otherwise permitted at law. If agreed, any permitted fee rebates will be paid out of the assets of the Manager.

#### **10.4.6 Can the fees change?**

As the Trust has not yet completed a full financial year, certain estimates of fees and costs in this PDS are based on information available as at the date of this PDS. The Management Fee payable under the Management Agreement may not be increased unless approved by an ordinary resolution of Unitholders. The Constitution sets the maximum amount that the Responsible Entity can charge (at 2% per annum of the NAV), however the Responsible Entity has agreed to charge only the fees provided for in the Management Agreement for the term of the agreement (see Section 12.1 for details). In any event, the Responsible Entity is required to give Unitholders at least 30 days' notice of any proposed increase in fees, if applicable.

### **10.4.7 Remuneration of financial advisers**

The Responsible Entity does not intend to pay commissions to financial advisers in relation to an investor's investment in the Trust under this Offer. Investors may incur a fee for advice provided to the investor by their authorised adviser, if agreed between the investor and their adviser.

### **10.4.8 Tax**

In addition to the fees and costs described in this Section 10, investors should also consider the government taxes and other duties that may apply to an investment in the Trust. See further information on taxation at Section 13.



## 11. DETAILS OF THE OFFER

### 11.1 What is the Offer?

#### 11.1.1 The Offer

The Responsible Entity is offering New Units for subscription at an Offer Price of \$2.00 per New Unit to raise up to \$476.3 million for the Trust.

The Offer comprises:

- (a) **Entitlement Offer** – a pro-rata non-renounceable entitlement offer, under which Eligible Unitholders are invited to apply for 1 New Unit at the Offer Price for every 1 existing Unit held as at 7.00 pm (AEST) on the Record Date; and
- (b) **Shortfall Offer** – an offer of New Units at the Offer Price to persons (“**Eligible Investors**”) who have been invited to participate by and received a firm allocation from their Broker pursuant to the Shortfall Offer and:
  - (i) who are Retail Applicants who have a registered address in Australia or New Zealand; or
  - (ii) who are Institutional Applicants which have a registered address in Australia or New Zealand.

An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Shortfall Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated New Units under the Shortfall Offer.

For the avoidance of doubt, Eligible Unitholders are also able to participate in the Shortfall Offer. If you are an Eligible Unitholder and wish to participate in the Shortfall Offer, please contact a Broker.

Both the Entitlement Offer and the Shortfall Offer are described in more detail below in this Section 11.

#### 11.1.2 Offer Price

The price payable for a New Unit under the Offer is \$2.00 (“**Offer Price**”).

The Offer Price is based on the NTA per Unit as at 10 May 2019, net of estimated Distributable Earnings for the financial year ending 30 June 2019.

#### 11.1.3 Discretion under the Offer

The Responsible Entity (with the consent of the Joint Lead Managers) reserves the right not to proceed with the Offer at any time before the allotment of New Units under the Offer. If the Offer does not proceed, all Application Amounts received by the Responsible Entity will be refunded in full (without interest). The Responsible Entity takes no responsibility for any Application Amounts lodged with the Joint Lead Managers, the Co-Managers or Brokers until these are received by the Responsible Entity.

The Responsible Entity also reserves the right to close the Offer early, to accept late Applications or to extend the Offer without notifying any recipient of this PDS or any Applicant.

### 11.2 Is the Offer underwritten?

Neither the Entitlement Offer nor the Shortfall Offer, both of which constitute the Offer, is underwritten.

Evans Dixon, Morgans, NAB and Ord Minnett are acting as Joint Lead Managers to the Offer. Bell Potter, Patersons, Shaw and Partners and Wilsons are acting as the Co-Managers to the Offer. The Responsible Entity and the Joint Lead Managers have entered into an Offer Management Agreement with respect to the Offer, details of which are set out in Section 12.3.

## 11.3 Entitlement Offer

The Responsible Entity is making a 1 New Unit for every 1 existing Unit pro-rata non-renounceable entitlement offer to Eligible Unitholders to raise up to \$414.1 million for the Trust.

### Eligibility under the Entitlement Offer

#### Who can apply for New Units under the Entitlement Offer, i.e. Eligible Unitholders?

Not all Unitholders will be eligible to participate in the Entitlement Offer. In order to qualify as an **Eligible Unitholder** under the Entitlement Offer, a Unitholder must:

- be registered as a Unitholder as at 7.00 pm (AEST) on the Record Date;
- have a registered address on the Trust's unit register in Australia or New Zealand; and
- for the avoidance of doubt, not be in the United States and must not be acting for the account or benefit of a person in the United States (to the extent that such a person holds Units for the account or benefit of such persons in the United States).

The Responsible Entity, in its absolute discretion, reserves the right to determine whether a Unitholder is an Eligible Unitholder and is, therefore, able to participate in the Entitlement Offer, or an Ineligible Unitholder and, therefore, unable to participate in the Entitlement Offer.

By returning a completed *Entitlement And Acceptance Form*, together with the Application Amount, or making a BPAY® payment, you will be taken to have irrevocably represented and warranted that you satisfy each of the criteria listed above.

#### Who cannot apply for New Units under the Entitlement Offer, i.e. Ineligible Unitholders?

A Unitholder who does not satisfy all of the above criteria to qualify as an Eligible Unitholder will be classified as an **Ineligible Unitholder**, and will not be invited to apply for New Units under the Entitlement Offer.

The Responsible Entity has decided that it is unreasonable to make offers under the Entitlement Offer to Unitholders who:

- are in the United States; or
- have a registered address outside Australia or New Zealand,

i.e. Ineligible Unitholders, having regard to the number of Unitholders in those places, the number and value of the New Units that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Unitholders will be sent a letter in the form lodged with the ASX on or about 5 June 2019. The Responsible Entity may (in its absolute discretion) extend the Entitlement Offer to any Unitholder in other foreign jurisdictions (subject to compliance with applicable laws).

<b>Nominees, trustees and custodians</b>	<p>The Entitlement Offer is only being made to Eligible Unitholders. Eligible Unitholders who are nominees, trustees or custodians must ensure that the beneficial owners on whose behalf they hold Units as nominee, trustee or custodian are Eligible Unitholders, and are advised to seek independent professional advice as to how to proceed in respect of their Entitlement.</p> <p>The Responsible Entity is not required to determine whether any registered holder is acting as a nominee, trustee or custodian, or the identity or residence of any beneficial owners of Units (e.g. for the purposes of determining whether any such person is an Eligible Unitholder). Where any holder is acting as nominee, trustee or custodian for a foreign person, that nominee, trustee or custodian, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer complies with foreign applicable laws.</p> <p>Any person that is in the United States with a holding through a nominee, trustee or custodian may not participate in the Entitlement Offer and the nominee, trustee or custodian of any such person must not take up any Entitlement on behalf of, or send any documents related to the Entitlement Offer to, any such person in the United States.</p>
<b>Entitlement under the Entitlement Offer</b>	
<b>What is your Entitlement?</b>	<p>As an Eligible Unitholder, your Entitlement is the invitation to you under the Entitlement Offer to apply for 1 New Unit at the Offer Price for every 1 existing Unit you hold as at 7.00 pm (AEST) on the Record Date. The specific number of New Units to which you are entitled will be shown on your personalised <i>Entitlement and Acceptance Form</i> accompanying this PDS.</p> <p>Where you have more than one registered holding of Units, you will be sent more than one personalised <i>Entitlement and Acceptance Form</i> and will have a separate Entitlement for each separate holding.</p>
<b>What action, if any, should you take in relation to your Entitlement?</b>	<p>If you decide to take up all or part of your Entitlement, please refer to your personalised <i>Entitlement and Acceptance Form</i> and apply for New Units (and Additional New Units, if applicable to you, under the Oversubscription Facility) pursuant to the instructions set out on your personalised <i>Entitlement and Acceptance Form</i>.</p> <p>If you take no action, or your Application is not supported by the Application Amount in cleared funds, your Entitlement will lapse and you will not be issued with New Units.</p> <p>You should be aware that if you do not take up all or part of your Entitlement, then your percentage voting interest in the Trust will be reduced as a result of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full, you will not receive any payment or value for that part of your Entitlement that you do not take up.</p> <p>Your percentage voting interest in the Trust will also be reduced to the extent of participation by investors under the Shortfall Offer.</p> <p><b>Note: The Entitlement stated on your personalised <i>Entitlement and Acceptance Form</i> may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Units on behalf of a person in the United States.</b></p>

## Oversubscription Facility under the Entitlement Offer

### What is the Oversubscription Facility?

Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units at the Offer Price in excess of their Entitlement. Additional New Units will only be allocated to Eligible Unitholders if available (to the extent Eligible Unitholders do not take up their full Entitlement). Allocations of Additional New Units will be determined by the Responsible Entity.

Any Excess Amount paid by an Eligible Unitholder may be deemed to be an application to apply for as many Additional New Units as the Excess Amount will pay for in full.

No Additional New Units will be issued to an Eligible Unitholder which will result in them increasing their voting power in the Trust above 20%.

## Options available under the Entitlement Offer

### What are your options under the Entitlement Offer?

If you are an Eligible Unitholder, you may choose any of the following options:

- take up all or part of your Entitlement (see Section below);
- take up all of your Entitlement and also apply for Additional New Units in excess of your Entitlement under the Oversubscription Facility (see Section below); or
- do nothing, in which case your Entitlement will lapse and you will receive no payment or value for your lapsed Entitlement (see Section below)

Your Entitlement cannot be traded on the ASX or any other financial market, or be privately transferred.

Any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) ("**Shortfall**") will be offered to Eligible Investors under this PDS ("**Shortfall Offer**"). See Section 11.4.

## Applying under the Entitlement Offer

### How to apply under the Entitlement Offer?

If you decide to take up all or part of your Entitlement, or to take up all or part of your Entitlement and also apply for Additional New Units in excess of your Entitlement, please:

- pay your Application Amount via BPAY<sup>®42</sup>; or
- complete and return your personalised *Entitlement and Acceptance Form* accompanying this PDS, together with the requisite Application Amount, by following the instructions set out on the personalised *Entitlement and Acceptance Form*.

The Responsible Entity will treat you as applying for as many New Units as your Application Amount will pay for in full up to your full Entitlement. If your Application Amount exceeds the amount required to cover your full Entitlement, the amount by which it exceeds (“**Excess Amount**”) may be deemed an application for as many Additional New Units as the Excess Amount will pay for in full, subject to any scale-back which may be implemented in respect of Additional New Units.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer, you will be issued your New Units on 3 July 2019. If you apply for Additional New Units in excess of your Entitlement, then, subject to:

- Additional New Units being available from Eligible Unitholders who do not take up their full Entitlement (or, in the case of Ineligible Unitholders, the Entitlement which would otherwise have been available to them); and
- any scale-back to your allocation of Additional New Units (as determined by the Responsible Entity, having regard to all relevant circumstances, including your underlying unitholding at the Record Date),

you will be issued Additional New Units on 3 July 2019. The Responsible Entity’s decision on the number of Additional New Units to be allocated to you will be final.

### If you do nothing?

If you take no action, you will not be issued New Units and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX or any other exchange, nor can it be privately transferred. Eligible Unitholders who do not take up their Entitlement, whether fully or partially, will not receive any payment or value for that part of the Entitlement that they do not take up.

<sup>42</sup> BPAY<sup>®</sup> payments can only be made in AUD.

## Making payment under the Entitlement Offer

### How to pay your Application Amount for New Units under the Entitlement Offer by BPAY®?

For payment of your Application Amount by BPAY® (which must be made in AUD only), please follow the instructions on your personalised *Entitlement and Acceptance Form* (which includes the Biller Code and your unique Customer Reference Number (“CRN”)).

You can only make a payment via BPAY® in AUD, and if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised *Entitlement and Acceptance Form* but are taken to have made the declarations on that form;
- if you do not pay an Application Amount covering your full Entitlement, you are deemed to have partially taken up your Entitlement in respect of such whole number of New Units as is covered in full by your Application Amount; and
- if you pay an Application Amount which exceeds the amount required to cover your full Entitlement, you are deemed to have fully taken up your Entitlement and also to have applied for as many Additional New Units as your Excess Amount will pay for in full, subject to any scale-back which may be implemented by the Responsible Entity in respect of Additional New Units.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on your *Entitlement and Acceptance Form*. If you receive more than one personalised *Entitlement and Acceptance Form* (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you do not use the correct CRN, your Application will not be recognised as valid. In particular, if you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY®, you will be deemed to have applied only for New Units under the Entitlement to which that CRN applies, and any other application by way of payment by BPAY® in respect of which a different CRN applies will be deemed not to have been supported by cleared funds.

Should you choose to pay by BPAY®, it is your responsibility to ensure that your BPAY® payment is received by no later than 5.00 pm (AEST) on 26 June 2019, being the Entitlement Offer Closing Date. Your financial institution may implement earlier cut-off times with regard to electronic payments or impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between financial institutions. The Responsible Entity accepts no responsibility for any failure to receive your Application Amount or payment by BPAY® before the cut-off time on the Entitlement Offer Closing Date, arising as a result of, among other things, processing of payments by financial institutions.

<p><b>How to pay your Application Amount for New Units under the Entitlement Offer by cheque or bank draft?</b></p>	<p>For payment of the Application Amount by cheque or bank draft, you should complete your personalised <i>Entitlement and Acceptance Form</i> in accordance with the instructions on the form and return it to the Unit Registry together with your cheque or bank draft.</p> <p>Your cheque or bank draft must be:</p> <ul style="list-style-type: none"> <li>• in AUD;</li> <li>• drawn on an Australian branch of a financial institution;</li> <li>• crossed “Not Negotiable”; and</li> <li>• made payable to “<b>NB Global Corporate Income Trust – Entitlement OFFER</b>”.</li> </ul> <p>You should ensure that sufficient funds are held in the relevant account(s) on which your cheque or bank draft is drawn in order to cover your Application Amount. If the amount of your cheque(s) or bank draft(s) for the Application Amount is insufficient to pay for the number of New Units you have applied for in your <i>Entitlement and Acceptance Form</i>, you will be deemed to have applied for such lower number of whole New Units as your cleared cheque(s) or bank draft(s) will pay for (and to have specified that amount in your <i>Entitlement and Acceptance Form</i>) or your Application may be rejected.</p> <p>Should you choose to pay by cheque or bank draft, it is your responsibility to ensure that your payment is received by the Unit Registry by no later than 5.00 pm (AEST) on 26 June 2019, being the Entitlement Offer Closing Date. Cash payments will not be accepted. Receipts for payment will not be issued.</p>
<p><b>Where to send your <i>Entitlement and Acceptance Form</i>?</b></p>	<p>Once completed, please send your <i>Entitlement and Acceptance Form</i> together with your cheque or bank draft for the Application Amount so that they are received at the following address by 5.00 pm (AEST) on 26 June 2019, being the Entitlement Offer Closing Date.</p> <p><b>By mail to:</b></p> <p><b>NB Global Corporate Income Trust – Entitlement Offer</b>  C/- Boardroom Pty Limited  GPO Box 3993  Sydney NSW 2001  Australia</p> <p><b>By hand delivery to:</b></p> <p><b>NB Global Corporate Income Trust – Entitlement Offer</b>  C/- Boardroom Pty Limited  Level 12, 225 George Street  Sydney NSW 2000  Australia</p>

#### 11.4 The Shortfall Offer

The Responsible Entity intends to:

- offer any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) (“**Shortfall**”) at the Offer Price to Eligible Investors under this PDS; and
- under this PDS, offer to issue New Units (at the Offer Price) up to that number which represents the Trust’s available placement capacity under ASX Listing Rule 7.1 (“**Placement Capacity**”).



The Shortfall and Placement Capacity together constitute and are referred to as the “**Shortfall Offer**”.

As at the date of this PDS, assuming the Entitlement Offer is fully taken up, the Trust may issue up to 31,060,161 New Units under its Placement Capacity without the requirement to obtain Unitholder approval for such issue.

The offer of New Units under the Shortfall Offer will be made via Brokers only. There will be no general public offer of New Units under the Shortfall Offer.

## Eligibility under the Shortfall Offer?

### Who can apply for New Units under the Shortfall Offer, i.e. Eligible Investors?

The Shortfall Offer is only open to persons (“**Eligible Investors**”) who have received an invitation to participate in, and been offered a firm allocation from their Broker pursuant to, the Shortfall Offer, and:

- who are Retail Applicants who have a registered address in Australia or New Zealand; or
- who are Institutional Applicants which have a registered address in Australia or New Zealand.

An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Shortfall Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated New Units under the Shortfall Offer.

## Applying under the Shortfall Offer

### How to apply under the Shortfall Offer?

If you are an Eligible Investor and you wish to apply for New Units under the Shortfall Offer, you should contact your Broker for information about how to complete and lodge your *Shortfall Offer Application Form* and how to pay your Application Amount.

Applicants under the Shortfall Offer should contact their Broker or call the Trust’s Offer Information Line on 1300 032 754 (within Australia) and +61 2 8023 5419 (outside Australia), between 8.30am and 5.30pm (AEST) Monday to Friday during the Offer Period to request a PDS and *Shortfall Offer Application Form*, or you can download a copy from the Trust’s website [www.nb.com/nbi](http://www.nb.com/nbi). Your Broker will act as your agent and it is your Broker’s responsibility to ensure that your *Shortfall Offer Application Form* and Application Amount are received before 5.00 pm (AEST) on 28 June 2019, being the Shortfall Offer Closing Date.

If you are an Eligible Investor applying under the Shortfall Offer, you should complete and lodge your *Shortfall Offer Application Form* with the Broker from whom you received your invitation to participate in the Shortfall Offer. Your *Shortfall Offer Application Form* must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the *Shortfall Offer Application Form*. **Applicants under the Shortfall Offer must not send their Shortfall Offer Application Form to the Unit Registry.**

By making an application for New Units under the Shortfall Offer, you declare that you were given access to this PDS (or any replacement PDS), together with a *Shortfall Offer Application Form*. The Corporations Act prohibits any person from passing a *Shortfall Offer Application Form* to another person unless it is included in, or accompanied by, a hard copy of this PDS or the complete and unadulterated electronic version of this PDS.

Neither the Responsible Entity, the Manager, the Unit Registry, the Joint Lead Managers nor the Co-Managers take any responsibility for any acts or omissions by

your Broker in connection with your Application, *Shortfall Offer Application Form* and Application Amount (including, without limitation, failure to submit the *Shortfall Offer Application Form* in accordance with the deadlines set by your Broker).

The Responsible Entity and the Unit Registry take no responsibility in respect of an Application Form or Application Amount which are delivered to your Broker in connection with your Application until such time as your *Shortfall Offer Application Form* and Application Amount are received by the Unit Registry.

Please contact your Broker if you have any questions.

<b>What is the minimum and maximum application under the Shortfall Offer?</b>	<p>Applications under the Shortfall Offer must be for a minimum of 2,500 New Units. Applications in excess of the minimum number of New Units must be in multiples of 500 New Units.</p> <p>There is no maximum amount that may be applied for under the Shortfall Offer. However, the Responsible Entity in conjunction with the Manager reserves the right to aggregate any Applications under the Shortfall Offer which it believes may be multiple Applications from the same person or to scale-back any Application in the Shortfall Offer.</p>
<b>What is the Shortfall Offer period?</b>	<p>The Shortfall Offer opens at 9.00 am (AEST) on 5 June 2019 and is expected to close at 5.00 pm (AEST) on 28 June 2019.</p> <p>The Responsible Entity and the Joint Lead Managers may elect to close the Shortfall Offer or any part of it early, extend the Shortfall Offer or any part of it, or accept late Applications under the Shortfall Offer either generally or in particular cases. The Shortfall Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications under the Shortfall Offer as early as possible. Please contact your Broker for instructions.</p>
<b>Making payment under the Shortfall Offer</b>	
<b>How to pay your Application Amount for New Units under the Shortfall Offer?</b>	<p>Applicants under the Shortfall Offer must pay their Application Amount in accordance with the instructions received from their Broker.</p>
<b>Application Amount</b>	<p>An Applicant under the Shortfall Offer must lodge their Application Amount with their Broker, who will act as the Applicant's agent in providing their Application Amount to the Responsible Entity.</p> <p>The Unit Registry will hold all received Application Amounts in a trust account for Application Amounts in relation to the Shortfall Offer until the Shortfall Offer Issue Date, when New Units are allotted and issued to successful Applicants.</p>
<b>Is DvP settlement available?</b>	<p>Delivery versus payment (<b>DvP</b>) settlement is available for Applicants under the Shortfall Offer. Please contact your Broker or the Joint Lead Managers for further details.</p>

## Acceptance of Applications

An Application in the Shortfall Offer is an offer by an Applicant to the Responsible Entity to apply for such number of New Units as specified in the *Shortfall Offer Application Form* at the Offer Price on the terms and conditions set out in this PDS (including any replacement PDS) and the *Shortfall Offer Application Form*. To the extent permitted by law, an Application for New Units in the Shortfall Offer by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the *Shortfall Offer Application Form*, without further notice to the Applicant. Acceptance of the *Shortfall Offer Application Form* will give rise to a binding contract on allocation of New Units to a successful Applicant.

An Applicant under the Shortfall Offer whose Application is accepted in full will receive such whole number of New Units as is derived from dividing the Application Amount received from the Applicant by the Offer Price. Where the Offer Price does not divide evenly into the Application Amount, the number of new Units to be allocated will be determined by the Applicant's Broker.

An Applicant under the Shortfall Offer whose Application is not accepted, or whose Application is accepted subject to a lesser allocation of New Units than applied for, will receive a refund of all or part of their Application Amount (as the case may be).

The Joint Lead Managers, in agreement with the Responsible Entity, reserve the right to reject any Application under the Shortfall Offer which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Shortfall Offer, or to waive or correct any errors made by the Applicant in completing their Application for New Units in the Shortfall Offer.

## 11.5 General Information on the Offer

### Can I withdraw my Application under the Offer?

You cannot withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Units under the Offer.

The Responsible Entity reserves the right not to proceed with the Offer at any time before the allotment of New Units, in which case the Responsible Entity will refund in full (without interest) any Application Amount already received in accordance with the Corporations Act.

### Is there a cooling off period under the Offer?

No.

### Can the Offer be withdrawn?

The Responsible Entity reserves the right not to proceed with the Offer at any time before the issue of New Units to successful Applicants.

If the Offer does not proceed, Application Amounts will be refunded. No interest will be paid on any Application Amount refunded as a result of the withdrawal of the Offer.

<p><b>What is the allocation policy under the Offer?</b></p>	<p>The basis of allocation of New Units under the Oversubscription Facility and Shortfall Offer will be determined by the Responsible Entity.</p> <p>The allocation of New Units to Brokers under the Shortfall Offer will be determined by the Responsible Entity. New Units that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of New Units from those Brokers.</p> <p>It will be a matter for the Brokers how they allocate New Units among their clients, and they will be responsible for ensuring that clients who have received an allocation from them, receive the relevant New Units.</p> <p>The Responsible Entity reserves the right in its absolute discretion to scale-back any Application at its absolute discretion.</p>
<p><b>When will I know if my Application has been successful?</b></p>	<p>Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or after 12 July 2019.</p>
<p><b>Refund of Application Amounts</b></p>	<p>An Application Amount will be refunded in AUD to the extent that an Application is rejected or scaled-back, or the Offer is withdrawn. No interest will be paid to Applicants on any Application Amount received or returned (wholly or partially). The Trust will retain any interest earned on any Application Amount.</p> <p>Under the Entitlement Offer, other than to the extent that Additional New Units are allotted to you, any Excess Amount will be refunded after the close of the Entitlement Offer on or around 3 July 2019 (except where the amount is less than the Offer Price, in which case it will be donated to a charity chosen by the Responsible Entity). Refunds will be made by sending a cheque in the post to your address as recorded on the Trust's unit register, on or around 3 July 2019.</p> <p>Under the Shortfall Offer, refunds will be made by sending a cheque in the post to the address the Applicant has provided in the <i>Shortfall Offer Application Form</i>, on or around 9 July 2019.</p> <p>No refunds pursuant solely to rounding will be provided.</p>
<p><b>Is there any brokerage, commission or stamp duty payable by Applicants?</b></p>	<p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of New Units under the Offer.</p>
<p><b>What are the Offer Costs and who is paying them?</b></p>	<p>The fee and costs of the Offer ("<b>Offer Costs</b>") are those which are necessary for the Offer and comprise: the fees paid to the Lead Arrangers, Joint Lead Managers, Co-Managers and other brokers; the listing fees; advertising, distribution, marketing and printing costs (including the costs incurred in connection with the Offer roadshow); legal, accounting and advisory fees; and, any other applicable costs.</p> <p>The Responsible Entity is entitled to pay the Offer Costs from the Offer proceeds. However, the Manager has agreed to pay for all the Offer Costs in full out of its own pocket. There will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for the fees and costs of the Offer.</p>
<p><b>What are the terms of the New Units issued under the Offer?</b></p>	<p>New Units issued under the Offer will be fully paid and rank equally with existing Units on issue, including in respect of entitlement to distributions with effect from July 2019.</p>

<b>When can I trade my New Units?</b>	<p>Subject to quotation of the New Units by the ASX, it is expected that normal T+2 settlement trading on the ASX will commence:</p> <ul style="list-style-type: none"> <li>• for New Units issued under the Entitlement Offer, on 4 July 2019; and</li> <li>• for New Units issued under the Shortfall Offer on 12 July 2019.</li> </ul> <p>It is the responsibility of successful Applicants to confirm their holding of New Units before trading them. If you sell your Units before receiving an initial holding statement, you do so at your own risk, even if you have obtained details of your holding from your Broker or the Trust's Offer Information Line.</p>
<b>Who do I contact if I have further queries?</b>	<p>If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.</p> <p>If you have queries about how to apply under the Offer or would like additional copies of this PDS, please call the Trust's Offer Information Line on 1300 032 754 (within Australia) and +61 2 8023 5419 (outside Australia), between 8.30am and 5.30pm (AEST) Monday to Friday.</p>

## 11.6 ASX quotation

The Responsible Entity has or will apply to the ASX within seven days of the date of this PDS for quotation of the New Units on the ASX. The Responsible Entity is not currently seeking a listing of the New Units on any stock exchange other than the ASX.

The fact that the ASX may grant official quotation of the New Units is not to be taken in any way as an indication of the merits of the Trust or the New Units offered for subscription under the Offer. ASIC and ASX take no responsibility for the contents of this PDS.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Units. Applicants who sell New Units before they receive confirmation of their allotment will do so at their own risk.

If permission for quotation of the New Units is not granted, all Application Amounts received by the Responsible Entity will be refunded without interest as soon as practicable.

## 11.7 Tax implications of investing in the Trust

The taxation consequences of any investment in the New Units will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Trust.

A general overview of the Australian taxation implications of investing in the Trust are set out in Section 13 and are based on current tax law and ATO tax rulings. The information in Section 13 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

## 11.8 Overseas distribution

No action has been taken to register or qualify the offer of New Units under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia and New Zealand.

### 11.8.1 Offer only made where lawful to do so

The distribution of this PDS in jurisdictions outside Australia and New Zealand may be restricted by law. This PDS does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any

restrictions on acquisition or distribution of the PDS. Any failure to comply with these restrictions may constitute a violation of securities laws.

## **11.8.2 New Zealand investors – Warning Statement**

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## **11.8.3 United States**

This PDS does not constitute a direct or indirect offer of securities in the U.S. or to any U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"). The Responsible Entity may vary this position and Applications may be accepted on merit at the Responsible Entity's discretion. The Units have not been, and will not be, registered under the U.S. Securities Act unless otherwise approved by the Responsible Entity and may not be offered or sold in the U.S. to, or for, the account of any U.S. Person except in a transaction that is exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

## 12. MATERIAL CONTRACTS

The Responsible Entity considers that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this PDS for the purpose of making an informed assessment of an investment in the Trust under the Offer.

This section contains a summary of the material contracts and their substantive terms. As this section is only a summary of the material agreements, it does not set out all rights and obligations under each material contract and these agreements will only be fully understood by reading the documents in full.

### 12.1 Management Agreement

The Responsible Entity has entered into the Management Agreement with the Manager. A summary of the material terms of the Management Agreement are set out below.

#### **Services**

The Manager will invest and manage the assets and liabilities of the Trust in accordance with the terms of the Management Agreement.

The investment objective for the Trust is to provide Unitholders with a consistent and stable income stream paid via monthly distributions while achieving an attractive level of total return (income plus capital appreciation) over a full market cycle<sup>43</sup>. In pursuit of this objective, the Manager will arrange for the Trust to invest in high yield bonds issued by large, liquid companies, located globally.

Other services provided by the Manager under the Management Agreement include providing or procuring administrative support services reasonably required by the Responsible Entity to perform its role. These include, but are not limited to:

- (a) maintaining the corporate, tax and statutory records of the Trust;
- (b) complying with the Responsible Entity's obligations under the Corporations Act and the Listing Rules;
- (c) liaising with the Unit Registry;
- (d) preparing the Trust's net asset value backing reports and arranging for the lodgement of such reports in a timely manner to enable the Responsible Entity to comply with its reporting requirements under the Listing Rules;
- (e) preparing the Trust's half-year reports and annual reports, and arranging for the printing and distribution of such reports; and
- (f) providing information necessary for the maintenance of financial accounts of the Company to be completed.

#### **Powers and Discretions of Manager**

For the purpose of carrying out its functions and duties under the Management Agreement, the Manager has the powers of a natural person to deal with the portfolio of the Trust and to do all things and execute all documents necessary for the purpose of managing the portfolio of the Trust.

The Responsible Entity may, at any time, instruct the Manager or vary the investment instructions (as described in Section 12.1 of this PDS) in which circumstances the Manager will not be responsible for the consequences of that instruction or variation.

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<sup>43</sup> As defined in the Glossary of Industry Terms at Section 15 and for the purpose of the investment objective, a full market cycle is the period beginning with either the high or low point for a financial market followed by a corresponding low or high point, as the case may be, and then ending when the market next achieves or exceeds the initial high or low point.



## **Delegation**

The Manager may not delegate any of its discretionary management powers without the prior written consent of the Responsible Entity. The Responsible Entity has provided its written approval for the Manager to delegate its discretionary powers to the following Neuberger Berman entities (the Investment Advisers):

- (a) Neuberger Berman Europe Limited – a UK private limited company authorised and regulated by the UK Financial Conduct Authority and registered with the U.S. Securities and Exchange Commission (“SEC”); and
- (b) Neuberger Berman Investment Advisers LLC – a Delaware limited liability company registered with the SEC.

## **Fees**

An investment management fee and an administration fee are payable to the Manager at the rate indicated in the “Fees and Other Costs” Section of this PDS.

For the term of the Management Agreement, the Responsible Entity has agreed with the Manager it is only entitled to fees at the rates indicated in the “Fees and Other Costs” Section of this PDS.

## **Retirement of Responsible Entity**

The Management Agreement provides that on receipt of notice from the Manager that the Manager wishes the Responsible Entity to cease acting as responsible entity of the Trust, subject to the Corporations Act, the Constitution, the obligations of the Responsible Entity as responsible entity of the Trust and subject to no outstanding issues where the Responsible Entity needs to act in the best interests of unitholders, the Responsible Entity:

- (a) shall take all steps necessary to achieve its retirement, and the appointment in its place as responsible entity of such person as the Manager may nominate as soon as practicable; and
- (b) will exercise all due care and skill to complete the transition within 90 Business Days of receipt of the Manager’s notice.

## **Expenses**

The Trust must pay all taxes, costs, charges and expenses properly incurred in connection with the investment and management of the portfolio of the Trust (excluding in-house administration costs of the Manager in the nature of rent for the Manager’s premises, computer charges, salaries and research costs) or in acting under the Management Agreement and the Manager may cause them to be deducted from the portfolio of the Trust.

## **Exclusivity**

The Responsible Entity has appointed the Manager on an exclusive basis to be the manager of the Trust. The Manager may from time-to-time perform similar investment and management services for itself and other persons to the services performed for the Responsible Entity under the Management Agreement. To protect the confidentiality of information relating to the Trust, the Management Agreement prohibits the Manager from using the Trust’s information for any purpose other than to perform its role as the Trust’s Manager. The Investment Advisers have also provided various confidentiality undertakings in the Investment Advisory Agreements which:

- effectively prohibits the Investment Advisers from using the Trust’s information for any purpose other than in their roles in relation to the Trust; and
- requires the Investment Advisers to take all reasonable, proper and effective precautions to maintain the confidential nature of the Trust’s information.

## **Term**

The initial term of the Management Agreement is 5 years. ASX Listing Rule 15.16 provides that the Manager cannot be locked in for a term of more than 5 years. The Responsible Entity has received a waiver of ASX Listing

Rule 15.16(b) and (c) to allow for an extension of the initial term to 10 years. Upon the expiry of the initial term, unless terminated earlier as described below, the Management Agreement will continue until terminated by either party.

### **Termination**

#### *Termination by the Responsible Entity*

The Management Agreement gives the Responsible Entity the right to terminate the Management Agreement and remove the Manager by written notice on the occurrence of any one of the following events:

- (a) an insolvency event occurs with respect to the Manager (although the legal right of the Responsible Entity to terminate solely for this reason is limited);
- (b) the Manager breaches any provisions of the Management Agreement, or fails to observe or perform any representation, warranty or undertaking given by Manager under the Management Agreement and the Manager fails to rectify such breach or failure within 10 Business Days of receiving notice in writing from the Responsible Entity specifying such breach or failure;
- (c) the Manager ceases to carry on business in relation to its activities as an investment manager;
- (d) the Manager ceases to be a member of the Neuberger Berman group;
- (e) the Manager sells or transfers or makes any agreement for the sale or transfer of the main business and undertaking of the Manager or of a beneficial interest therein, other than to a related body corporate for purposes of corporate reconstruction on terms previously approved in writing by the Responsible Entity; or
- (f) relevant law requires the Management Agreement to terminate.

After the expiry of the Initial Term, the Management Agreement will terminate three months after an ordinary resolution of the Trust is passed to end the Management Agreement.

#### *Termination by the Manager*

The Management Agreement gives the Manager the right to terminate the Management Agreement on the occurrence of any one of the following events:

- (a) the Responsible Entity materially breaches any provisions of the Management Agreement, or materially fails to observe or perform any representation, warranty or undertaking given by Responsible Entity under the Management Agreement and the Responsible Entity fails to rectify such breach or failure within 10 Business Days of receiving notice in writing from the Responsible Entity specifying such breach or failure; or
- (b) if a person (alone or together with the person's associates) other than the Manager or an associated entity of the Manager acquires a relevant interest in Units where because of the acquisition that person's or someone else's voting power in the Trust exceeds 50%.

The Manager is also entitled to terminate the Management Agreement on not less than three months' written notice after the expiry of the initial term of the Management Agreement.

### **Termination Payment**

The Manager may be entitled to a termination fee payable out of the Trust assets. Refer to Section 10.4 for more information.

## ***Assets of the Trust following termination***

If the Management Agreement is terminated, the Manager will have 30 Business Days to deal with the assets of the Trust for the purposes of vesting control of the Trust in the Responsible Entity or as the Responsible Entity otherwise directs. Accordingly, the Manager:

- subject to the consent of the Responsible Entity, may enter transactions to settle or otherwise extinguish or offset obligations incurred by or on behalf of the Responsible Entity or the Manager in relation to the portfolio before that date;
- with respect to obligations not capable of settlement before transfer of the portfolio, must create provision for such contingent liability as will arise, notify the Responsible Entity of that provision, and the Responsible Entity must use reasonable endeavours to procure that the custodian holds sufficient assets of the portfolio to satisfy that liability;
- may instruct the custodian (directly or if an administrator has been appointed, indirectly through the administrator) to deduct from the portfolio costs, charges and expenses due to the date on which the transfer of the portfolio is effected if, after giving 10 Business Days' notice to the Responsible Entity of its intention to so direct the custodian, the Responsible Entity has not objected, and all charges and expenses incurred in the actions envisaged by this clause;
- must deliver to the Responsible Entity (or as the Responsible Entity reasonably directs) all records which may reasonably be required by the Responsible Entity in respect of the portfolio; and
- may deal with the portfolio in accordance with instructions from a new manager appointed by the Responsible Entity.

The Responsible Entity must take all necessary steps to facilitate the transfer of the Portfolio from the Manager and is required to change the name of the Trust to remove any reference to any derivative of the name of the Manager, unless otherwise approved by the Manager.

## ***Amendment***

The Management Agreement may only be altered by the agreement of the parties. However, the Responsible Entity must only make material changes to the Management Agreement if the Responsible Entity has obtained Unitholder approval to these material changes.

## ***Responsible Entity Indemnity***

The Responsible Entity must indemnify the Manager out of the assets of the Trust against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers or agents acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of the Management Agreement.

The Manager may enforce its rights under the Management Agreement against the Responsible Entity only to the extent of the Responsible Entity's right of indemnity out of the assets of the Trust and the Responsible Entity cannot be held liable in its personal capacity except to the extent that any liability arises from the fraud, negligence or a breach of trust by the Responsible Entity as responsible entity of the Trust.

## ***Manager Indemnity***

The Manager must indemnify the Responsible Entity against any losses or liabilities reasonably incurred by the Responsible Entity arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of the Management Agreement.

## ***Management of potential conflicts***

The Manager may invest in or deal with the Manager's related bodies corporate or other divisions of the Manager engaged in separate business activities. The Manager has policies and procedures in place to manage any potential conflicts of interest. Any fees, brokerage and commissions may only be charged by the Manager's related bodies corporate if they are engaged in the ordinary course of business and either on arm's length terms or on terms that are more favourable to the Responsible Entity than arm's length terms.

Where fees are paid or payable from the Trust to the Manager's related body corporate (such as to the Investment Advisers), the fee otherwise payable to the Manager under the Management Agreement will be reduced by such amount, except where the Manager bears the fee itself. Refer to Section 10 "*Fees and Other Costs*" for more information.

## **12.2 Investment Advisory Agreements**

The Manager has entered into an Investment Advisory Agreement with each of the Investment Advisers. Refer to Section 2.12.3 of this PDS for further information regarding the appointment of the Investment Advisers.

## **12.3 Offer Management Agreement**

The Responsible Entity and the Manager entered into an Offer Management Agreement with the Joint Lead Managers on or about the date of this PDS. Under the Offer Management Agreement, the Joint Lead Managers have agreed to jointly manage the Offer and use their reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement is set out below.

### ***Fees and expenses paid by the Manager***

The Joint Lead Managers will be entitled to the following fees set out in the Offer Management Agreement (and paid by the Manager, and not the Trust):

- an arranger fee to the Lead Arrangers in the proportions specified in the Offer Management Agreement of 0.3% (plus GST) of the total amount raised under the Offer; and
- a management fee to the Joint Lead Managers of 0.8% (plus GST) of the total amount raised under the Offer in relation to:
  - the aggregate amount raised by the Co-Managers, and
  - in relation to the balance amount raised under the Offer (i.e. excluding the aggregate amount raised by the Co-Managers)

payable to the Joint Lead Managers in the proportions specified in the Offer Management Agreement.

The Manager will also pay to any Broker to whom New Units have been allocated under the Offer, a selling fee of 1.25% of the amount equal to the total number of New Units in respect of which the Broker procured valid applications under the Offer, multiplied by the Offer Price (exclusive of GST).

The Joint Lead Managers will be reimbursed by the Manager for all reasonable expenses incurred by the Joint Lead Managers in connection with the Offer Management Agreement, this PDS and the Offer.

### ***Conditions, warranties, undertakings and other terms***

Representations and warranties are given by the Responsible Entity, the Manager and the Joint Lead Managers in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Responsible Entity's compliance with the ASX Listing and applicable laws in relation to making the Offer. The Responsible Entity and Manager make a number of further representations and warranties, including that the PDS will not contain any untrue, inaccurate, misleading or deceptive statements and will not omit information necessary to ensure the statements in the PDS are not misleading.

## **Indemnity**

Subject to certain exclusions such as fraud, wilful misconduct or gross negligence, the Responsible Entity and Manager indemnifies the Joint Lead Managers and its affiliated and related parties against certain liabilities and losses incurred or sustained as a result of the appointment of the Joint Lead Managers, this PDS and the Offer.

## **Termination events**

A Joint Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to that Joint Lead Manager at any time before completion of the Offer if any of the following events occur:

1. **(Adverse change)** In the reasonable opinion of a Joint Lead Manager, any matter described in paragraph (a)(i) of the definition of Material Adverse Effect in the Offer Management Agreement occurs (i.e. a matter that has a materially adverse effect on the general affairs, business, reputation, operations, assets, liabilities, financial position or performance, profits, losses, prospects, earnings position, unitholders' equity, or results of operations of the Trust, the Manager or any other trusts managed by the Manager, its related bodies corporate or the Investment Team for the Trust).
2. **(Withdrawal)** The Responsible Entity withdraws this PDS, any supplementary PDS, the Offer or any part of the Offer, or indicates that it intends to do any of those things.
3. **(No confirmation certificate)** The Responsible Entity or the Manager does not provide the confirmation certificates confirming certain representations in the Offer Management Agreement in the manner required by that agreement or a statement in a confirmation Certificate is untrue in any material respect, incorrect or misleading or deceptive.
4. **(PDS/Disclosure Documents):**
  - (a) there is a material omission from the PDS or any other disclosure document of information required by the Corporations Act, New Zealand securities legislation or any other applicable law or requirement;
  - (b) the PDS or any other disclosure document in relation to this Offer ("**Disclosure Document**") contains a misleading or deceptive statement;
  - (c) a statement in the PDS or any other Disclosure Document becomes misleading or deceptive (and is not corrected or addressed in a supplementary PDS);
  - (d) a matter referred to in section 1014A of the Corporations Act occurs in respect of the PDS; or
  - (e) a Disclosure Document does not comply with applicable law or the Listing Rules.
5. **(Investigation)** ASIC or a governmental agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or the Disclosure Documents or any commences or gives notice of an intention to hold, an inquiry.
6. **(Corporations Act)** Any of the following occur:
  - (a) ASIC applies for an order under section 1324B of the Corporations Act in relation to the PDS or the Offer and the application is not dismissed or withdrawn before the Offer Closing Date;
  - (b) ASIC gives notice of intention to hold a hearing in relation to the PDS or the Offer, or makes an interim order or any other order under section 1020E of the Corporations Act in relation to the PDS or any supplementary PDS or the Offer; or
  - (c) an application is made by ASIC for an order under Part 9.5 in relation to the PDS or any supplementary PDS or the Offer or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the PDS or any supplementary PDS or the Offer.

7. **(Insolvency Event)** An “Insolvency Event” (as described in the Offer Management Agreement) occurs or there is an act or omission which is likely to result in an Insolvency Event occurring with respect to the Responsible Entity (in its personal capacity), the Trust or the Manager.
8. **(Repayment of Application Amount)** Any circumstance arising after lodgement of the PDS that results in the Responsible Entity being required, by ASIC or under any applicable law, to either:
  - (a) repay the funds received from applicants for New Units under the Offer; or
  - (b) give applicants under the Offer an opportunity to withdraw their applications for New Units and be repaid their Application Amount.
9. **(consent)** Any person (other than a Joint Lead Manager) whose consent to the issue of the PDS is required by the Corporations Act who has previously consented to the issue of the PDS withdraws such consent or any person otherwise named in the PDS with their consent (other than a Joint Lead Manager) withdraws such consent.
10. **(Supplementary PDS)** A supplementary PDS must, in the reasonable opinion of a Joint Lead Manager, be lodged with ASIC under the Corporations Act or the Responsible Entity lodges a supplementary PDS in a form that has not been approved by the Joint Lead Managers.
11. **(Director)** A director of the Responsible Entity or the Manager:
  - (a) is charged with an indictable offence or any regulatory body commences any public action against the director in his or her capacity as a director of the Responsible Entity or announces that it intends to take any such action; or
  - (b) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act.
12. **(market fall)** During any rolling 7 day period before the Settlement Date (“**Reference Period**”), the S&P ASX All Ordinaries Index closes on the last day of the Reference Period at a level that is 10% or more below the level of that index at the beginning of the Reference Period.
13. **(credit index fall)** During any rolling 7 day period before the Settlement Date (“**Reference Period**”), the ICE BofAML Global High Yield Index closes on the last day of the Reference Period at a level that is 10% or more below the level of that index at the beginning of the Reference Period.
14. **(No issue)** The Responsible Entity is or becomes unable, for any reason, to issue or allot the Units within the time required by the timetable as described in the Offer Management Agreement, the Disclosure Documents, the Listing Rules, the ASX Settlement Operating Rules or by any other applicable laws, or an order of a court of competent jurisdiction or a governmental agency.
15. **(Key investment team)** Thomas P. O'Reilly, Russ Covode, Vivek Bommi, Nish Popat and Jennifer Gorgoll is removed from office or replaced as portfolio manager for the Trust.
16. **(Manager)** There is a change in ownership of the Manager.
17. **(Illegality)** There is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for a Joint Lead Manager to satisfy an obligation under this agreement, or to market, promote or settle the Offer in accordance with the Offer Management Agreement.
18. **(Misleading or deceptive conduct)** Any civil or criminal proceedings are brought against the Responsible Entity or the Manager or any officer of the Responsible Entity or the Manager in relation to any fraudulent, misleading or deceptive conduct relating to the Trust, the Responsible Entity (in its personal capacity) or the Manager whether or not in connection with the Offer except for any claim where at the time the claim is made, it is immediately apparent, in the reasonable opinion of a Joint Lead Manager, that, on the face of the claim, it has no prospect of success, is vexatious or without merit.

19. **(Timetable)** The Offer is not conducted in accordance with the Timetable or any event specified in the Timetable is delayed for more than two Business Days without the prior written consent of the Joint Lead Managers.
20. **(Material Contact)** Any of the following occurs:
  - (a) a Material Contract is terminated;
  - (b) an event occurs which entitles a party to terminate a Material Contract;
  - (c) there is a material breach of a Material Contract including a failure to satisfy a condition precedent to performance of a Material Contract;
  - (d) a condition precedent to performance a Material Contract becomes incapable of being satisfied; or
  - (e) a Material Contract is amended without the Joint Lead Managers' prior written consent.

### ***Termination events subject to materiality***

A Joint Lead Manager can only exercise termination rights in respect of the following events, if in the reasonable opinion of that Joint Lead Manager, that event has, or is likely to have, a Material Adverse Effect (as defined in the Offer Management Agreement):

1. **(Breach of Agreement)** There is a breach by a party of the Offer Management Agreement (including a breach of a representation or warranty).
2. **(Change in Law)** There is introduced, or there is a public announcement of a proposal to introduce into any legislature of Australia, a law or regulation, or a new government policy is adopted by a government in any of those jurisdictions or there is a public announcement of a proposal to adopt a new government policy by such a government (other than a law or government policy announced before the date of this agreement) any of which does or is likely to prohibit the Offer, capital issues or the taxation treatment of the Units or regulate or affect the Offer, capital issues or taxation treatment of the Units.
3. **(Political or Economic Conditions)** Any adverse change or disruption occurs in the existing financial markets, political or economic conditions currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union or in foreign exchange rates or any development involving a prospective adverse change in political, financial or economic conditions in any of those countries.
4. **(Moratorium)** A general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.
5. **(Market Disruption)** Trading in all securities quoted or listed on ASX, the New Zealand Exchange, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange, is suspended or limited in a material respect.
6. **(Breach of significant contracts)** A contract or an agreement referred to in the PDS is:
  - (a) breached by the Responsible Entity, the Manager or any of their related bodies corporate; or
  - (b) terminated (whether by breach or otherwise).
7. **(Default)** A party is in default of any of the terms or conditions of the Offer Management Agreement or breaches any warranty, undertaking or covenant given or made by it under the Offer Management Agreement.
8. **(Charge)** Other than as disclosed from those identified in the PDS, the Responsible Entity charges or agrees to charge, the whole, or a substantial part of the assets of the Trust.
9. **(Prosecution)** Any of the following occur:



- (a) a director of the Responsible Entity or member of the investment team responsible for the Trust as listed in the PDS or otherwise is charged with an indictable offence;
  - (b) any governmental agency commences any public action against the Responsible Entity or the Manager or any of their directors or senior managers;
  - (c) any director or senior manager of the Responsible Entity or the Manager is disqualified from managing a corporation under any law of any jurisdiction; or
  - (d) any director or senior manager of the Responsible Entity or the Manager engages in any fraudulent conduct or activity.
10. **(Representations and warranties)** Any representation or warranty contained in the Offer Management Agreement on the part of a party is breached or becomes false, misleading or incorrect.
  11. **(Prescribed occurrence)** Except as contemplated by the PDS, a Prescribed Occurrence (as defined in the Offer Management Agreement) occurs.
  12. **(Hostilities)** There is an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing, or an escalation in existing hostilities occurs, or a major act of terrorism occurs in or involving any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong, the People's Republic of China, India, South Korea, Russia, Japan or any Member State of the European Union or involving any diplomatic, military, commercial or political establishment of any of those countries or a major terrorist act is perpetrated anywhere in the world.
  13. **(Disclosures in Due Diligence Report)** The Due Diligence Report or verification material or any other information supplied by or on behalf of the Responsible Entity or the Manager to a Joint Lead Manager in relation to the Responsible Entity, the Trust, the Manager or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission.
  14. **(mutual recognition)** The Responsible Entity fails to comply with the requirements of the NZ Mutual Recognition Regulations to enable the Offer to proceed on the basis of the PDS, under those regulations.
  15. **(AFSL)** Any Australian financial services licence, or other licence, approval or permit required by the Responsible Entity or the Manager to perform the Trust's business or the Manager's business is terminated, rescinded, revoked or withdrawn or otherwise amended or varied in a manner that impedes the Responsible Entity or the Manager and/or its ability to discharge its obligations under this agreement;
  16. **(Regulatory approvals)** If a regulatory body withdraws, revokes or amends any regulatory approvals required for the Responsible Entity or the Manager to perform its obligations under the Offer Management Agreement.

## 12.4 Appointment Agreement

The Responsible Entity has entered into an Appointment Agreement to appoint JPMorgan Chase Bank, National Association (ABN 43 074 112 011) ("**JPMorgan**") as the independent specialist administrator and master custodian of the Trust. The Appointment Agreement incorporates the provisions of the existing Global Custody Agreement and the Accounting and Related Services Agreement between the Responsible Entity and JPMorgan and provides that JPMorgan will provide various services which include:

- providing master custody and administration in respect of the assets of the Trust;
- acting in accordance with the proper instructions of the Responsible Entity;
- having in place risk management, business continuity and compliance procedures to safeguard the Trust's assets; and
- keeping proper records and books of account in relation to the Trust.

JPMorgan is required to provide the Responsible Entity with a compliance certificate which indicates its compliance with the provisions of the Appointment Agreement and the requirements in ASIC Regulatory Guide 133.

The Appointment Agreement may be terminated by either party giving the other written notice or pursuant to the exercise of a right of termination because of a breach or an insolvency event of a party.

Under the terms of the Appointment Agreement, the Responsible Entity indemnifies JPMorgan from any loss, liability, cost, claim, action, demand or expense that JPMorgan may incur or that may be made against JPMorgan arising out of JPMorgan properly acting in accordance with a proper instruction from the Responsible Entity or in connection with the provision of the services under the Appointment Agreement, except to the extent that the loss, liability, cost, claim, action, demand or expense results from the fraud, wilful misconduct, negligence or material breach of the Appointment Agreement or the required standard of care by JPMorgan.

## 13. TAXATION

### 13.1 Australian taxation considerations

The disclosure in this Section 13 is based on the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999 and the relevant Australian stamp duties legislation as at the date of this PDS.

The following information summarises certain Australian and New Zealand taxation issues you may wish to consider before making an investment in the Trust and assumes that you hold your investment in the Trust on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

This summary is based on the Australian and New Zealand taxation laws in effect as at the date of this PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders. It is recommended that Unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

### 13.2 Australian taxation implications of an investment in the Trust

#### 13.2.1 General

The income tax treatment of the Trust and its Unitholders will depend on whether the Responsible Entity is eligible, and elects to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (**MIT**) that provide for flow-through taxation to Unitholders. Where the Trust qualifies as a MIT for income tax purposes, the Responsible Entity may seek to make an election to treat the disposal of covered assets on capital account.

Where the AMIT provisions do not apply, the ordinary non-AMIT taxation provisions will apply to the Trust. While the AMIT provisions are not expected to materially change the way in which Unitholders would be taxed (as compared to the ordinary trust taxation provisions), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Trust and its Unitholders.

The Trust has made the irrevocable election to enter into the AMIT regime. It is expected that the Trust will continue to meet the eligibility requirements to qualify as an AMIT.

If the Trust fails to meet the AMIT eligibility requirements, the general taxation rules on trusts will apply and the Trust will be treated as a flow-through vehicle provided that the Trust will conduct solely eligible investment business activities and will not control any trading business as defined in the income tax legislation. It is intended that Unitholders will be presently entitled to all of the taxable income of the Trust for each financial year such that no taxation liability will accrue to the Responsible Entity.

#### 13.2.2 Attribution Managed Investment Trusts

Trusts that meet the eligibility criteria to qualify as an AMIT, and that have made an irrevocable election, may apply the AMIT rules. As the Responsible Entity has made the irrevocable election to apply the new AMIT provisions, the following will apply:

##### (a) Fair and reasonable attribution

Each year, the Trust's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be attributed to Unitholders on a

'fair and reasonable' basis, having regard to their income and capital entitlements in accordance with constituent documents.

(b) *'Unders' or 'Overs' adjustments*

Where the Trust's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains/losses or expenses), then 'unders' and 'overs' may arise. 'Unders' and 'overs' will generally be carried forward and adjusted in the year of discovery.

(c) *Cost base adjustments*

Where the distribution made by the Trust is less than (or more than) certain components attributed to Unitholders, then the cost base of a Unitholder's Units may be increased (or decreased). Details of net annual tax cost base adjustments will be included on a Unitholder's annual tax statement, referred to as an 'AMIT Member Annual Statement' (**AMMA**).

(d) *Large redemptions*

In certain circumstances, gains may be attributed to a specific Unitholder, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming Unitholder under a Buy-Back of Units.

(e) *Multi-class AMITs*

A choice is available to elect to treat separate classes of units as separate AMITs, where applicable. The purpose of this election is to quarantine the income tax calculation on a class-by-class basis. This can allow income, deductions and tax losses referable to a class of units to be quarantined in that class, so that they are not spread to Unitholders holding other classes of units. In the absence of the Trust being an AMIT and having made the multi-class election, the tax treatment of each Unitholder may differ significantly.

## 13.2.3 Penalties

In certain circumstances, such as the failure to comply with certain AMIT rules, specific penalties may be imposed.

The AMIT regime is intended to reduce complexity, increase certainty, and reduce compliance costs for MITs and their unitholders.

## 13.2.4 Non-AMIT Provisions

On the basis that Unitholders are presently entitled to all of the Trust's distributable income (which is the Responsible Entity's intention) and the Trust is not a public trading trust, the Trust should be treated as a flow-through trust for income tax purposes. This means that Unitholders should be taxed on their share of the Trust's net taxable income, and the Trust should not be subject to Australian income tax.

### *Multi-class non-AMITs*

In the absence of an AMIT multi-class election being made, the Trust is treated as a single taxpayer. As the classes are not treated as separate taxpayers, it is possible under the current non-AMIT taxation regime that the income tax character of distributions made to a particular class may be impacted by transactions associated with another class.

## 13.2.5 Other taxation considerations

(a) *Public trading trust rules*

The Trust does not intend to derive income other than from an 'eligible investment business'. Accordingly, it should not be subject to income tax as a public trading trust. Further, the Responsible Entity will seek to ensure it does not control entities that carry on trading activities.

(b) *Losses*

In the case where the Trust makes a tax loss for income tax purposes, the Trust cannot distribute these tax losses to Unitholders. However, the tax losses may be carried forward by the Trust for offset against future taxable income of the Trust in subsequent years, subject to the operation of the trust loss rules.

(c) *Taxation of Financial Arrangements 'TOFA'*

The TOFA rules may apply to financial arrangements held by the Trust when calculating the Trust's assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Trust for income tax purposes and will also treat relevant gains and losses as being on revenue account.

## 13.3 Taxation treatment of Australian resident Unitholders

### 13.3.1 *Distributions – AMIT*

The AMIT provisions require the taxable income of the Trust to be attributed to Unitholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Unitholders, entitlements to income and capital, as well as cash distributions made to such Unitholders during the relevant period. Under the AMIT provisions, a Unitholder may be taxable on their share of the Trust's taxable income prior to receiving distributions from the Trust.

### 13.3.2 *Distributions – Non-AMIT*

If the Trust is treated as a flow-through vehicle, Unitholders will be assessed on the taxable income derived by the Trust, based on their proportionate share of the annual income of the Trust that is distributed to them in that income year. Unitholders will be required to include their share of taxable income in their tax return.

### 13.3.3 *Foreign income*

The Trust may derive foreign sourced income that might be subject to foreign tax. Australian resident Unitholders should include their share of both the foreign income and the amount of any foreign tax withheld in their assessable income. In such circumstances, Unitholders may be entitled to a Foreign Income Tax Offset (**FITO**) for the foreign tax paid, against the Australian tax payable on the foreign sourced income. FITO's that are not utilised cannot be carried forward to a future income year.

### 13.3.4 *Non-assessable distribution payments – AMIT*

Under the AMIT provisions, a Unitholder's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Unitholder in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Unitholders after year-end.

### 13.3.5 *Non-assessable distribution payments – Non-AMIT*

Tax-deferred distributions may occur where the Trust distributes an amount of cash that exceeds the taxable income allocated to a Unitholder. Certain tax-deferred distributions that are not assessable to a Unitholder result in a reduction in the cost base of the Units held by the Unitholder. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

## **13.3.6 Disposal of Units by Australian resident Unitholders**

If an Australian resident Unitholder transfers their units in the Trust, this will constitute a disposal for income tax purposes.

Where a Unitholder holds their units in the Trust on capital account, a capital gain or loss on the disposal may arise and each Unitholder should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Trust have been held for 12 months or more. No Capital Gains Tax ("CGT") discount is available to corporate Unitholders.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Unitholder may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income. For corporate Unitholders, net capital losses carried forward and sought to be utilised in future income years will be subject to the tax loss recoupment rules under the Australian income tax law.

## **13.3.7 GST**

The Trust is registered for GST. The acquisition and disposal of units in the Trust by Unitholders should not be subject to GST. Similarly, the distributions paid by the Trust should not be subject to GST. GST is payable on some ongoing expenses and the Trust should be able to claim a RITC of at least 55% of the GST paid, depending on the precise nature of the expenses incurred. All fees and expenses are quoted inclusive of GST.

## **13.3.8 Duty**

The issue or transfer of Units should not attract any duty. Unitholders should confirm the duty consequences of transferring units with their taxation adviser.

## **13.3.9 Tax File Number 'TFN' and Australian Business Number 'ABN'**

As the Trust is an investment body for income tax purposes, the Trust will be required to obtain a TFN or ABN in certain cases from Unitholders.

It is not compulsory for a Unitholder to quote their TFN or ABN. If a Unitholder is making this investment in the course of a business or enterprise, the Unitholder may quote an ABN instead of a TFN. Failure by a Unitholder to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus levies, on gross payments including distributions of income to the Unitholder. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

## **13.3.10 Foreign Account Tax Compliance Act 'FATCA'**

In compliance with the US income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide information to the ATO in relation to:

- (a) Unitholders that are US citizens or residents;
- (b) entities controlled by US persons; and
- (c) financial institutions that do not comply with FATCA.

The Trust is intending to conduct its appropriate due diligence (as required). Where the Trust's Unitholders do not provide appropriate information to the Trust, the Trust will also be required to report those accounts to the ATO.

### **13.3.11 Common Reporting Standard 'CRS'**

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

### **13.3.12 Annual Investment Income Report 'AIIR'**

The Responsible Entity is required to lodge annually an AIIR to the ATO containing Unitholder identity details and details of unit disposals and investment income paid or attributed to Unitholders for the relevant income year.

## **13.4 Taxation implications of an investment in the Trust for New Zealand resident Unitholders**

As the Trust is a unit trust, it is considered to be a company for New Zealand income tax purposes. It follows that any units held in the Trust are treated as a direct income interest in a foreign company, and therefore an attributing interest in a foreign investment fund (FIF) for New Zealand income tax purposes. Therefore New Zealand tax resident Unitholders (each a New Zealand Unitholder) will need to apply the FIF rules to establish the New Zealand tax treatment that will apply to the Units they hold.

If a New Zealand Unitholder's Units are an 'attributing interest' under the FIF rules, the Unitholder will be required to pay New Zealand income tax on the unrealised gains they are deemed (under the FIF rules) to have obtained over the period they hold the Units. Any realised amounts they actually receive in relation to their Units (including ongoing distributions and proceeds from the sale of their Units) will not be separately taxed.

For many New Zealand Unitholders their Units are likely to be an attributing interest for the purposes of the FIF rules. There are, however, various legislative exclusions where FIF interests are expressly excluded from being attributing interests under the FIF rules. In particular, a de minimis exclusion applies to a natural person where the total cost of all attributing FIF interests is not more than NZ\$50,000. New Zealand Unitholders will need to consider these exclusions carefully. Different income tax rules will apply if a New Zealand Unitholder's Units are not an attributing interest.

If a New Zealand Unitholder's Units are not an attributing interest under the FIF rules, the Unitholder will be taxed on a realisation basis. Any ongoing distributions they receive in relation to their Units will generally be taxable as dividends when they are received. However, as New Zealand does not have a formal capital gains tax, any amounts a New Zealand Unitholder receives from disposing of their Units will generally not be subject to New Zealand income tax unless the Unitholder holds their Units on 'revenue account'. A New Zealand Unitholder will hold their Units on revenue account if they hold their Units as part of a share dealing business, the Units were acquired with a dominant purpose of disposal, or the Units are being disposed of as part of a profit-making undertaking or scheme. New Zealand resident Unitholders will not be subject to Australian CGT on a capital gain (or loss) on the disposal of Units in the Trust unless:

- The New Zealand resident holds more than 10% of the Units in the Trust or has held more than 10% for at least 12 months in the prior two years; and
- Broadly, more than 50% of the Trust's assets (by market value) are represented by 'taxable Australian real property'.

Income distributions (i.e. Australian dividends, interest or royalty income) received by New Zealand resident Unitholders from the Trust would be subject to Australian withholding tax.

New Zealand Unitholders should seek their own professional advice regarding the taxation implications of investing in the Trust.



## 14. ADDITIONAL INFORMATION

### 14.1 Capital structure and potential impact on control of the Trust

The capital structure of the Trust as at the date of this PDS and immediately following completion of the Offer is set out below.

Class of units	Number of Units on issue as at 13 May 2019	Following Completion of the Offer	
		Number of Units based on Subscription of \$250 million	Number of Units based on Maximum Subscription
Ordinary Units	207,067,741	332,067,741	445,195,643

The Offer is not expected to have any significant impact on the control of the Trust.

### 14.2 Rights and obligations attaching to the Units

The rights and liabilities attaching to ownership of Units arise from a combination of the Constitution, the Corporations Act, Listing Rules and general law. A summary of the significant rights and liabilities attaching to the Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Unitholders.

If you invest in the Trust, you agree to be bound by the terms of the PDS and the Constitution. Copies of the Constitution are available, free of charge, on request from the Responsible Entity at [www.nb.com/NBI](http://www.nb.com/NBI). Please consider the Constitution before investing in the Trust.

#### **Units**

Applicants will be issued New Units in the Trust under the Offer, which are ordinary units in the Trust. No other class of unit in the Trust will be on issue at the time of official quotation of the New Units by the ASX.

The Responsible Entity may issue additional Units subsequent to the Offer, subject to the Corporations Act and the Listing Rules:

- at "market price" while quoted on the ASX;
- for pro-rata entitlement issues, at NTA per Unit or a discount to it; or
- at a discount potentially (determined by the Responsible Entity), for placements, unit purchase plans and reinvestment plans.

#### **Class Accounts**

Subject to the rights, obligations and restrictions of a class of units, each unit represents an equal undivided fractional beneficial interest in the assets of the Trust attributable to that class as a whole subject to liabilities attributable to that class, but does not give unitholders an interest in any particular asset of the Trust.

The Responsible Entity must establish a separate class account in the books of the Trust for each class of units in the Trust ("**Class Account**"). Each class account will initially be credited with the proceeds of issue attributable to the units of the class and credited with any subsequent asset attributable to the class and debited for any liability attributable to the class.

#### **Income and distributions**

The income for a particular class of units is the net income attributable to each class of units based on the Class Account for the relevant class of units that is available for distribution for that period. Such income will be distributed equally among all unit holders in the relevant class of units.

## ***Winding up***

On a winding up of the Trust, holders of a particular class of units are entitled to a pro rata proportion of the realised pool of assets relating to that particular class of units (after taking account of liabilities of the Trust).

## ***Redemption of units***

While the Trust is listed on the ASX, units are not able to be redeemed, except under a Buy-Back, which satisfies the Corporations Act and the Listing Rules. Any units acquired by the Responsible Entity under a buy-back (if implemented) will be immediately cancelled, as required by the Corporations Act.

## ***Meetings of unitholders and voting***

Meetings are to be held in accordance with the Corporations Act. The Responsible Entity may convene and arrange to hold a general meeting of the Trust whenever it thinks fit and must do so if required under the Corporations Act. Voting at a general meeting is by a show of hands unless a poll is validly demanded. On a show of hands each unitholder (and each proxy, attorney or representative) has one vote, and on a poll, each unitholder (and each proxy, attorney or representative) has one vote for each dollar value of units held. For voting purposes, the value of a unit in the Trust is the last sale price on the ASX on the trading day immediately before the day on which the poll is taken.

Holders of ordinary Units and Class C Units (if any) have the same voting rights, other than on matters affecting the rights of a particular class of unitholders as noted further below.

## ***U.S. Persons***

U.S. Persons are prohibited from acquiring units in the Trust. The Responsible Entity can request the disposal of Units held by U.S. Persons. This is to ensure that the Trust does not breach rules in other countries relating to the Trust.

## ***Small holdings***

As permitted under the Listing Rules, the Trust may purchase "small holdings" of units comprising units worth a total of less than \$500. It must give notice to the Unitholder, and give the Unitholder time to object. This is to avoid the administrative cost and inconvenience of maintaining a register of multiple small holdings.

## ***Amendment of Constitution and variation of class rights***

The Constitution may be amended by either a resolution passed by a majority of the unitholders, or by deed executed by the Responsible Entity where it reasonably believes the change will not adversely affect unitholders' rights. If the Responsible Entity reasonably considers the amendment will adversely affect the unitholders' rights of a particular class of units, a resolution of the unitholders of the affected class is also required and must be passed by 75% of the votes cast by unitholders of that class entitled to vote on such resolution.

## ***Other classes of units including Class C Units***

Pursuant to the Constitution, the Responsible Entity may issue another class of units other than the class of units the subject of this Offer.

The Constitution contains provisions that permit the Responsible Entity to issue Class C Units from time to time. The Responsible Entity may issue Class C Units in relation to any further fund raising subsequent to the Offer. Class C Units will have the same rights, restrictions and obligations as Units and will rank equally with the Units, other than conversion rights, distribution rights and rights on termination of trust as discussed in further detail below.

Class C Units are units which are proposed to convert into Units when a specified proportion of the net proceeds of issuing such Class C Units have been invested in accordance with the Investment Strategy. Upon issue of any

Class C Units, the proceeds will be used to acquire additional assets. The assets acquired by the Trust using the proceeds of the Class C issue will be segregated from the assets of the Trust attributable to the Units. A Class C Unit will therefore permit the Responsible Entity to raise further capital for the Trust while limiting any dilution of investment returns for existing Unitholders which may otherwise result.

## **Key terms specific to Class C Units only**

The Constitution provides that Class C Units convert to new ordinary Units (i.e. in the same class of units being issued under the Offer) following the earliest of:

- such date as the Responsible Entity may decide is necessary to comply with its obligations in respect of the conversion;
- six months after the date of issue of Class C Units;
- a change of control event in relation to the Trust;
- such date as the Responsible Entity may determine, provided that the Responsible Entity shall, in its discretion, such as where funds raised from the issue of Class C Units have become fully invested; and
- force majeure circumstances.

The Responsible Entity has determined that the Class C Units will convert into Units on the earlier of (a) the funds relating to those Class C Units becoming fully invested and (b) the date that is 6 months after the Class C Units are issued.

The number of Units that Class C Unitholders will become entitled to on conversion will be determined on the basis of the ratio of the net asset value per Class C Unit to the net asset value per ordinary Unit on the relevant conversion date (**Conversion Ratio**).

Until funds raised from any relevant secondary capital raising are fully invested, Class C Unitholders will only receive such distributions, if any, as the Responsible Entity determines are payable out of the assets attributable to such Class C Units.

Further details relating to any Class C Units that the Responsible Entity determines to issue in the future, will be provided in the offer document at the time of offer of those Class C Units.

The Constitution also contains provisions governing the Responsible Entity's powers and duties. Below is a list of some of these key powers and duties. The Constitution entitles the Responsible Entity to charge certain fees and recover expenses (refer to Section 10 for further details).

## **Management of the Trust**

Subject to the Corporations Act and the Listing Rules, the Responsible Entity has broad powers to invest, borrow and generally manage the Trust, and power to issue units and financial instruments, borrow money and register (including being able to decline to register) transfers of units. The Responsible Entity has the power to buy and sell assets of the Trust and can enter into contracts. The Responsible Entity can also delegate its powers and duties.

In accordance with the Constitution of the Trust, the Corporations Act, Listing Rules and general trust law, the Responsible Entity must:

- act in the best interest of unitholders and, if there is a conflict between unitholders' interests and its own, give priority to unitholders;
- ensure the property of the Trust is clearly identified, held separately from other funds and the Responsible Entity's assets, and is valued regularly;

- ensure payments from the Trust's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any significant breach of the Corporations Act in relation to the Trust.

### ***Replacement and removal of Responsible Entity***

The Responsible Entity may retire if it chooses provided that it must call a meeting of the unitholders to explain its reason to retire and to enable the unitholders to vote on a resolution to choose a company to be the new responsible entity.

The Responsible Entity must retire when required by law, for example, by way of resolution of unitholders under section 601FM of the Corporations Act.

### ***Term of the Trust***

The Trust is an open-ended unit trust. The Trust will terminate upon the earlier of (among other things) an extraordinary resolution of the unitholders resolving such or as notified by the Responsible Entity to unitholders.

### **14.3 Warranties made by Applicants**

By completing and returning your personalised *Entitlement and Acceptance Form*, by making a BPAY® or by completing and returning your *Shortfall Offer Application Form*, you will be deemed to have irrevocably acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this PDS and your *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as the case may be) in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this PDS and the *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as the case may be);
- agree to be bound by the terms of the Offer, the provisions of this PDS and the Constitution;
- authorise the Responsible Entity to register you as the holder(s) of New Units (and any Additional New Units) issued to you;
- declare that all details and statements in your *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as the case may be) are complete and accurate;
- declare that you are over 18 years of age (if you are an individual) and have full legal capacity and power to perform all your rights and obligations under the *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as the case may be);
- acknowledge that once the Responsible Entity receives your *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* or any payment of Application Amount via BPAY® (as the case may be) you may not withdraw your Application or Application Amount provided except as allowed by law;
- agree to apply for and be issued up to the number of New Units specified in the *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as the case may be), or for which you have submitted payment of any Application Amount via BPAY® at the Offer Price per New Unit;
- agreed to be allocated and issued the number of New Units applied for (or a lower number allocated in a way described in this PDS), or no New Units at all;
- authorise the Responsible Entity, Lead Arrangers, Joint Lead Managers, the Unit Registry and their respective officers or agents to do anything on your behalf necessary for New Units (and any Additional New Units (if applicable)) to be issued to you, including to act on instructions of the Unit Registry;
- in respect of Eligible Unitholders only, declare that you were the registered holder(s) at the Record Date of the Units indicated on your personalised *Entitlement and Acceptance Form* as being held by you on the Record Date;

- acknowledge that the information contained in this PDS and your personalised *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as the case may be) is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this PDS and your personalised *Entitlement and Acceptance Form* and *Shortfall Offer Application Form* (as the case may be) is not a recommendation that New Units (including Additional New Units) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge the statement or risks in Section 8 and that investments in the Trust are subject to risk;
- in respect of Applicants in the Shortfall Offer, declare that you are a resident of Australia or New Zealand;
- acknowledge and agree that the Offer may be withdrawn by the Responsible Entity or may otherwise not proceed in the circumstances described in this PDS;
- acknowledge that none of the Responsible Entity, the Lead Arrangers, Joint Lead Managers or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantee the performance of the Trust, nor do they guarantee the repayment of capital;
- in respect of Eligible Unitholders, agree to provide (and, if applicable, direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Units on the Record Date;
- authorise the Responsible Entity to correct any errors in your personalised *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as applicable) or other form provided by you;
- represent and warrant that the law of any place does not prohibit you from being given this PDS and the personalised *Entitlement and Acceptance Form* or the *Shortfall Offer Application Form*, nor does it prohibit you from making an application for New Units (or Additional New Units (if applicable)); and
- represent and warrant that your acceptance of the Offer does not breach any laws in the jurisdiction in which you reside.

By completing and returning your personalised *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as applicable) or making a payment by BPAY®, you will also be deemed to have irrevocably acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting:

- in respect of participants in the Entitlement Offer, that you are an Eligible Unitholder or otherwise eligible to participate in the Entitlement Offer and you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlement, New Units or Additional New Units under the Entitlement Offer and under any applicable laws and regulations;
- the Entitlements, New Units and Additional New Units have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and, accordingly, the Entitlements may not be taken up, the New Units or Additional New Units may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Units (or Additional New Units (if applicable)), you will only do so in the regular way transactions take place on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and

- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the *Entitlement and Acceptance Form* or *Shortfall Offer Application Form* (as applicable) is not in the United States, and you have not sent this PDS, the *Entitlement and Acceptance Form*, the *Shortfall Offer Application Form* or any information relating to the Offer to any such person.

## 14.4 Complaints resolution

The Responsible Entity seeks to resolve complaints in relation to the management of the Trust to the satisfaction of Unitholders. If a Unitholder wishes to lodge a formal complaint please write to:

Mail: Complaints Officer - Enterprise Risk  
Equity Trustees Limited  
GPO Box 2307  
Melbourne, Victoria, 3001, Australia  
Email: [compliance@eqt.com.au](mailto:compliance@eqt.com.au)

The Responsible Entity will seek to resolve any complaint and will respond within 14 days of receiving the letter.

If the Responsible Entity is unable to resolve your complaint, you may be able to seek assistance from the Australian Financial Complaints Authority (**AFCA**). AFCA is an independent body that can assist you if the Responsible Entity cannot. AFCA's contact details are:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Phone: 1800 931 678  
Online: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Please include the EQT AFCA membership number with your enquiry: 10395.

## 14.5 ASX waivers and confirmations

In connection with the Listing, the Responsible Entity sought and received the following waivers and confirmation from the ASX in relation to the Trust:

- confirmation that the terms of the Class C Units are appropriate and equitable for the purposes of Listing Rule 6.1; and
- a waiver from ASX Listing Rule 15.16(b) and 15.16(c) to the extent necessary to permit the Manager to act as manager of the Trust's investment portfolio in accordance with the terms of the Management Agreement for an initial period of up to 10 years from the commencement of the Trust.

## 14.6 Related Party Transactions and Conflicts of Interest

Except as otherwise disclosed in this PDS, the Responsible Entity has not entered into any related party transactions which remain in place or under which the Responsible Entity still has obligations.

### ***Policy for approval of related party transactions***

The Board is responsible for reviewing and approving all transactions in which the Responsible Entity is a participant and in which any parties related to the Responsible Entity, including its executive officers, Directors, beneficial owners of more than 5% of the Units, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Responsible Entity, has or will have a direct or indirect material interest.

The Board or its Chairperson, as the case may be, will only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Trust and its unitholders, after taking into account all available facts and circumstances as the Board or its Chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to unitholder approval to the extent required by the Listing Rules.

## ***Investment Advisory Agreements***

The Manager has entered into an Investment Advisory Agreement with each of the Investment Advisers, Neuberger Berman Europe Limited ("**NB Europe**") and Neuberger Berman Investment Advisers LLC ("**NB Investment Advisers**"). The Investment Advisers have been delegated certain investment management duties in relation to the Trust (including foreign currency hedging). For further details on NB Europe and NB Investment Advisers, refer to Section 5.1.

The Manager and the Investment Advisers are related parties of each other due to being indirectly controlled by Neuberger Berman Group LLC. Each of NB Europe and NB Investment Advisers is permitted under its Investment Advisory Agreement to sub-contract the performance of its services to affiliates. Neuberger Berman and the Responsible Entity are not related parties. No other service providers to the Trust are related to Neuberger Berman or the Responsible Entity.

## ***Trade Allocation***

The Investment Advisers are subject to trade allocation and rotation policies which require that allocation decisions be made on a basis that is "fair and equitable" to all portfolios managed by the Investment Team, in accordance with applicable investment and regulatory restrictions. As such, the policies aim to ensure that all portfolios managed by the Investment Team are treated in a manner consistent with other portfolios managed by the Investment Team, sharing a similar investment strategy.

## **14.7 Consents**

Each of the parties listed below has given and has not, before the issue of this PDS, withdrawn its written consent to being named in the PDS and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent. None of the parties referred to below has caused the issue of this PDS.

- **Evans Dixon Corporate Advisory Pty Limited ("Evans Dixon")** has consented to being named as a Lead Arranger and Joint Lead Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Evans Dixon;
- **Morgans Financial Limited ("Morgans")** has consented to being named as a Lead Arranger and Joint Lead Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Morgans;
- **National Australia Bank Limited ("NAB")** has consented to being named as a Lead Arranger and Joint Lead Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by NAB;
- **Ord Minnett Limited ("Ord Minnett")** has consented to being named as a Joint Lead Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Ord Minnett;
- **Bell Potter Securities Limited** has consented to being named as Co-Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Bell Potter Securities Limited;



- **Patersons Securities Limited** has consented to being named as Co-Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Patersons Securities Limited;
- **Shaw and Partners Limited** has consented to being named as Co-Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Shaw and Partners Limited;
- **Wilsons Corporate Finance Limited** has consented to being named as Co-Manager to the Offer, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Wilsons Corporate Finance Limited;
- **Neuberger Berman Australia Pty Limited**, the Manager, has consented to being named as Manager and to statements regarding its role as Manager and its business, but it does not make any other statement in this PDS, nor is any other statement in this PDS based on any statement by the Manager;
- **Neuberger Berman Europe Limited ("NB Europe")**, an Investment Adviser, has consented to being named as an Investment Adviser and to statements regarding its role as an Investment Adviser, its business and the Investment Strategy, but it does not make any other statement in the PDS, nor is any other statement in this PDS based on any statement by the NB Europe;
- **Neuberger Berman Investment Advisers LLC ("NB Investment Advisers")**, an Investment Adviser, has consented to being named as an Investment Adviser and to statements regarding its role as an Investment Adviser, its business and the Investment Strategy, but it does not make any other statement in the PDS, nor is any other statement in this PDS based on any statement by NB Investment Advisers;
- **JPMorgan Chase Bank, National Association ("JPMorgan")**, has consented to being named in the Directory and elsewhere in this PDS as the fund administrator and custodian for the Trust, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by JPMorgan as administrator and custodian of the Trust;
- **Boardroom Pty Limited** has consented to being named in the Directory and elsewhere in this PDS as the Unit Registry for the Trust. Boardroom Pty Limited has had no involvement in the preparation of any part of the PDS other than being named as Unit Registry to the Trust. Boardroom Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the PDS;
- **Corrs Chambers Westgarth ("Corrs")** has consented to being named in the Directory of this PDS as the Australian legal adviser to the Manager (and in respect of certain matters, the Responsible Entity), but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Corrs;
- **Kensington Swan** has consented to being named in the Directory of this PDS as the New Zealand legal adviser to the Responsible Entity, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by Kensington Swan;
- **Pitcher Partners Sydney Corporate Finance Pty Ltd** has consented to being named in the Directory of this PDS as the Responsible Entity's Investigating Accountant and to the inclusion of its Independent Limited Assurance Report on pro forma financial information in Section 7 in the form and context in which it appears, but it does not make any other statement in the PDS, nor in any statement in this PDS based on any other statement by Pitcher Partners Sydney Corporate Finance Pty Ltd;
- **PPNSW Services Pty Ltd**, has consented to being named in the Directory and elsewhere in this PDS as the tax adviser to the Responsible Entity, but it does not make any statement in this PDS, nor is any statement in this PDS based on any other statement by PPNSW Services Pty Ltd; and

- **PricewaterhouseCoopers**, has consented to being named in the Directory and elsewhere in this PDS as the auditor for the Trust, but it does not make any statement in this PDS, nor is any statement in this PDS based on any other statement by PricewaterhouseCoopers.

Part 7.9 of the Corporations Act imposes a liability regime on the Responsible Entity (as the offeror of the New Units), the Directors of the Responsible Entity, persons named in this PDS with their consent as having made a statement in this PDS and persons involved in a contravention in relation to this PDS with regard to misleading or deceptive statements made in the PDS. Although the Responsible Entity bears primary responsibility for this PDS, other parties involved in the preparation of this PDS can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than the reference to its name and any statement or report included in this PDS with the consent of that party as described above.

## 14.8 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Responsible Entity, in its capacity as responsible entity, or the Trust is directly or indirectly involved.

## 14.9 Anti-Money Laundering and Counter Terrorism Financing (“AML/CTF”)

Australia's AML/CTF laws require the Responsible Entity to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program is that the Responsible Entity knows certain information about investors in the Trust. To meet this legal requirement, we need to collect certain identification information and documentation (“**KYC Documents**”) from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with AML/CTF laws. Processing of applications will be delayed or refused if investors do not provide the applicable KYC Documents when requested. Under the AML/CTF laws, the Responsible Entity is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. The Responsible Entity may not be able to tell you when this occurs.

## 14.10 Statement of Directors

Other than as set out in this PDS, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Trust, other than as disclosed in this PDS

Each Director has authorised the issue of this PDS and has consented to the lodgement of this PDS with ASIC and has not withdrawn that consent.

## 14.11 Investor considerations

Before deciding to participate in this Offer, you should consider whether the New Units to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Units listed on the ASX may rise or fall depending on a range of factors beyond the control of the Responsible Entity.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser and reviewing Section 13 of this PDS.

## 15. Glossary of Industry Terms

<b>active management</b>	Refers to a style of management where the investment manager actively makes specific investment decisions with the intention of outperforming a particular benchmark, objective and/or target. Active investment strategies are generally constrained within specific investment guidelines and/or risk limits.
<b>bond</b>	A type of debt security.
<b>bottom-up investing</b>	An investment approach where the focus is on the analysis of individual companies with less emphasis on broader economic and market cycle themes.
<b>cash</b>	Cash and short-term securities include cash, deposits and short-term bank bills. Cash traditionally produces a stable investment return (through the payment of interest).
<b>coupon</b>	The interest payments a bondholder receives until maturity of the debt security.
<b>corporate bond</b>	A bond issued by a company, as distinct from a government bond.
<b>credit investment</b>	A debt security or derivative that has credit risk.
<b>credit rating</b>	<p>For the purposes of a debt security, the rating assigned by a credit rating agency to represent the issuer's (borrower's) creditworthiness: that is, its ability to make interest payments and repay the principal amount borrowed. Higher rated borrowers with an investment grade rating generally allow companies to reduce the interest rates (e.g. coupon amount) that they pay on their debt when compared with lower rated borrowers.</p> <p>Particular ratings have different meanings, based on the particular credit rating agency. In broad terms, a BB rated bond has a lower risk of non-payment compared to a B rated bond, which in turn has a lower risk of non-payment compared to a CCC rated bond (which is considered to be of low credit quality).</p>
<b>credit rating agency</b>	includes rating agencies that provide ratings in relation to corporate bonds, and include Moody's, Standard & Poor's or Fitch.
<b>credit/default risk</b>	The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.
<b>debt security</b>	A financial instrument that is an obligation of its issuer (also referred to as the borrower) to make payments (generally, interest and, at the end of its term, principal) to the holder (also referred to as the creditor) of the instrument in return for the initial principal amount (i.e. loan) paid to the issuer by the holder for the debt security, e.g. a bond, loan or note. The terms of the instrument define the interest payment terms, maturity date for repayment of the principal and investor protections. Debt securities can be bought and sold between parties either over-the-counter or on an exchange. Examples of debt securities include government bonds, investment grade corporate bonds and non-investment grade corporate bonds (e.g. high yield bonds).

<b>duration</b>	Duration is a measure of the sensitivity of the price, i.e. the value of principal, of a fixed income security to a change in interest rates. Duration is expressed as a number of years, but should not be confused with maturity. Bond prices are said to have an inverse relationship with interest rates. Therefore, rising interest rates indicate bond prices are likely to fall, while declining interest rates indicate bond prices are likely to rise.
<b>EBITDA</b>	A company's earnings before interest, taxes, depreciation and amortisation. It is one indicator of a company's financial performance and is used as a proxy for the earning potential of a business,
<b>Fallen Angel</b>	An investment grade company that has subsequently had its credit rating downgraded to non-investment grade.
<b>Fitch</b>	Fitch Ratings Inc.
<b>fixed income security</b>	A debt security which makes interest payments based on a fixed rate that is set at the time of issuance. The market value of fixed income securities can be affected by changes in market interest rates.
<b>full market cycle</b>	A cycle is a broad term referring to trends or patterns that emerge during different market or business environments. More specifically, a full market cycle, as referred to in this PDS, is a period beginning with either the high or low point for a financial market followed by a corresponding low or high point, as the case may be, and then ending when the market next achieves or exceeds the initial high or low point.
<b>government bond</b>	A bond issued by a government or government agency. It is a broad category of bonds, which includes sovereign bonds and subcomponents such as agency and "quasi-government" bonds, and local government bonds. The U.S., Japan and Europe have historically been the biggest issuers in the government bond market.
<b>Global High Yield Market</b>	The universe of constituents of the ICE BofAML Global High Yield Index.
<b>high yield bond</b>	A non-investment grade corporate bond. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.
<b>interest rate risk</b>	When market interest rates rise, the market value of fixed income securities (such as bonds) declines. Similarly, when market interest rates decline, the market value of fixed income securities increases.
<b>investment grade</b>	A credit rating of BBB-/Baa3 or better assigned by a credit rating agency. Higher rated borrowers with an investment grade rating generally allow companies to pay lower interest rates (e.g. coupon amount) on their debt when compared with lower rated borrowers.
<b>issuer</b>	The entity (i.e. borrower) issuing a debt security.
<b>maturity</b>	The number of years left until a debt security repays its principal to the holder.

<b>Moody's</b>	Moody's Investors Service
<b>Non-investment grade</b>	A credit rating of below BBB-/Baa3 as assigned by a credit rating agency or unrated. Non-investment grade borrowers (e.g. issuers of high yield bonds) generally pay higher interest rates than higher rated borrowers.
<b>S&amp;P</b>	Standard & Poor's Financial Services LLC
<b>sovereign bond</b>	A bond issued and generally backed by a central government, e.g. U.S Treasuries.
<b>top-down investing</b>	An investment approach that focuses on broader economic and market cycle themes in an attempt to identify investment sectors that are forecasted to outperform the market (not the individual company or companies).
<b>yield</b>	The income returned on an investment, such as the interest received from holding a debt security or a dividend received from holding an equity security (e.g. share). The yield is usually expressed as an annual percentage rate based on the investment's cost, current market value or face value.

## 16. Defined Terms

In this PDS:

<b>\$ or AUD</b>	Australian dollars.
<b>Additional New Units</b>	New Units in excess of their Entitlement applied for by an Eligible Unitholder under the Oversubscription Facility.
<b>Administrator</b>	JPMorgan.
<b>AEDT</b>	Australian Eastern Daylight Time.
<b>AEST</b>	Australian Eastern Standard Time.
<b>AIFRS</b>	Australian International Financial Reporting Standards.
<b>AFSL</b>	Australian Financial Services Licence.
<b>Applicant</b>	A person who submits a valid Application Form and Application Amount pursuant to this PDS.
<b>Application</b>	An application for New Units under this PDS.
<b>Application Amount</b>	The amount paid by an Applicant in connection with their Application.
<b>Application Form</b>	The <i>Entitlement and Acceptance Form</i> or the <i>Shortfall Offer Application Form</i> , as the case may be.
<b>Appointment Agreement</b>	The agreement between the Responsible Entity and JPMorgan, appointing JPMorgan as custodian and administrator for the Trust. See Section 12.4 for further details.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires.
<b>ASX Corporate Governance Principles and Recommendations (or ASX Recommendations)</b>	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this PDS.
<b>ATO</b>	The Australian Taxation Office.
<b>Bell Potter</b>	Bell Potter Securities Limited (ABN 25 006 390 772, AFSL 243480).

<b>Board</b>	The board of directors of the Responsible Entity.
<b>BPAY®</b>	The payments system operated by BPAY Pty Ltd (ABN 69 079 137 518).
<b>Broker</b>	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Responsible Entity to act as a broker to the Offer.
<b>Business Day</b>	A day, other than a Saturday, Sunday or public holiday on which Australian banks are open for business in Sydney Australia.
<b>Buy-Back</b>	An on-market buy-back of Units, which may be implemented by the Responsible Entity as detailed in Section 2.10.
<b>Class C Unit</b>	Any unit of such class in the Trust issued on terms granted under the Constitution for "C Units" as ascribed under the Constitution (not "Units"). Refer to Section 14.2 for further details.
<b>Class C Unitholder</b>	A registered holder of a Class C Unit.
<b>Closing Dates</b>	The Entitlement Offer Closing Date and the Shortfall Offer Closing Date.
<b>Co-Managers</b>	Bell Potter, Patersons, Shaw and Partners and Wilsons, individually a <b>Co-Manager</b> .
<b>Constitution</b>	The constitution of the Trust.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>CRN</b>	Customer Reference Number.
<b>Custodian</b>	JPMorgan.
<b>Derivatives</b>	Generally, a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index. Derivatives may relate to securities, bonds, interest rates, currencies or currency exchange rates, commodities, and related indexes. Examples include options contracts, futures contracts, options on futures contracts and swap agreements.
<b>Directors</b>	The directors (including any alternate directors) of the Responsible Entity as at the date of this PDS.
<b>Distributable Earnings</b>	The cash available for distribution, being net profit attributable to the class of units, adjusted for non-cash items and one-off and non-recurring items.
<b>DRP</b>	The Trust's Distribution Reinvestment Plan, being a plan that provides Unitholders with the ability to re-invest their distributions received from the Trust into Units.



<b>Eligible Investor</b>	A person who is eligible to participate in the Shortfall Offer, having received an invitation to participate and been offered a firm allocation from their Broker, and who is either a Retail Applicant with a residential address in Australia or New Zealand or an Institutional Applicant with a registered address in Australia or New Zealand.
<b>Eligible Unitholder</b>	A Unitholder qualified to participate in the Entitlement Offer, as more fully explained in Section 11.4.
<b>Entitlement</b>	The number of New Units for which each Eligible Unitholder is invited to apply under the Entitlement Offer as specified on their <i>Entitlement and Acceptance Form</i> .
<b>Entitlement Offer</b>	The pro-rata non-renounceable entitlement offer, under which Eligible Unitholders are invited to apply for 1 New Unit at the Offer Price for every 1 existing Unit held as at 7.00 pm (AEST) on the Record Date, to raise up to \$414.1 million.
<b>Entitlement Offer Closing Date</b>	26 June 2019.
<b>Entitlement Offer Issue Date</b>	4 July 2019, being the date on which New Units are allotted and issued under the Entitlement Offer.
<b><i>Entitlement and Acceptance Form</i></b>	The personalised form provided to each Eligible Unitholder for participation in the Entitlement Offer, accompanying this PDS.
<b>ESG</b>	Environmental, social and governance.
<b>Euros</b>	The single European currency.
<b>Evans Dixon</b>	Evans Dixon Corporate Advisory Pty Limited (ABN 21 137 980 520, AFSL 338885)
<b>Excess Amount</b>	The amount by which an Eligible Unitholder's Application Amount exceeds the amount required to be paid to cover their full Entitlement.
<b>Exposure Period</b>	The seven day period after the date of lodgement of the PDS with ASIC (as extended by ASIC (if applicable)).
<b>FATCA</b>	The U.S. Foreign Account Tax Compliances Act
<b>Global High Yield</b>	Has the meaning ascribed to that term in Section 4.1.
<b>Income Tax Assessment Act</b>	The <i>Income Tax Assessment Act 1936</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Ineligible Unitholder</b>	A Unitholder which is not qualified to participate in the Entitlement Offer as an Eligible Unitholder, as more fully explained in Section 11.3.

<b>Institutional Applicant</b>	An Applicant to whom offers or invitations in respect of units can be made without the need for a product disclosure statement (or other formality, other than a formality which the Responsible Entity is willing to comply with), including in Australia persons to whom offers or invitations can be made without the need for a product disclosure statement under section 1012D of the Corporations Act (disregarding section 1012DAA), and excluding a retail client within the meaning of section 761G of the Corporations Act.
<b>Investment Advisers</b>	NB Europe and NB Investment Advisers, individually an Investment Adviser.
<b>Investment Advisory Agreement</b>	The agreement by which an Investment Adviser is engaged by the Manager to undertake certain investment management duties in relation to the Trust.
<b>Investment Strategy</b>	The investment objectives, investment strategies, investment guidelines, permitted investments and elements of investment of the Trust as detailed in this PDS, in particular Sections 2 and 4.
<b>Investment Team</b>	The team of investment professionals responsible for the investment and management of the Trust as described in Section 5.1.3 of this PDS.
<b>IPO</b>	Initial Public Offer.
<b>Joint Lead Managers</b>	Evans Dixon, Morgans, NAB and Ord Minnett, individually a Joint Lead Manager.
<b>JPMorgan</b>	JPMorgan Chase Bank, National Association (ABN 43 074 112 011).
<b>Lead Arrangers</b>	Evans Dixon, Morgans and NAB, individually a Lead Arranger.
<b>Listing</b>	The Trust's admission to the official list of ASX and the official quotation of the Units by ASX on 26 September 2018 following its IPO.
<b>Listing Rules</b>	The official Listing Rules of ASX as amended or waived from time to time.
<b>Manager</b>	Neuberger Berman Australia Pty Limited (ABN 90 146 033 801, AFSL 391401), the manager of the Trust.
<b>Management Agreement</b>	The agreement between the Responsible Entity and the Manager appointing the Manager to manage the Trust, as summarised in Section 12.1.
<b>Maximum Offer Size</b>	\$476,255,804
<b>Morgans</b>	Morgans Financial Limited (ABN 49 010 669 726, AFSL 235410).
<b>NAB</b>	National Australia Bank Limited (ABN 12 004 044 937, AFSL 230686).
<b>NAV</b>	Net Asset Value.

<b>NB Europe</b>	Neuberger Berman Europe Limited, a UK private limited company authorised and regulated by the UK Financial Conduct Authority and registered with the U.S. Securities and Exchange Commission.
<b>NB Investment Advisers</b>	Neuberger Berman Investment Advisers LLC, a Delaware limited liability company registered with the U.S. Securities and Exchange Commission.
<b>Net Asset Value</b>	As it relates to the Trust is equal to its assets, less liabilities and accrued but unpaid expenses and reasonable reserves.
<b>Net Tangible Asset Backing</b>	As defined under and calculated in accordance with the Listing Rules in relation to a class of units, is the value of the total assets attributable to that class of units reduced by the intangible assets and total liabilities attributable to that class of units, divided by the number of units in that class.
<b>Neuberger Berman</b>	Neuberger Berman Group LLC, together with its subsidiaries and affiliates, including the Manager and the Investment Advisers.
<b>New Units</b>	Units offered and issued under the Offer. New Units include Additional New Units, unless the context requires, or it is specifically stated, otherwise.
<b>NTA of the Trust</b>	Aggregate value of the Net Tangible Asset Backing of all units in the Trust.
<b>NTA per Unit</b>	Net Tangible Asset Backing per Unit.
<b>Offer</b>	The offer of Units to raise up to \$476.3 million, comprising both the Entitlement Offer and the Shortfall Offer.
<b>Offer Costs</b>	The aggregate fees and costs of the Offer.
<b>Offer Management Agreement</b>	The agreement between the Responsible Entity, the Manager and the Joint Lead Managers in respect of the Offer dated on or around the date of this PDS, a summary of which is included in Section 12.3.
<b>Official List</b>	As referred to in the Listing Rules, it is the list of names of securities permitted quotation and, trading, on the ASX.
<b>Offer Period</b>	The period during which investors may subscribe for New Units under the Offer.
<b>Offer Price</b>	The price payable for a New Unit under the Offer, being \$2.00 per New Unit.
<b>Ord Minnett</b>	Ord Minnett Limited (ABN 86 002 733 048, AFSL 237121).
<b>OTC Derivatives</b>	Over-the-counter Derivatives.
<b>Oversubscription Facility</b>	The facility by which Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlement at the Offer Price.
<b>Patersons</b>	Patersons Securities Limited (ABN 69 008 896 311, AFSL 239052).

<b>PDS</b>	This product disclosure statement dated 14 May 2019 for the issue of New Units to raise up to \$476.3 million (including the electronic form of this PDS).
<b>Placement Capacity</b>	The Trust's available placement capacity under ASX Listing Rule 7.1.
<b>Portfolio</b>	The portfolio of investments of the Trust from time-to-time.
<b>Record Date</b>	31 May 2019.
<b>Responsible Entity</b>	Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975).
<b>Retail Applicant</b>	An Applicant who is not an Institutional Applicant.
<b>Shaw and Partners</b>	Shaw and Partners Limited (ABN 24 003 221 583, AFSL 236048).
<b>Shortfall</b>	Any New Units offered and remaining available, having not been taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility).
<b>Shortfall Offer</b>	The offer by the Responsible Entity under this PDS to Eligible Investors to apply for New Units at the Offer Price, with the number of New Units available under the Shortfall Offer being determined by the aggregate amount of the Shortfall and the Placement Capacity, as described more fully in Section 11.4.
<b>Shortfall Offer Application Form</b>	The application form for participation in the Shortfall Offer accompanying this PDS.
<b>Shortfall Offer Closing Date</b>	28 June 2019.
<b>Shortfall Offer Issue Date</b>	9 July 2019, being the date on which New Units are allotted and issued under the Shortfall Offer.
<b>SMSF</b>	Self-managed superannuation fund.
<b>Target Distribution</b>	The target distribution as described in section 2.4.
<b>Trust</b>	NB Global Corporate Income Trust (ARSN 627 297 241).
<b>Unit</b>	An ordinary unit (for the avoidance of doubt, not a Class C Unit).
<b>unit</b>	Any fully paid class of unit in the Trust (including both a Unit and a Class C Unit).
<b>Unitholder</b>	A registered holder of a Unit.
<b>unitholder</b>	A registered holder of any unit.
<b>Unit Registry</b>	Boardroom Pty Limited (ABN 14 003 209 836).

<b>United States or U.S.</b>	United States of America.
<b>US\$ or U.S. dollars</b>	United States dollars.
<b>U.S. Person</b>	A “U.S. Person” as defined in Rule 902 in Regulation S under the Securities Act of 1933 of the United States.
<b>Valuation Policy</b>	The Responsible Entity’s group valuation policy.
<b>Wilsons</b>	Wilsons Corporate Finance Limited (ABN 65 057 547 323, AFSL 238383).
<b>Wholesale Client</b>	Has the meaning given by section 761G of the Corporations Act.

## DIRECTORY

### RESPONSIBLE ENTITY

#### Equity Trustees Limited

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