

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

N | B

MONTHLY INVESTMENT REPORT – AS OF 31 AUGUST 2019

INVESTMENT OBJECTIVE & STRATEGY

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

Market Review and Outlook

Markets have been volatile largely on concerns about a potential economic slowdown. A new round of tariffs are set to commence as China and the U.S. struggle to agree on a schedule for a meeting to continue trade talks. In Emerging Markets, investors became worried after Argentina's pro-business President Mauricio Macri was unexpectedly defeated in a primary election against Alberto Fernandez. We believe the recent market panic was, to a large extent, driven by uncertainty about the policy agenda of Alberto Fernandez. Markets are worried that if Fernandez were to win the October general election, he would undo some of the progress made under Macri. Capital controls were put in place to create some stability. Also, in the two weeks after Fernandez's victory, the Argentine central bank used nearly 20% of its dollar reserves defending the Peso which has stabilized the currency somewhat. The general election is in October 2019 and if elected, Fernandez would not take office until December. While political uncertainty remains, we would expect volatility to continue. Considering Argentina's current debt to GDP levels, improving fiscal and current account dynamics, we believe near term default is unlikely. Recent events underscore the benefits of being well-diversified. Argentina represents less than 1% of the overall portfolio as of the end of August.

Fundamentals supporting the Global high yield universe continue to be constructive as revenue and cash flow are growing modestly while leverage has risen slightly but remains at relatively low levels compared to historical levels. Operating performance of underlying issuers has been stable; revenue and EBITDA growth remain in positive territory; interest coverage remains strong and refinancing activity has significantly reduced the amount of bonds maturing in the near term.

NBI Review

NBI holds a diversified portfolio of corporate high yield bonds issued by large, liquid global companies. Over the month, the portfolio modestly increased its exposure in BB securities and selective CCC securities where we see attractive relative value. We believe the portfolio is well-positioned to provide downside protection if market volatility increases and take advantage of future opportunities within lower quality securities.

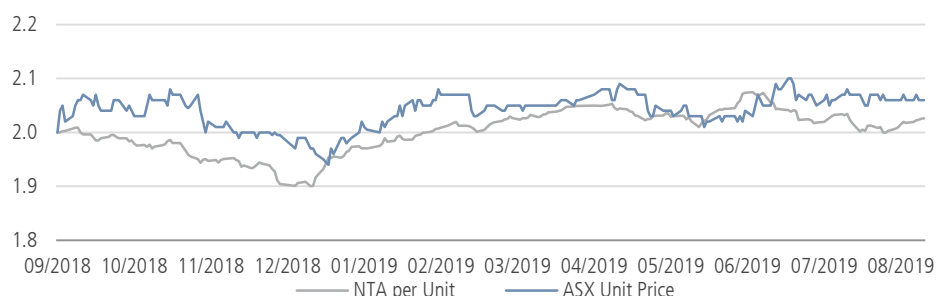
For August, NBI returned 0.04% and announced a monthly distribution of 0.899 cents per Unit, which keeps it firmly on track to achieving its Target Distribution¹ of 5.25% per annum (net of fees and expenses).

PERFORMANCE (NET)²

31 August 2019	1 Month	3 Months	6 Months	1 Year	Since Inception ³
Total Return (%)⁴	0.04	2.39	3.78	–	6.68

Past Performance is not a reliable indicator of future performance.

NTA PER UNIT / ASX UNIT PRICE PERFORMANCE



TRUST FACTS

Listing Date	26 September 2018
Market Cap	\$917.27 million
Net Tangible Assets (NTA)	\$902.24 million
ASX Unit Price	\$2.06
NTA per Unit	\$2.03 (cum)
Target Distribution¹	5.25% (net)
Distributions	Monthly
Management costs	0.85% p.a.
Responsible Entity	Equity Trustees Limited
Manager	Neuberger Berman Australia Pty Limited

ABOUT NEUBERGER BERMAN

- Founded in 1939; a private, independent, employee-owned investment manager
- US\$333 billion in AUM as of June 30, 2019
- Located in 35 cities with 18 portfolio management centers across 23 countries
- The firm has considered ESG in investment processes as far back as the 1940s. For more information, please visit www.nb.com/esg

FURTHER INFORMATION AND ENQUIRIES

General

Email Info.nbi@nb.com

Boardroom (Unit Registry)

Phone 1300-032-754 (within Australia)
Phone +612-8023-5419 (outside Australia)
www.boardroomlimited.com.au
Email: enquiries@boardroomlimited.com.au

RESEARCH



BondAdviser
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INDEPENDENT
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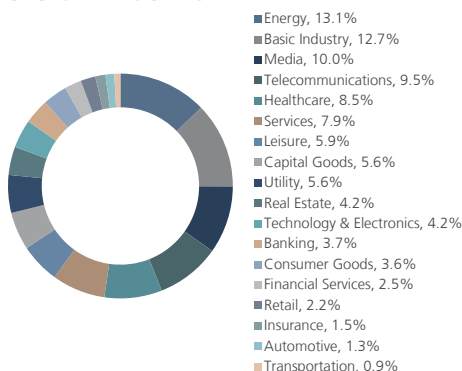
PLATFORMS

Asgard
BT Panorama
BT Wrap
CFS First Wrap

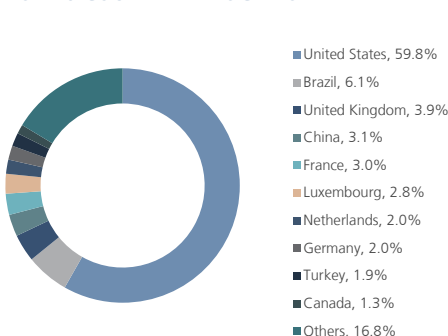
Hub 24
IOOF
Macquarie Wrap
MLC Wrap

MLC Navigator
Netwealth

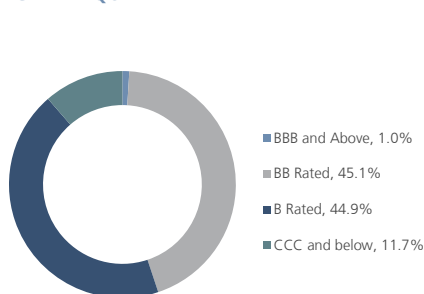
SECTOR ALLOCATION



TOP 10 COUNTRY ALLOCATION



CREDIT QUALITY⁵



TOTAL RETURNS (NET) (%)^{2, 4}

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total ³
FY2019	—	—	—	-1.14 ⁶	-0.87	-1.74	4.71	1.94	1.09	1.48	-1.20	3.07	7.38
FY2020	-0.70	0.04	—	—	—	—	—	—	—	—	—	—	—

Past Performance is not a reliable indicator of future performance.

DISTRIBUTIONS(¢/unit)⁷

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Annualized Distribution Rate
FY2019	—	—	—	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	2.47	9.47	6.24% ⁸
FY2020	0.899	0.899	—	—	—	—	—	—	—	—	—	—	—	5.25% ⁹

TOP 10 ISSUERS

	SECTOR	%
Petrobras	Energy	2.18
Numericable Group	Telecommunications	1.69
Bausch Health Companies	Healthcare	1.61
Sprint Corp	Telecommunications	1.59
Sirius XM Radio Inc	Media	1.50
Iron Mountain Inc	Services	1.34
BWAY Holding Co	Capital Goods	1.20
CSC Holdings LLC	Media	1.20
Energizer Holdings Inc.	Consumer Goods	1.18
Tenet Healthcare	Healthcare	1.14

BOND PORTFOLIO SUMMARY

Number of Holdings	455
Number of Issuers	305
Yield to Maturity (%) ¹⁰	5.97
Yield to Worst (%) ¹¹	5.65
Weighted Average Duration (years)	3.91
Average Credit Quality	B+

- For FY2020, NBI has set the target distribution amount per Unit, which is paid monthly by NBI, at 5.25% p.a. (net of fees and expenses) on the NTA per Unit as at 1 July 2019 ("Target Distribution"). The Target Distribution is only a target and may not be achieved. Actual distributions will be monitored against the Target Distribution. The Target Distribution will be formally reviewed at least annually (as at the end of each financial year) and any reduction in Target Distribution will be notified by way of ASX announcement as required. Investors should review the "Risk Factors" set out in Section 8 of NBI's product disclosure statement dated 14 May 2019 ("PDS").
- Performance is calculated net of management costs, which includes the Responsible Entity fee, the Management fee, the Administration fee, along with custodian, audit and legal fees and other transactional and operational costs. Investors should review the PDS for full details of NBI, including, in particular, the "Fees and Other Costs" section of the PDS.
- Listing Date: 26 September 2018. Performance less than 1 year is not annualized.
- Total Return is calculated based on the pre-distribution month end NTA and assumes all distributions are reinvested.
- Credit quality ratings are based on the Bank of America ("BoFA") Merrill Lynch Master High Yield Index composite ratings. The BoFA Merrill Lynch composite ratings are updated once a month on the last calendar day of the month based on information available up to and including the third business day prior to the last business day of the month. The BoFA Merrill Lynch composite rating algorithm is based on an average of the ratings of three agencies (to the extent rated). Generally the composite is based on an average of Moody's, S&P and Fitch. For holdings that are unrated by the BoFA Merrill Lynch Index composite, credit quality ratings are based on S&P's rating. Holdings that are unrated by S&P may be assigned an equivalent rating by the investment manager. No NRSO has been involved with the calculation of credit quality and the ratings of underlying portfolio holdings should not be viewed as a rating of the portfolio itself. Portfolio holdings, underlying ratings of holdings and credit quality composition may change materially over time.
- Calculated from the listing date of 26 September 2018 to 31 October 2018.
- The most recent distribution amount has been announced, but not yet paid.
- Based on the Initial Public Offer Subscription Price of \$2.00
- Based on the NTA per Unit as at 1 July 2019.
- Yield to Maturity — The total annualised return anticipated on a bond if it is held until the end of its lifetime. Yield to maturity is considered a long-term bond yield, but is expressed as an annual rate.
- Yield to Worst — The lowest potential annualised total return that can be received on a bond without the issuer defaulting. This can be different from the yield to maturity because it assumes that the issuer will exercise any option it has to "call" the security at the earliest opportunity (to redeem and repay the principal value to an investor early).

DISCLAIMERS

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298, AFSL 240975), is the Responsible Entity for the NB Global Corporate Income Trust ("NBI"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This publication has been prepared by Neuberger Berman Australia Ltd (ACN 146 033 801) ("NB Australia") to provide you with general information only. In preparing this publication, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this publication. Neither NB Australia, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of NBI's Product Disclosure Statement before making a decision about whether to invest in this product. The information contained in this publication is taken from publicly available sources that is subject to change without notice. EQT and NB Australia make no representation as to the reliability or accuracy of the publicly available information.