

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

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MONTHLY INVESTMENT REPORT – AS OF 30 SEPTEMBER 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

In September, global capital markets continued to be volatile with the trade war story between the U.S. and China dominating the headlines. In addition, uncertainties around Brexit and attacks on Saudi Arabia's oil facilities have affected investor sentiment. These negative impacts were partially offset by accommodative policies introduced by the U.S. Federal Reserve, the European Central bank, the People's Bank of China and several other central banks. During the month, the global high yield market recorded 0.40% return.

A combination of impacts from trade policies, a lower level of consumption and rising event risk is increasing the chances of zero or even recessionary growth levels in several regions. However, easier financial conditions in developed markets, as well as potential further fiscal and monetary boosts in China, will likely cushion these downside risks to some extent. We believe that a global soft landing is a likely outcome, which would ultimately support a range of assets including high yield.

In our view, 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 reduced its position in the energy sector and increased 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.

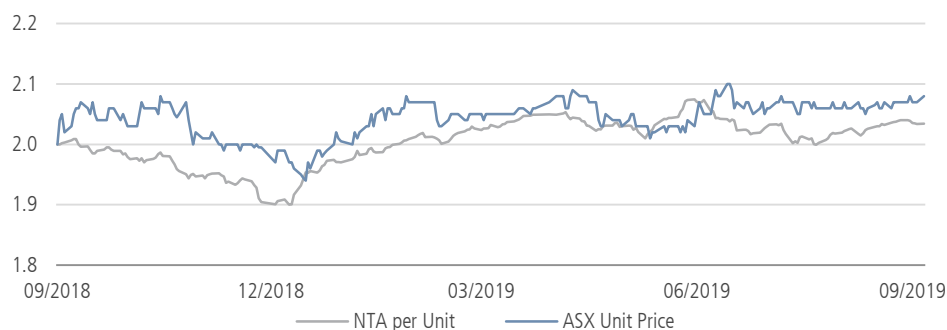
For September, NBI returned 0.85% and announced a monthly distribution of 0.899 cents per Unit, which keeps it firmly on track to achieving its Target Distribution¹ of 5.25% per annum (net of fees and expenses).

PERFORMANCE (NET)²

30 SEPTEMBER 2019	1 Month	3 Months	6 Months	1 Year	Since Inception ³
Total Return (%)⁴	0.85	0.18	3.53	7.42	7.47

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	\$926.24 million
Net Tangible Assets (NTA)	\$905.90 million
ASX Unit Price	\$2.08
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

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RESEARCH



BondAdviser
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INDEPENDENT
INVESTMENT RESEARCH

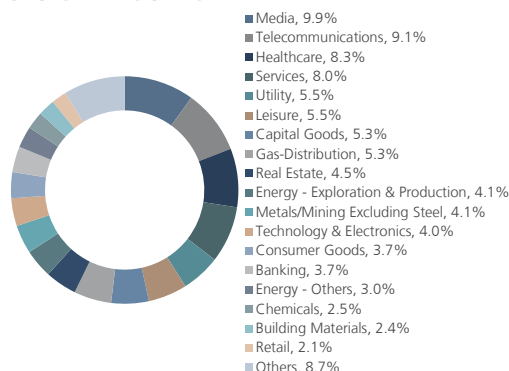
PLATFORMS

Asgard
BT Panorama
BT Wrap
CFS First Wrap

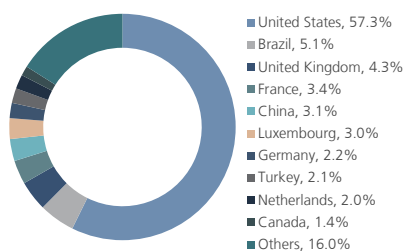
Hub 24
IOOF
Macquarie Wrap
MLC Wrap

MLC Navigator
Netwealth

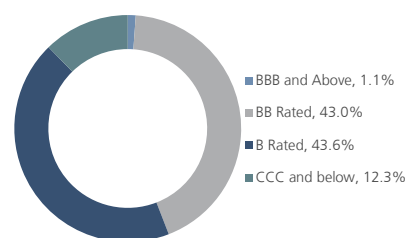
SECTOR ALLOCATION



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	0.85	—	—	—	—	—	—	—	—	—	—

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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	0.899	—	—	—	—	—	—	—	—	—	—	5.25% ⁹

TOP 10 ISSUERS

	SECTOR	%
Numericable Group	Telecommunications	1.91
Bausch Health Companies	Healthcare	1.59
Iron Mountain Inc	Services	1.48
Sirius XM Radio Inc	Media	1.43
CSC Holdings LLC	Media	1.31
Petrobras	Energy - Others	1.20
BWAY Holding Co	Capital Goods	1.17
Energizer Holdings Inc.	Consumer Goods	1.16
Tenet Healthcare	Healthcare	1.12
Charter Communications	Media	1.08

BOND PORTFOLIO SUMMARY

Number of Holdings	456
Number of Issuers	300
Yield to Maturity (%) ¹⁰	5.93
Yield to Worst (%) ¹¹	5.62
Weighted Average Duration (years)	3.94
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

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