

# NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

N | B

## MONTHLY INVESTMENT REPORT – AS OF 30 NOVEMBER 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

Market sentiment remained generally positive over November, as optimism surrounding de-escalating trade war persisted. Despite sustained optimism, little substantive progress was made in trade negotiations between the U.S. and China over November. At the beginning of the month, the U.S. and China surprisingly announced that an initial trade deal would include the roll back of select tariffs; However, President Trump promptly reversed course, expressing his reluctance to rolling back tariffs of any kind. The topic has emerged as a key hurdle to finalizing a "Phase One" trade deal, raising concerns that a deal may not be struck before the end of the year.

Outside of the U.S., Prime Minister Boris Johnson and his Conservative Party received a boost as Nigel Farage's Brexit Party announced they would stand down in 317 Tory constituencies during December's snap general election. Elsewhere, in her first ECB speech as president, Christine Lagarde called for greater public investment by European governments and BOJ Governor Haruhiko Kuroda underscored the bank's ability to ease policy further should global risks derail domestic growth.

Credit spreads continued to be supported by recovering risk sentiment particularly concerning trade and strong investor demand. Even with a more uncertain macro environment, credit fundamentals continue to appear sustainable, and default expectations remain low by historical standards.

### 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 position in the Services sector and modestly increased BB and B securities. 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.

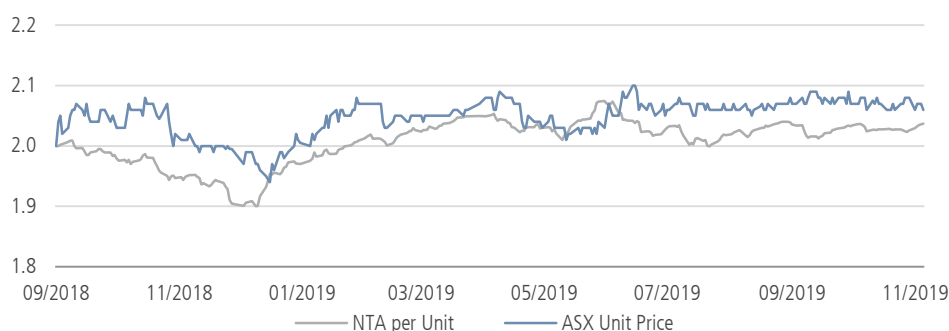
For November, NBI returned 0.69% and announced a monthly distribution of 0.899 cents per Unit, which represents an annualised distribution of 5.25% (net of fees and expenses) and is in line with NBI's Target Distribution<sup>1</sup>.

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

30 NOVEMBER 2019	1 Month	3 Months	6 Months	1 Year	Since Inception <sup>3</sup>
<b>Total Return (%)<sup>4</sup></b>	0.69	1.88	4.31	10.89	7.30

Past Performance is not a reliable indicator of future performance.

### NTA PER UNIT / ASX UNIT PRICE PERFORMANCE



### TRUST FACTS

<b>Listing Date</b>	26 September 2018
<b>Market Cap</b>	\$917.48 million
<b>Net Tangible Assets (NTA)</b>	\$907.20 million
<b>ASX Unit Price</b>	\$2.06
<b>NTA per Unit</b>	\$2.04 (cum)
<b>Target Distribution<sup>1</sup></b>	5.25% (net)
<b>Distributions</b>	Monthly
<b>Management costs</b>	0.85% p.a.
<b>Responsible Entity</b>	Equity Trustees Limited
<b>Manager</b>	Neuberger Berman Australia Limited

### ABOUT NEUBERGER BERMAN

- Founded in 1939; a private, independent, employee-owned investment manager
- US\$339 billion in AUM as of September 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](http://www.nb.com/esg)

### FURTHER INFORMATION AND ENQUIRIES

#### General

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

#### Boardroom (Unit Registry)

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

### RESEARCH



**BondAdviser**  
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INVESTMENT RESEARCH

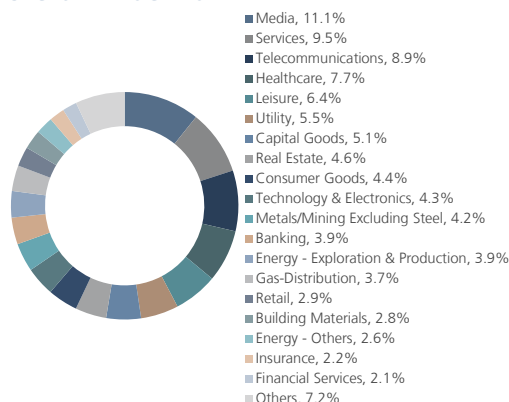
### PLATFORMS

Asgard  
BT Panorama  
BT Wrap  
CFS First Wrap

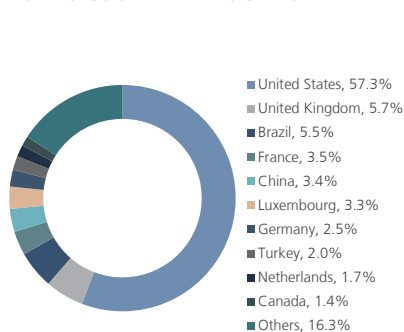
Hub 24  
IOOF  
Macquarie Wrap  
MLC Wrap

MLC Navigator  
Netwealth

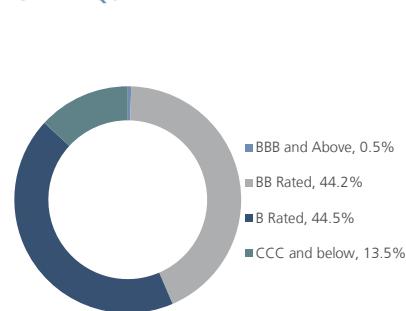
## SECTOR ALLOCATION



## TOP 10 COUNTRY ALLOCATION



## CREDIT QUALITY<sup>5</sup>



## TOTAL RETURNS (NET) (%) <sup>2, 4</sup>

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
FY2019	—	—	—	-1.14 <sup>6</sup>	-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	0.33	0.69	—	—	—	—	—	—	—	—

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## DISTRIBUTIONS (¢/unit)<sup>7</sup>

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Annualised 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% <sup>8</sup>
FY2020	0.899	0.899	0.899	0.899	0.899	—	—	—	—	—	—	—	—	5.25% <sup>9</sup>

## TOP 10 ISSUERS

	SECTOR	%
Numericable Group	Telecommunications	1.95
Iron Mountain Inc	Services	1.75
Sirius XM Radio Inc	Media	1.58
Netflix Inc.	Media	1.52
TransDigm Inc	Capital Goods	1.51
Energizer Holdings Inc.	Consumer Goods	1.40
CSC Holdings LLC	Media	1.29
Petrobras	Energy - Others	1.24
Charter Communications	Media	1.22
Hertz Corp	Services	1.20

## BOND PORTFOLIO SUMMARY

Number of Holdings	454
Number of Issuers	311
Yield to Maturity (%) <sup>10</sup>	5.82
Yield to Worst (%) <sup>11</sup>	5.40
Weighted Average Duration (years)	3.79
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.
- Annualised Performance since 26 September 2018 to latest month end.
- 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, and will be paid in the following month.
- 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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