

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

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MONTHLY INVESTMENT REPORT – AS OF 31 MARCH 2020

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

The global capital market experienced significant volatility during the month of March due to the worldwide spread of the virus and its impact on global economic activity. Central banks around the world are taking extraordinary measures to provide liquidity to ensure the proper functioning of capital markets and to ensure that credit channels are open.

Against this backdrop, global high yield markets also experienced significant volatility. Sectors most directly impacted by recent events include those exposed to travel, leisure, non-essential consumer discretionary, and energy and gas distribution, we think price declines for some of these issuers will likely be more transitory.

In this environment, credit spreads in global high yield markets have widened toward the 1,000-plus basis-point level. While volatility may continue, these levels have been attractive entry points for long-term investors in past periods of market dislocation. Credit selection, including the avoidance of defaults, should also be a key factor in determining future return profiles.

NBI Review

NBI holds a diversified portfolio of corporate high yield bonds issued by large, liquid global companies. For the month of March, NBI returned -16.81%. In this initial phase of a liquidity-driven downdraft, larger, more liquid bonds have been sold first, as mutual fund and ETF outflows have caused some managers to sell what they can instead of what they may want to. Historically, such gaps in performance between large, liquid issuers and the overall market have been relatively short-lived, and followed by periods in which the market sorted the issuers that could survive from those that might require restructuring or closure.

While high yield market default rates were well below long-term averages as of February, we expect default rates to increase in the months ahead given the unprecedented temporary shutdown of non-essential economic activity. In light of the prospective negative impacts, NBI Investment team has stress-tested all the issuers in the portfolio based on (a) potential length of closures/disruptions, (b) ability to cut costs and defer capital expenditures, (c) near-term liquidity, (d) available bank lines and (e) the timing of upcoming maturities to evaluate an issuer's expected ability to manage through this period. One of the key conclusions from our team's stress-testing exercise is that the median issuer within the high yield market has an estimated eight months of liquidity available to manage through a period of potentially minimal revenues. We believe the portfolio is well-positioned if market volatility persists.

While initial periods of volatility typically see declines in the value of bonds across all companies, we expect that the market will quickly work towards separating out winners and losers. We are already seeing what we believe to be attractive relative value opportunities across ratings categories where we are adding to issuers that we believe will be accretive to future returns.

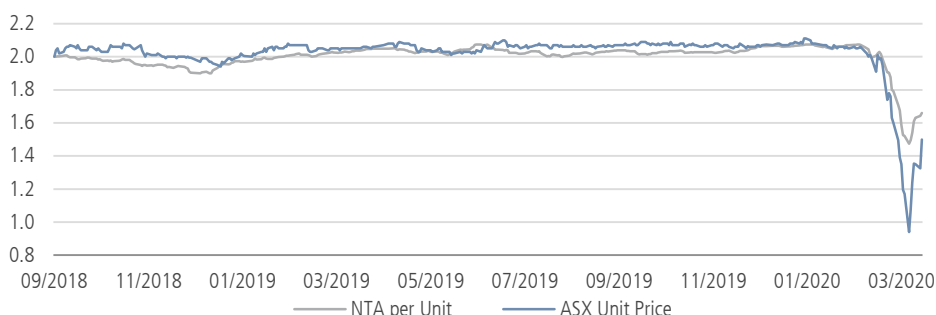
As of end of March, NBI experienced no defaults in its portfolio and announced a monthly distribution of 0.899 cents per Unit, which represents an annualised distribution of 5.25% (net of fees and expenses) and is in line with NBI's Target Distribution¹.

PERFORMANCE (NET)²

31 MARCH 2020	1 Month	3 Months	6 Months	1 Year	Since Inception ³
Total Return (%)⁴	-16.81	-18.64	-16.21	-13.25	-6.62

Past Performance is not a reliable indicator of future performance.

NTA PER UNIT / ASX UNIT PRICE PERFORMANCE



RESEARCH

BondAdviser
Invest Intelligently

INDEPENDENT
INVESTMENT RESEARCH

Lonsec

Zenith
Investment Partners

TRUST FACTS

Listing Date	26 September 2018
Market Cap	\$688.30 million
Net Tangible Assets (NTA)	\$739.57 million
ASX Unit Price	\$1.50
NTA per Unit	\$1.66 (cum)
Target Distribution¹	5.25% (net)
Distributions	Monthly
Management costs	0.85% p.a.
Responsible Entity	Equity Trustees Limited
Manager	Neuberger Berman Australia Limited

ABOUT NEUBERGER BERMAN

- Founded in 1939; a private, independent, employee-owned investment manager
- US\$356 billion in AUM as of December 31, 2019
- Located in 35 cities with 19 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

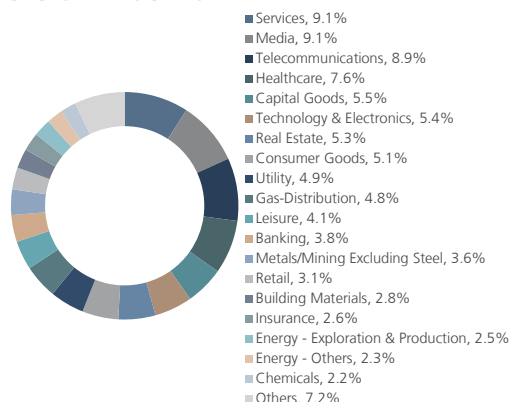
Boardroom (Unit Registry)
Phone 1300-032-754 (within Australia)
Phone +612-8023-5419 (outside Australia)
www.boardroomlimited.com.au
Email: enquiries@boardroomlimited.com.au

PLATFORMS

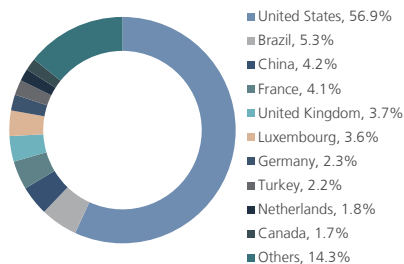
Asgard	IOOF
BT Panorama	Macquarie Wrap
BT Wrap	MLC Wrap
CFS First Wrap	MLC Navigator
Hub 24	Netwealth

For further information and subscription details, please visit www.nb.com/NBI

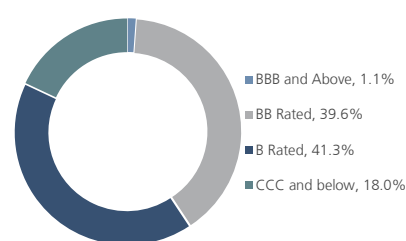
SECTOR ALLOCATION



TOP 10 COUNTRY ALLOCATION



CREDIT QUALITY⁵



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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
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	0.33	0.69	1.94	-0.15	-2.05	-16.81	—	—	—	—

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DISTRIBUTIONS(¢/unit)⁷

	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% ⁸
FY2020	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.899	—	—	—	—	5.25% ⁹

TOP 10 ISSUERS

	SECTOR	%
Numerical Group	Telecommunications	3.73
Iron Mountain Inc	Services	1.89
TransDigm Inc	Capital Goods	1.87
Energizer Holdings Inc.	Consumer Goods	1.73
CSC Holdings LLC	Media	1.69
Sprint Corp	Telecommunications	1.63
Sirius XM Radio Inc	Media	1.62
Hub International Ltd	Insurance	1.50
Petrobras	Energy - Others	1.45
Buckeye Partners LP	Gas-Distributions	1.31

BOND PORTFOLIO SUMMARY

Number of Holdings	507
Number of Issuers	329
Yield to Maturity (%) ¹⁰	9.67
Yield to Worst (%) ¹¹	9.64
Weighted Average Duration (years)	4.81
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 change 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 21 January 2020 ("2020 PDS"). Section 3.3.1 of the 2020 PDS sets out the Manager's views in relation to the interest rate environment and impact on target distributions. The Manager anticipates the Trust having to revise its Target Distribution for the financial year beginning 1 July 2020 marginally downwards given the recent decline in yields across global fixed income markets and the ongoing turnover of the Trust's holdings resulting from the Manager's active management approach.
- 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

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.