

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

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MONTHLY INVESTMENT REPORT – AS OF 31 AUGUST 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 recovery in markets and the economy continued over August. The August U.S. employment report surprised to the upside for the fourth consecutive month, with non-farm payrolls in line with estimates at +1.4 million, average hourly earnings increasing +0.4% (vs 0.0% consensus) and the jobless rate improving to 8.4% from 10.2% last month.

Federal Reserve Chair Jerome Powell in his remote Jackson Hole speech outlined a formal adjustment to the Fed's policy framework. The new policy strategy will allow inflation to run higher and the unemployment rate to run lower for longer periods of time than tolerated in earlier cycles. Overall, the new framework suggests that the Fed's stance should remain dovish and policy rates should remain low for the foreseeable future. Elsewhere, the ECB warned of a potential surge in unemployment this fall as government support programs are set to expire. In Japan, the "Abenomics" framework and highly-accommodative monetary policy of the BoJ are likely to remain unchanged despite the resignation of long-time Prime Minister Shinzo Abe.

The global high yield market, represented by the ICE BofA Global High Yield Index posted a positive 1.26% total return during the month of August.

Our global research team continues to monitor and assess the investment thesis for each issuer in the portfolio as well as focus on new issues and identifying relative value opportunities. We think the dislocation in more liquid credits should continue to provide an above average opportunity and we find that the higher quality segments of the high yield market still provide attractive spread opportunities relative to the inherent credit risks.

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 BBB and above rated bonds and modestly increased its position in BB and B rated bonds where we see value. NBI continued to experience no defaults in its portfolio.

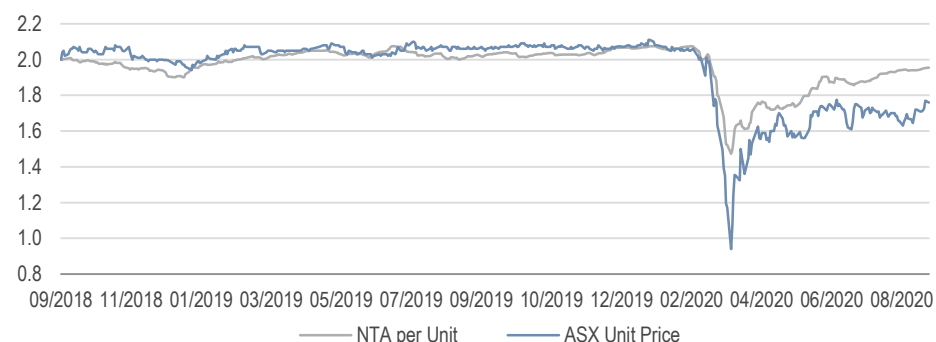
As of end of August, NBI returned 1.61% and announced a monthly distribution of 0.696 cents per Unit, which represents an annualised distribution of 4.50% (net of fees and expenses).

PERFORMANCE (NET)²

31 August 2020	1 Month	3 Months	6 Months	1 Year	Since Inception ³
Total Return (%)⁴	1.61	7.85	0.57	2.15	4.54

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	\$784.55 million
Net Tangible Assets (NTA)	\$871.26 million
ASX Unit Price	\$1.76
NTA per Unit	\$1.95 (cum)
Target Distribution¹	4.50% (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\$357 billion in AUM as of June 30, 2020
- Located in 35 cities with 19 portfolio management centers across 24 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

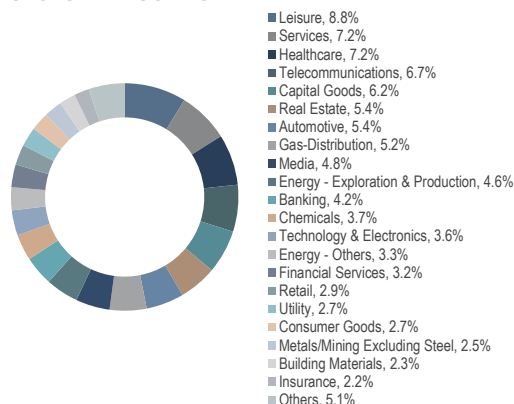
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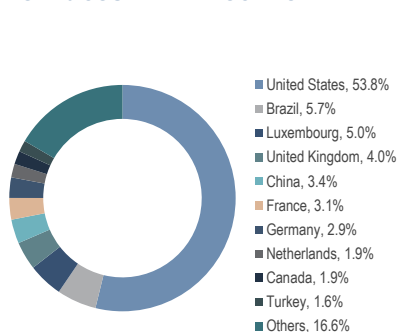
PLATFORMS

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

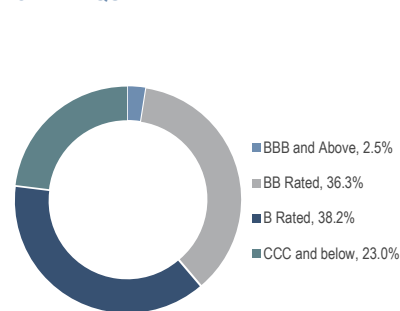
SECTOR ALLOCATION



TOP 10 COUNTRY ALLOCATION



CREDIT QUALITY⁵



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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
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	5.58	6.17	1.80	-4.22
FY2021	4.27	1.61											

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DISTRIBUTIONS(¢/unit)⁷

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Annualised Distribution Rate ⁸
FY2019	—	—	—	0.875	0.875	0.875	0.875	0.875	0.875	0.875	0.875	2.469	9.47	6.24%
FY2020	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.899	0.971	10.86	5.28%
FY2021	0.696	0.696												4.50%

TOP 10 ISSUERS

ISSUER	SECTOR	%
Ford Motor Co	Automotive	2.54
Numericable Group	Telecommunications	2.34
Petrobras	Energy - Others	1.40
TransDigm Inc	Capital Goods	1.16
Teva Pharmaceutical Industries Ltd.	Healthcare	1.01
CIT Group Inc	Banking	0.95
Commscope Holding CO Inc	Technology & Electronics	0.88
Merlin Entertainment PLC	Leisure	0.87
AssuredPartners Inc.	Insurance	0.87
Buckeye Partners LP	Gas-Distribution	0.86

BOND PORTFOLIO SUMMARY

Number of Holdings	513
Number of Issuers	340
Yield to Maturity (%) ⁹	6.13
Yield to Worst (%) ¹⁰	5.81
Weighted Average Duration (years)	3.80
Average Credit Quality	B+

- For FY2021, NBI has set the target distribution amount per Unit, which is paid monthly by NBI, at 4.50% p.a. (net of fees and expenses) on the NTA per Unit as at 1 July 2020 ("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.
- 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.
- FY2019 based on the Initial Public Offer Subscription Price of \$2.00; FY2020 based on the NTA per Unit as at 1 July 2019; FY2021 based on the NTA per Unit as at 1 July 2020.
- 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).

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