

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

N | B

MONTHLY INVESTMENT REPORT – AS OF 28 FEBRUARY 2021

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

Fixed income markets were tested over February as government bond yields sold off sharply on the back of rising optimism around the pace of economic recovery and magnitude of future fiscal stimulus. Performance across major fixed income sectors was mixed over the month, with high yield credit delivering modestly positive total return. Spreads over February were influenced by encouraging 4th quarter earnings, positive vaccine progress and growing optimism surrounding fiscal stimulus. Credit markets continue to be primarily focused on the path of the virus and the distribution and effectiveness of approved vaccines.

In the U.S., COVID-19 pace of transmission has slowed for the second consecutive month which appears to mark a turning point in the battle against the virus. The White House continued to push its ~\$1.9 trillion COVID-19 relief bill. The economic data strengthened over the month with employment report exceeding expectations.

Looking ahead, we anticipate strong, if uneven, recovery across regions as the pandemic plays out. Overall, we see an investment environment of renewed growth and improving fundamental conditions, combined with increased inflationary pressures, but without any significant change in monetary policy as central banks maintain current support in light of ongoing, though potentially fading, pandemic conditions and lockdowns.

As such, we are constructive on select credit securities, particularly favoring those that offer carry with minimal duration, and inflation-sensitive assets. While we are looking at opportunities in COVID-sensitive industries, research-driven security selection remains critical as ever.

NBI Review

NBI holds a diversified portfolio of corporate high yield bonds issued by large, liquid global companies. NBI continued to experience no defaults in its portfolio.

As of end of February, NBI returned 0.43% and announced a monthly distribution of 0.696 cents per Unit, which represents an annualized distribution of 4.50% (net of fees and expenses).

PERFORMANCE (NET)²

28 February 2021	1 Month	3 Months	6 Months	1 Year	2 Year	Since Inception ³
Total Return (%) ⁴	0.43	1.84	6.25	6.85	6.13	6.21

Past Performance is not a reliable indicator of future performance. Periods less than one year are not annualized.

NTA PER UNIT / ASX UNIT PRICE PERFORMANCE



TRUST FACTS

Listing Date	26 September 2018
Market Cap	\$847.36 million
Net Tangible Assets (NTA)	\$905.17 million
ASX Unit Price	\$1.90
NTA per Unit	\$2.03 (cum)
Target Distribution ¹	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\$405 billion in AUM as of December 31, 2020
- Located in 36 cities with 18 portfolio management centers across 25 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

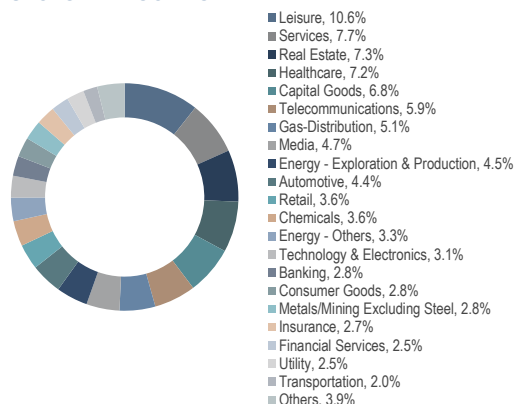
BT Wrap
MLC Wrap

CFS First Wrap
MLC Navigator

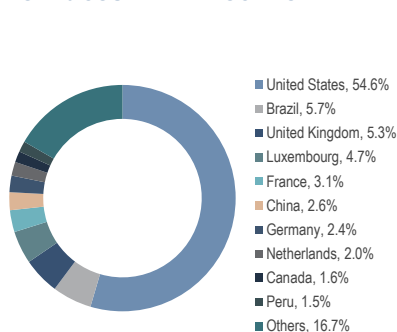
Hub 24
Netwealth

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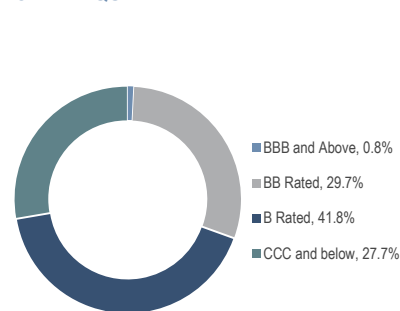
SECTOR ALLOCATION



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	-0.96	0.52	4.80	1.55	-0.15	0.43					

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	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	0.696	0.696	0.696	0.696	0.696	0.696						4.50%

TOP 10 ISSUERS

	SECTOR	%
Numericable Group	Telecommunications	2.14
Ford Motor Co	Automotive	1.55
TransDigm Inc	Capital Goods	1.27
Petrobras	Energy - Others	1.20
Tenet Healthcare	Healthcare	1.15
Carnival Plc	Leisure	1.13
Commscope Holding CO Inc	Technology & Electronics	1.04
AssuredPartners Inc.	Insurance	1.02
Uniti/Communications Sales & Leasing Inc.	Real Estate	1.02
Teva Pharmaceutical Industries Ltd	Healthcare	0.98

BOND PORTFOLIO SUMMARY

Number of Holdings	533
Number of Issuers	334
Yield to Maturity (%) ⁹	5.46
Yield to Worst (%) ¹⁰	4.88
Weighted Average Duration (years)	3.28
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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