

# NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

N | B

## MONTHLY INVESTMENT REPORT – AS OF 30 JUNE 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 remained quiet over June with the high yield corporate bond market delivering a positive total return. Strong first-quarter earnings, sound fundamentals and the continued re-opening of the U.S. economy were supportive of tightening spreads over the month. Credit markets remain focused on the progress of global economic re-openings and the future path of waning monetary and fiscal support.

In the U.S., the FOMC offered a modest hawkish surprise with an updated projection of policy rates in 2023 in response to growing inflationary pressure and an improving economic outlook in the U.S. Elsewhere, the ECB agreed to maintain an elevated pace of bond purchases in a move to keep borrowing costs low and policy accommodative.

The rapid shift at the June meeting is a subtle indication that the Fed will not hesitate to employ aggressive monetary policy adjustments if there are strong signs of significant upside risk to the inflation outlook. Importantly, we believe the underlying drivers of tight credit spreads, strong economic growth and low default rates are unlikely to be materially impacted by the evolving central bank landscape.

As such, we continue to expect strong economic growth in 2021 and 2022 and a below trend default environment for the next few years. While new COVID variants and concerns over inflation could result in pockets of short-term volatility, we believe our bottom-up, fundamental credit research focused on individual credit selection while seeking to avoid credit deterioration and putting only our "best ideas" into portfolios, position us well to take advantage of any volatility.

### NBI Review

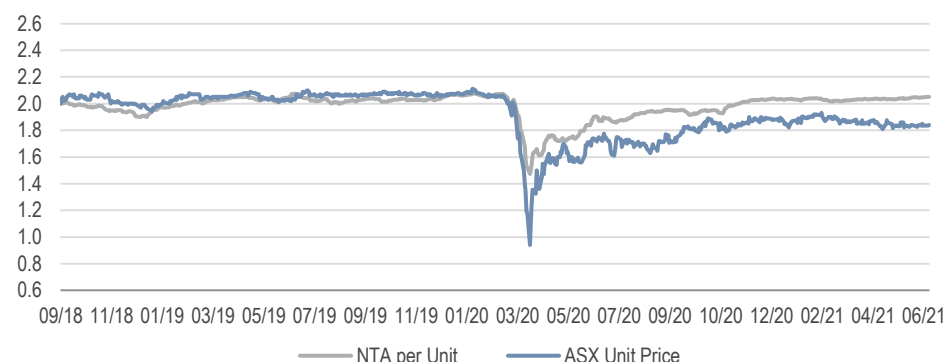
As of end of June, NBI returned 0.96% and announced a monthly distribution of 1.985 cents per Unit, which represents an annualised distribution of 5.20% (net of fees and expenses) exceeding its Target Distribution<sup>1</sup> of 4.50% for FY2021. Since listing in September 2018, NBI has exceeded its Target Distribution for the past 3 financial years.

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

30 JUNE 2021	1 Month	3 Months	6 Months	1 Year	2 Year	Since Inception <sup>3</sup>
<b>Total Return (%)<sup>4</sup></b>	0.96	2.35	2.94	15.54	5.20	6.44

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

<b>Listing Date</b>	26 September 2018
<b>Market Cap</b>	\$820.85 million
<b>Net Tangible Assets (NTA)</b>	\$915.50 million
<b>ASX Unit Price</b>	\$1.84
<b>NTA per Unit</b>	\$2.05 (cum)
<b>Target Distribution<sup>1</sup></b>	4.50% (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\$402 billion in AUM as of March 31, 2021
- Located in 36 cities with 19 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](http://www.nb.com/esg)

### FURTHER INFORMATION AND ENQUIRIES

**General**  
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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)

### PLATFORMS

Asgard  
IOOF

BT Panorama  
Macquarie Wrap

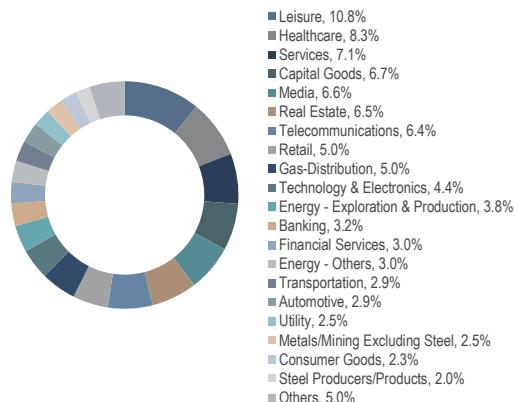
BT Wrap  
MLC Wrap

CFS First Wrap  
MLC Navigator

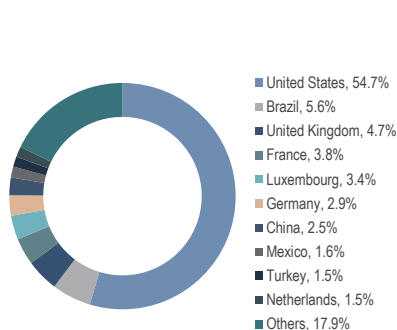
Hub 24  
Netwealth

For further information and subscription details, please visit [www.nb.com/NBI](http://www.nb.com/NBI)

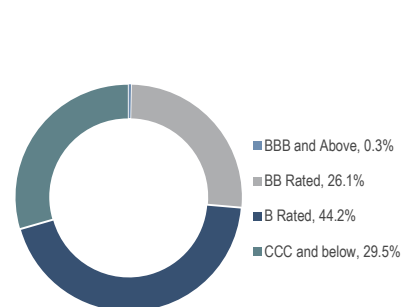
## SECTOR ALLOCATION



## 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	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	0.29	0.88	0.49	0.96	15.54

Past Performance is not a reliable indicator of future performance.

## DISTRIBUTIONS(¢/unit)<sup>7</sup>

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Annualised Distribution Rate <sup>8</sup>
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	0.696	0.696	0.696	1.985	9.64	5.20%

## TOP 10 ISSUERS

	SECTOR	%
Numericable Group	Telecommunications	1.72
Carnival Plc	Leisure	1.59
Tenet Healthcare Corporation	Healthcare	1.29
Community Health Systems Inc	Healthcare	1.12
Calpine Corp	Utility	1.09
Realogy Holdings Corp	Real Estate	1.08
Commscope Holding Co Inc	Technology & Electronics	1.06
AssuredPartners Inc	Insurance	1.06
Cablevision Systems Corporation	Media	1.00
Teva Pharmaceutical Industries Ltd	Healthcare	0.98

## BOND PORTFOLIO SUMMARY

Number of Holdings	508
Number of Issuers	342
Yield to Maturity (%) <sup>9</sup>	5.36
Yield to Worst (%) <sup>10</sup>	4.74
Weighted Average Duration (years)	3.23
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

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