

APPENDIX 4D HALF-YEAR REPORT

NB Global Corporate Income Trust (ARSN: 627 297 241) (the "Fund")

Current reporting period	1 July 2021 to 31 December 2021
Previous corresponding period	1 July 2020 to 31 December 2020

RESULTS FOR ANNOUNCEMENT TO THE MARKET

PERFORMANCE	HALF-YEAR ENDED 31 DECEMBER 2021 \$'000		HALF-YEAR ENDED 31 DECEMBER 2020 \$'000
Total investment income/(loss) (Revenue from ordinary activities)	279	Down 99.73% from	102,291
Operating profit/(loss) for the half-year	(3,571)	Down 103.62% from	98,551
Total comprehensive income/(loss) for the half-year	(3,571)	Down 103.62% from	98,551

DETAILS OF DISTRIBUTIONS

The distributions for the half-year ended 31 December 2021 are as follows:

DISTRIBUTIONS ^{(1), (2), (3)}	RECORD DATE	PAYMENT DATE	AMOUNT PER UNIT (CPU)
July 2021	3 August 2021	10 August 2021	0.8049
August 2021	2 September 2021	9 September 2021	0.8049
September 2021	4 October 2021	11 October 2021	0.8049
October 2021	2 November 2021	9 November 2021	0.8049
November 2021	2 December 2021	9 December 2021	0.8049
December 2021	5 January 2022	12 January 2022	0.8049

- (1) Subsequent to the current reporting period, the Fund made a distribution for the month of January 2022 and has announced the details of its distribution for the month of February 2022.
- a. The January 2022 monthly distribution had a record date of 2 February 2022 and a payment date of 9 February 2022. The amount distributed was 0.8049 CPU and was unfranked.
 - b. The February 2022 monthly distribution will have a record date of 2 March 2022 and a payment date of 9 March 2022. The Fund intends on distributing 0.8049 CPU and for the distribution to be unfranked.



- (2) All distributions relate to foreign sourced income.
- (3) The Fund is a flow through vehicle for tax purposes and thus there is no franked amount per unit.

DETAILS OF DISTRIBUTION REINVESTMENT PLAN

Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) (the **Responsible Entity**) established the distribution reinvestment plan rules (**DRP Rules**) on 26 September 2018 under which unit holders may elect to receive additional units instead of cash distributions.

Unit holders may elect by electronic DRP election to join the DRP or vary the level of participation in the DRP. The last date for electing into the DRP in respect of a distribution is 5.00pm (Sydney time) on the first business day after the record date.

The Responsible Entity makes distributions on a monthly basis. In accordance with the DRP Rules, units are issued at the net asset value of a unit or other unit application price determined under the Fund's Constitution, on the record date. The record date is the 2nd business day of each month.

NET TANGIBLE ASSETS

	AS AT 31 DECEMBER 2021	AS AT 31 DECEMBER 2020
Total net tangible assets attributable to unit holders (\$'000)	882,072	906,040
Units on issue ('000)	446,432	445,909
Net tangible assets attributable to unit holders per unit (\$)	1.98	2.03

CONTROL GAINED OR LOST DURING THE PERIOD

There was no control gained or lost over entities by the Fund during the half-year ended 31 December 2021.

ASSOCIATES AND JOINT VENTURE ENTITIES

The Fund did not have any interest in associates and joint venture entities during the half-year ended 31 December 2021.

STATUTORY REVIEW

The interim report for the half-year ended 31 December 2021 has been reviewed by PricewaterhouseCoopers and an unmodified review report has been issued.

COMMENTARY

Additional Appendix 4D disclosure requirements can be found in the financial report for the half-year ended 31 December 2021 which contains the Directors' report, the condensed financial statements and accompanying notes.

Philip Gentry, Director, Equity Trustees Limited, the Responsible Entity of NB Global Corporate Income Trust, has authorised that this document be given to the ASX.



NB GLOBAL CORPORATE INCOME TRUST

ARSN 627 297 241

CONDENSED FINANCIAL REPORT

For the half-year ended 31 December 2021

NB Global Corporate Income Trust

ARSN 627 297 241

Condensed financial report

For the half-year ended 31 December 2021

Contents

Directors' Report	1
Investment Manager's Report	3
Corporate Governance Statement	5
Auditor's Independence Declaration	6
Condensed Statement of Comprehensive Income	7
Condensed Statement of Financial Position	8
Condensed Statement of Changes in Equity	9
Condensed Statement of Cash Flows	10
Notes to the Condensed Financial Statements	11
Directors' Declaration	21
Independent Auditor's Review Report to the Unit Holders of NB Global Corporate Income Trust	22
Additional Corporate Information	24

This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed financial report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made in respect of NB Global Corporate Income Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This condensed financial report covers NB Global Corporate Income Trust as an individual entity.

The Responsible Entity of NB Global Corporate Income Trust is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street

Melbourne, VIC 3000.

Directors' Report

The directors of Equity Trustees Limited, the Responsible Entity of NB Global Corporate Income Trust (the "Fund"), present their report together with the condensed financial statements of the Fund for the half-year ended 31 December 2021. These condensed financial statements have been prepared as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The Fund invests in corporate debt securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund also uses derivatives for hedging purposes.

The Fund did not have any employees during the half-year ended 31 December 2021.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2021.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Neuberger Berman Australia Limited
Custodian and Administrator	JPMorgan Chase Bank, N.A.
Statutory Auditor	PricewaterhouseCoopers

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the half-year and up to the date of this report:

Philip D Gentry	Chairman
	Company Secretary (resigned 5 January 2022)
Michael J O'Brien	
Russell W Beasley	
Samantha Einhart	Company Secretary (appointed 5 January 2022)

Review and results of operations

During the half-year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was -0.16% (net of fees) for the half-year ended 31 December 2021. The referable index of the Fund, the ICE BofAML Global High Yield Index returned -0.30% for the same period.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2021	31 December 2020
Profit/(loss) for the half-year (\$'000)	(3,571)	98,551
Distributions paid and payable (\$'000)	21,555	18,625
Distributions (cents per unit)	4.83	4.18

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2021.

COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time as new variants of COVID-19 emerge. There continues to be increased financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still uncertainty around the continued impact of COVID, the potential for further outbreaks both in Australia and around the world.

The Responsible Entity and Investment Manager continue to monitor the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to, and the Net Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Product Disclosure Statement, applying valuation policies reflective of the prevailing market conditions.

Matters subsequent to the end of the half-year

Mr Philip Gentry resigned as a Company Secretary of Equity Trustees Limited, the Responsible Entity of NB Global Corporate Income Trust, effective 5 January 2022. Ms Samantha Einhart was appointed as Company Secretary at the same date.

On 5 January 2022, Directors announced an estimated distribution of 0.8049 cents per ordinary unit. The record date was 5 January 2022, and payment date was 12 January 2022.

On 2 February 2022, Directors announced an estimated distribution of 0.8049 cents per ordinary unit. The record date was 2 February 2022, and payment date was 9 February 2022.

On 22 February 2022, Directors announced an estimated monthly distribution of 0.8049 cents per ordinary unit. The record date will be 2 March 2022

At the time of signing these financial statements, there is an increased level of global uncertainty associated with the conflict in Ukraine. The impacts of the Ukraine conflict are not yet known but are likely to result in increased market and economic volatility, which may in turn have an impact on the Fund

No other matters or circumstances have arisen since 31 December 2021 that have significantly affected, or may have a significant effect on:

- (i) the operations of the Fund in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Fund in future financial years.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited.



Philip D Gentry
Chairman

Melbourne
28 February 2022

Investment Manager's Report

PORTFOLIO MANAGERS: Russ Covode, Joe Lind, Simon Matthews, Nish Papat, Jennifer Gorgoll

Performance Highlights

Over the six months ended December 31, 2021 the Strategy's net return was -0.16%.

Summary

During the six months ended December 31, 2021, security selection within Basic Industry, Media and Leisure was the most beneficial to performance. In contrast, security selection within Insurance and Retail were the largest detractors. Within our ratings' positioning, security selection within the Strategy's BB and B rated issuers were the most beneficial to performance while security selection within CCC and below rated issuers was the largest detractor. The negative performance attribution in CCC and below was primarily driven by distressed issuers not held in the portfolio. These distressed names—which did not meet our disciplined credit underwriting standards—rallied materially over the period.

From a sector perspective, over the period, we increased our exposure to the Services and Telecommunication sectors and reduced our positioning within the Leisure and Capital Groups sectors.

From a ratings perspective, over the period, we increased our exposure to BBB and Above and CCC and Below through reductions in BB on relative value considerations.

Market Context

- Global real growth lost some momentum in the second half of the year compared to the first half, weighed down by a lingering pandemic, supply bottlenecks, higher than expected inflation and labour supply constraints. More recent economic data are mixed across regions and by sector, but they suggest that the global recovery continues at above long-term trend growth rates, with some softening in the third and fourth quarters as some segments of the services sector are prone to setbacks due to the rising COVID cases of Delta earlier in the period and then Omicron in the final weeks of the year. Meanwhile, even with corporate fundamentals improving and default rates continuing to decline, global high yield spreads widened over the period.
- Inflation has increased dramatically in the United States and some emerging market economies. As restrictions had been relaxed, demand accelerated, but supply was slower to respond. Commodity prices have also risen significantly from their low levels of last year. Despite the increasing inflation pressures, the yield on the bellwether longer-dated government bonds remained in a fairly narrow range in the second half of the year. This is not likely to persist as central banks have either begun removing the massive stimulus, raised rates or admitted they might be behind the curve when it comes to inflation. Evidence of this can be seen in the very negative real yields in most developed economies.
- The global high yield market's yield to worst ended the year at 4.60% with the spread to worst at 388 basis points.
- The U.S. high yield LTM default rate¹, at 0.27% as of December 2021, came down materially over the reporting period and is well below the long-run average.

Performance Highlights

- Top contributors to relative returns during the period included Petroleos Mexicanos within Energy, APX Group within Services and Vedanta Resources within Basic Industry.
- Top detractors from relative returns included Kaisa Group Holdings within Real Estate, a zero weight to Iceland Bondco Plc within Retail and Electricite de France SA within Utilities.

Portfolio Strategy & Activity

- The Strategy invests in non-investment grade corporate bonds with a current target distribution rate of 4.75%. The yield to worst as of the end of December was 5.27%.
- The Strategy currently has larger exposure to securities rated B with lower exposure to bonds rated single BB. This is primarily on relative valuation considerations and based on bottom-up credit selection. The average credit rating for the Strategy is B.
- The Strategy has more exposure to Healthcare and Services as well as those positioned to benefit from the reopening of the economy and normalization of activities such as Leisure and Capital Goods. The Strategy has lower weightings to sectors that have done well in a COVID environment where valuations are no longer compelling.
- The Strategy currently has larger positions to bonds from the US, Brazil, UK, Luxembourg and France and less to Italian, Chinese and Spanish bonds.

Outlook

Spreads widened over the period despite improving fundamentals and we believe current valuations are more than compensating investors for the increasingly benign default outlook. While the persistence of inflation has been acknowledged by central banks, the trajectory of real GDP growth and improved pricing power should remain supportive of issuer fundamentals. Strong consumer balance sheets, growing nominal wages, businesses working to rebuild inventories and rehire plus more clarity on central bank tapering and rate hike timelines should continue to be supportive of economic activity and financial conditions going forward. Our global research team continues to monitor the investment thesis for each issuer in the portfolio given the uncertainty around supply chain disruptions, labor supply constraints and Omicron's potential impact on demand in certain consumer-facing sectors such as travel, lodging, leisure and entertainment. Even with the uncertainty of the pandemic, higher inflation and potential political risk which could result in pockets of short-term volatility, we believe our bottom-up, fundamental credit research process focused on security selection while seeking to avoid credit deterioration and putting only our "best ideas" into portfolios, position us well to take advantage of any volatility.

1 Source: JP Morgan. Data as of December 31, 2021.

Corporate Governance Statement

Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) in its capacity as a responsible entity ("Responsible Entity") of the NB Global Corporate Income Trust ("the Fund"), has established a corporate governance framework which sets out the rules, relationships, systems and processes within which the Responsible Entity operates to promote investor confidence and good corporate governance.

Refer to the URL below to download the Statement which is located on the Investment Manager's website:

https://www.nb.com/nb_gcit_eqtl_corporate_governance_statement



Auditor's Independence Declaration

As lead auditor for the review of NB Global Corporate Income Trust for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read 'G. Sagonas', with a horizontal line extending to the right.

George Sagonas
Partner
PricewaterhouseCoopers

Melbourne
28 February 2022

Condensed Statement of Comprehensive Income

	Note	Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000
Investment income			
Interest income from financial assets at amortised cost		-	232
Net gains/(losses) on financial instruments at fair value through profit or loss		(745)	102,690
Net foreign exchange gain/(loss)		1,008	(681)
Other income		<u>16</u>	<u>50</u>
Total investment income/(loss)		<u>279</u>	<u>102,291</u>
Expenses			
Management fees	12	3,156	3,071
Responsible Entity fees	12	103	101
Custody and administration fees		565	549
Interest expense		14	-
Other expenses		<u>12</u>	<u>19</u>
Total expenses		<u>3,850</u>	<u>3,740</u>
Profit/(loss) for the half-year		<u>(3,571)</u>	<u>98,551</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u>(3,571)</u>	<u>98,551</u>
Basic and diluted earnings per unit (cents per unit)	7	<u>(0.80)</u>	<u>22.11</u>

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

NB GLOBAL CORPORATE INCOME TRUST

Condensed Statement of Financial Position

		As at	
		31 December 2021	30 June 2021
	Note	\$'000	\$'000
Assets			
Cash and cash equivalents		24,108	38,915
Receivables	10	284	819
Due from brokers - receivable for securities sold		-	532
Financial assets at fair value through profit or loss	4	<u>872,967</u>	<u>907,107</u>
Total assets		<u>897,359</u>	<u>947,373</u>
Liabilities			
Distributions payable	9	3,593	8,855
Payables	11	673	654
Due to brokers - payable for securities purchased		-	3,021
Financial liabilities at fair value through profit or loss	5	<u>11,021</u>	<u>28,237</u>
Total liabilities		<u>15,287</u>	<u>40,767</u>
Net assets attributable to unit holders - equity		<u>882,072</u>	<u>906,606</u>

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

	Note	Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000
Total equity at the beginning of the half-year		906,606	825,713
Comprehensive income for the half-year			
Profit/(loss) for the half-year		(3,571)	98,551
Total comprehensive income		(3,571)	98,551
Transactions with unit holders			
Reinvestment of distributions	6	592	401
Distributions paid and payable	6	(21,555)	(18,625)
Total transactions with unit holders		(20,963)	(18,224)
Total equity at the end of the half-year		882,072	906,040

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

NB GLOBAL CORPORATE INCOME TRUST

Condensed Statement of Cash Flows

	Half-year ended	
	31 December 2021	31 December 2020
	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	382,214	325,041
Payments for purchase of financial instruments at fair value through profit or loss	(368,553)	(300,872)
Interest income received from financial assets at amortised cost	-	232
Other income received	16	50
Interest expense paid	(14)	-
GST (paid)/received	564	(215)
Management fees paid	(3,157)	(3,047)
Responsible Entity fees paid	(86)	(80)
Custody and administration fees paid	(565)	(544)
Other expenses paid	(9)	(20)
Net cash inflow/(outflow) from operating activities	10,410	20,545
Cash flows from financing activities		
Distributions paid to unit holders	(26,225)	(19,446)
Net cash inflow/(outflow) from financing activities	(26,225)	(19,446)
Net increase/(decrease) in cash and cash equivalents	(15,815)	1,099
Cash and cash equivalents at the beginning of the half-year	38,915	10,073
Effects of foreign currency exchange rate changes on cash and cash equivalents	1,008	(681)
Cash and cash equivalents at the end of the half-year	24,108	10,491
Non-cash operating and financing activities		
Issue of units under the distribution reinvestment plan	592	401

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Financial Statements

Contents

- 1 General information
- 2 Basis of preparation
- 3 Fair value measurement
- 4 Financial assets at fair value through profit or loss
- 5 Financial liabilities at fair value through profit or loss
- 6 Net assets attributable to unit holders – equity
- 7 Basic and diluted earnings per unit
- 8 Derivative financial instruments
- 9 Distributions to unit holders
- 10 Receivables
- 11 Payables
- 12 Related party transactions
- 13 Operating segments
- 14 Events occurring after the reporting period
- 15 Contingent assets, contingent liabilities and commitments

1 General information

These condensed financial statements cover NB Global Corporate Income Trust (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, which was constituted on 4 July 2018, registered with Australian Securities and Investment Commission on 17 July 2018 and commenced investment operations on 26 September 2018. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Fund was listed on the Australian Securities Exchange (ASX) on 26 September 2018 and is quoted under ticker code: NBI.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The condensed financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in corporate debt securities managed by Neuberger Berman Australia Limited, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund also uses derivatives for hedging purposes.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time as new variants of COVID-19 emerge. There continues to be increased financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still uncertainty around the continued impact of COVID, the potential for further outbreaks both in Australia and around the world.

The Responsible Entity and Investment Manager continue to monitor the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to, and the Net Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Product Disclosure Statement, applying valuation policies reflective of the prevailing market conditions.

The condensed financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

2 Basis of preparation

These condensed financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors are satisfied that the Fund has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these condensed financial statements.

Significant accounting policies

The accounting policies applied in these condensed financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2021.

(i) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 and have not been early adopted in preparing these condensed financial statements.

None of these are expected to have a material effect on the condensed financial statements of the Fund.

3 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 4 and Note 5)
- Derivative financial instruments (see Note 8)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the condensed financial statements.

(a) Fair value in an inactive or unquoted market (level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. Forward currency contracts are valued at the prevailing last price at the end of each reporting period.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(b) Recognised fair value measurements

The table below presents the Fund's financial assets and financial liabilities measured and recognised at fair value as at 31 December 2021 and 30 June 2021.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2021				
Financial assets				
Forward currency contracts	-	2,339	-	2,339
International corporate bonds	-	819,097	-	819,097
International floating rate notes	-	48,835	-	48,835
International convertible notes	-	2,696	-	2,696
Total financial assets	-	872,967	-	872,967
Financial liabilities				
Forward currency contracts	-	11,021	-	11,021
Total financial liabilities	-	11,021	-	11,021

3 Fair value measurement (continued)

(b) Recognised fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2021				
Financial assets				
Forward currency contracts	-	27,256	-	27,256
International corporate bonds	-	828,850	-	828,850
International floating rate notes	-	51,001	-	51,001
Total financial assets	-	907,107	-	907,107
Financial liabilities				
Forward currency contracts	-	28,237	-	28,237
Total financial liabilities	-	28,237	-	28,237

(c) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2021: nil).

(d) Financial instruments not carried at fair value

The carrying value of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

4 Financial assets at fair value through profit or loss

	As at	
	31 December 2021 \$'000	30 June 2021 \$'000
Forward currency contracts	2,339	27,256
International corporate bonds	819,097	828,850
International floating rate notes	48,835	51,001
International convertible notes	2,696	-
Total financial assets at fair value through profit or loss	872,967	907,107

5 Financial liabilities at fair value through profit or loss

	As at	
	31 December 2021 \$'000	30 June 2021 \$'000
Forward currency contracts	11,021	28,237
Total financial liabilities at fair value through profit or loss	11,021	28,237

6 Net assets attributable to unit holders – equity

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial instrument to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Movements in the number of units and net assets attributable to unit holders during the half-year were as follows:

	Half-year ended		Half-year ended	
	31 December 2021	31 December 2021	31 December 2020	31 December 2020
	Units '000	\$'000	Units '000	\$'000
Opening balance	446,114	906,606	445,682	825,713
Reinvestment of distributions	318	592	227	401
Distributions paid and payable	-	(21,555)	-	(18,625)
Profit/(loss) for the half-year	-	(3,571)	-	98,551
Closing balance	446,432	882,072	445,909	906,040

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

7 Basic and diluted earnings per unit

	Half-year ended	
	31 December 2021	31 December 2020
Profit/(loss) attributable to unit holders (\$'000)	(3,571)	98,551
Weighted average number of units on issue ('000)	446,320	445,821
Basic and diluted earnings per unit (cents)	(0.80)	22.11

8 Derivative financial instruments

In the normal course of business, the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variables.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

8 Derivative financial instruments (continued)

The Fund holds the following derivative instruments:

Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing last price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund's derivative financial instruments at period end are detailed below:

As at 31 December 2021	Contractual/notional \$'000	Assets \$'000	Liabilities \$'000
Forward currency contracts	<u>1,024,895</u>	<u>2,339</u>	<u>11,021</u>
Total derivatives	<u>1,024,895</u>	<u>2,339</u>	<u>11,021</u>
As at 30 June 2021			
Forward currency contracts	<u>3,572,040</u>	<u>27,256</u>	<u>28,237</u>
Total derivatives	<u>3,572,040</u>	<u>27,256</u>	<u>28,237</u>

9 Distributions to unit holders

The distributions declared during the half-year were as follows:

	Half-year ended 31 December 2021		Half-year ended 31 December 2020	
	\$'000	CPU	\$'000	CPU
Distributions				
July	3,592	0.8049	3,104	0.6963
August	3,592	0.8049	3,104	0.6963
September	3,592	0.8049	3,104	0.6963
October	3,593	0.8049	3,104	0.6963
November	3,593	0.8049	3,104	0.6963
December (payable)	<u>3,593</u>	<u>0.8049</u>	<u>3,105</u>	<u>0.6963</u>
Total distributions	<u>21,555</u>	<u>4.8296</u>	<u>18,625</u>	<u>4.1778</u>

10 Receivables

	As at	
	31 December 2021 \$'000	30 June 2021 \$'000
Withholding tax receivable	113	84
GST receivable	<u>171</u>	<u>735</u>
Total receivables	<u>284</u>	<u>819</u>

11 Payables

	As at	
	31 December 2021	30 June 2021
	\$'000	\$'000
Management fees payable	524	525
Responsible Entity fees payable	51	34
Custody and administration fees payable	94	94
Other payables	4	1
Total payables	673	654

12 Related party transactions

The Responsible Entity of the NB Global Corporate Income Trust is Equity Trustees Limited (ABN 46 004 031 298), (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The Responsible Entity has contracted services to Neuberger Berman Australia Limited to act as Investment Manager for the Fund and JPMorgan Bank, N.A. to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel*(i) Directors*

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the half-year and up to the date of this report.

Philip D Gentry Chairman

Company Secretary (resigned 5 January 2022)

Michael J O'Brien

Russell W Beasley

Samantha Einhart Company Secretary (appointed 5 January 2022)

(ii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the reporting period.

(b) Transactions with key management personnel

No transactions occurred with key management personnel during the reporting period.

12 Related party transactions (continued)

(c) Key management personnel unit holdings

Key management personnel held units in the Fund, as follows:

Unit holder	Number of units held opening	Number of units held closing	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
As at 31 December 2021						
Platinum Cat Pty Ltd ATF Platinum Cat Superfund*	8,912	8,912	0.002	-	-	430
Mr Russell Beasley	1	1	-	-	-	-
As at 30 June 2021						
Platinum Cat Pty Ltd ATF Platinum Cat Superfund*	8,912	8,912	0.002	-	-	859
Mr Russell Beasley	1	1	-	-	-	-

*Philip D Gentry is a member of the Platinum Cat Superfund.

(d) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

(e) Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the reporting period and there were no material contracts involving management personnel's interests existing at period end.

(g) Responsible Entity's, Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and the Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees, calculated by reference to the average daily net assets of the Fund as follows:

- (i) 0.70% per annum of the net asset value of the Fund for Management fees
- (ii) 0.025% per annum of the net asset value of the Fund for Responsible Entity fees

12 Related party transactions (continued)**(g) Responsible Entity's, Investment Manager's fees and other transactions (continued)**

The transactions during the reporting period and amounts payable at period end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Half-year ended	
	31 December 2021	31 December 2020
	\$	\$
Management fees for the half-year	3,156,372	3,071,285
Responsible Entity fees for the half-year	102,612	100,768
Management fees payable at half-year end	524,187	536,885
Responsible Entity fees payable at half-year end	50,911	67,084

For information on how management fees are calculated please refer to the Fund's Product Disclosure Statement.

The management fees borne by the Fund are paid to the Investment Manager, who in turn provides the on-payment of the fees to the respective service providers. Expense recoveries include Custodian and Administrator fees and other expenses. Responsible Entity fees are paid directly by the Fund to the Responsible Entity.

(h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the Fund as follows:

Unit holder	Number of units held opening	Number of units held closing	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
As at 31 December 2021						
			%			\$
ETSL ATF AMG and Acclaim Super Members	2,932,444	3,587,132	0.804	805,175	150,487	159,925
The Glenleith Super Fund A/C*	150,000	150,000	0.034	-	-	7,244
Unit holder						
As at 30 June 2021						
ETSL ATF AMG Super Members	2,421,903	2,932,444	0.657	890,980	380,439	257,831
The Glenleith Super Fund A/C*	150,000	150,000	0.034	-	-	14,466

* Glenn Sedgwick who is a director of EQT Holdings Limited, the parent entity of Equity Trustees Limited, is a member of the Glenleith Super Fund.

(i) Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the half-year (30 June 2021: nil).

13 Operating segments

The Fund is organised into one main operating segment with only one key function, being the investment of funds internationally. It operates predominantly in Australia and in the securities industry. It earns revenue from interest income and other returns from the investment portfolio. The Fund continues to have foreign exposures as it invests in companies which operate internationally. The Fund invests in different types of securities, as detailed at Note 3 Fair Value Measurement.

14 Events occurring after the reporting period

Mr Philip Gentry resigned as a Company Secretary of Equity Trustees Limited, the Responsible Entity of NB Global Corporate Income Trust, effective 5 January 2022. Ms Samantha Einhart was appointed as Company Secretary at the same date.

14 Events occurring after the reporting period (continued)

Distribution declarations

On 5 January 2022, Directors announced an estimated distribution of 0.8049 cents per ordinary unit. The record date was 5 January 2022, and payment date was 12 January 2022.

On 2 February 2022, Directors announced an estimated distribution of 0.8049 cents per ordinary unit. The record date was 2 February 2022, and payment date was 9 February 2022.

On 22 February 2022, Directors announced an estimated monthly distribution of 0.8049 cents per ordinary unit. The record date will be 2 March 2022.

No other significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2021 or on the results and cash flows of the Fund for the half-year ended on that date.

15 Contingent assets, contingent liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2021 and 30 June 2021.

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

(a) The condensed financial statements and notes set out on pages 7 to 20 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.

(b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry

Chairman

Melbourne

28 February 2022



Independent auditor's review report to the unitholder of NB Global Corporate Income Trust

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of NB Global Corporate Income Trust (the Fund) which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of NB Global Corporate Income Trust does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors of the responsible entity for the half-year financial report

The directors of Equity Trustees Limited (the Responsible Entity), the responsible entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


PricewaterhouseCoopers



George Sagonas
Partner

Melbourne
28 February 2022

Additional Corporate Information

Directors of the Responsible Entity

Philip D Gentry

Michael J O'Brien

Russell W Beasley

Company Secretary of the Responsible Entity

Samantha Einhart

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Neuberger Berman Australia Limited

Auditor and Tax

PricewaterhouseCoopers

Unit Register

Boardroom Pty Limited

Securities Exchange Listing

Australian Securities Exchange
ASX ticker code: NBI

Website

www.nb.com/NBI