

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification

N | B

MONTHLY INVESTMENT REPORT – AS OF 30 November 2022

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

NBI Review

In November, NBI returned 2.48% and announced a monthly distribution of 0.711 cents per Unit, which represents an annualised distribution of 5.25% (net of fees and expenses).

Market Review and Outlook

In November, the global high yield bond market saw positive returns again which resulted in the strongest two-month rally since 2020 with spreads tightening by 81 basis points since the end of the third quarter. The risk-on sentiment was driven by better-than-expected earnings, very supportive technicals, attractive valuations and easing concerns over inflation. Retail inflows were some of the largest on record, and that combined with the limited supply set up a strong technical tailwind for the asset class. U.S. 10-Year Treasury yields ended the month at 3.68%, falling 42 basis points since the end of October. Ten-year German Bund and long-dated U.K. Gilt yields were lower as well. There were no U.S. high yield defaults in November for the second consecutive month which had not occurred since 2007. The default rate continues to remain modestly higher than the April 2022 all-time low. However, high yield issuer fundamentals of free cash flow, interest coverage and leverage have remained in relatively favorable ranges with the default outlook for 2022 and 2023 still below the long-term average.

Default rates in U.S., Europe and other Developed Markets are expected to remain well below average but have moved up from the all-time lows. While Emerging Markets ("EM") defaults are on the rise, we are focused on select opportunities away from the higher risk regions and sectors. In November, the par weighted last 12-month U.S. high yield default rate was 0.84%, unchanged from the prior month. This was the second month in a row with no high yield bond defaults which had not happened since mid-2007. While the default rate has risen off the all-time low of 0.43% reached earlier this year, we expect defaults to remain below average based on our bottom-up assessment of issuers and driven by the higher-quality ratings mix in high yield, less aggressive new issuance, fewer near-term maturities, as well as an energy sector that is far healthier than in the past few cycles. For context, the long-term average default rate is 3.2% (based on annual default rates back to 1980 for the U.S. according to JP Morgan). As for EM high yield corporates, the overall default rate is expected to end well into double digits this year due to non-payment by Russian and Ukrainian issuers, and due to the elevated defaults in the China property sector. Excluding those specific areas, we expect the EM high yield corporate default rate to be relatively contained at 2.5% in 2022, as EM corporates have entered this downturn with reasonable liquidity on average.

With tighter new supply, compelling yields and valuations, along with increased interest in high yield from investors, we remain constructive on the asset class. We continue to find attractive investment opportunities within high yield and believe the spread compensation for a below-average default outlook is more than adequate.

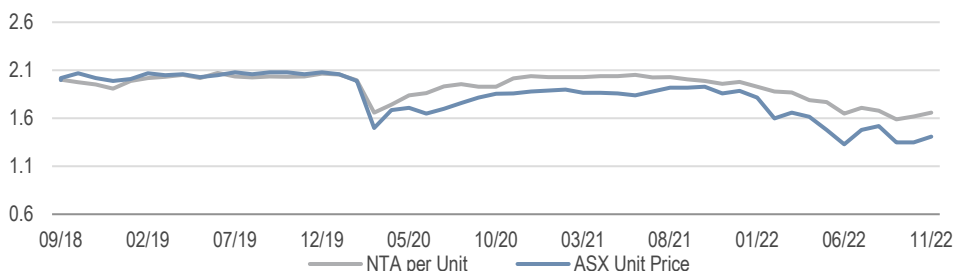
We believe current valuations in global high yield offer investors an attractive opportunity, especially given our below average default outlook. The tightening of financial conditions has caused real GDP growth to slow and slowing demand has helped supply chains normalize, but inflation is still higher than the Federal Reserve ("Fed") Board's target range. We see these and other factors acting to mitigate inflationary pressures, which could eventually lead to a less aggressive path for Fed policy. That said, our analysts remained focused on the specific credit fundamentals of individual issuers in their coverage, assessing the base and downside cases in the event of a soft-landing or recession. Relatively healthy consumer and business balance sheets and growing nominal GDP should remain supportive for issuer fundamentals. While inventories are building as a result of slowing demand, we remain focused on regional dynamics, sector-specific headwinds/tailwinds and idiosyncratic risks to individual issuers. Despite short-term volatility resulting from heightened uncertainty on global economic growth and central bank tightening, we believe our bottom-up, fundamental credit research that focuses on security selection, avoiding credit deterioration, and putting only our "best ideas" into portfolios, will position us well to take advantage of the increased volatility.

PERFORMANCE BASED ON NTA (NET)²

30 November 2022	1 Mth	3 Mth	6 Mth	1 Year	2 Year	3 Year	Since Inception ³
Total Return (%) ⁴	2.48	0.11	-3.46	-9.98	-3.98	-1.20	1.33

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



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

TRUST FACTS

Listing Date	26 September 2018
Market Cap	\$613.65 million
Net Tangible Assets (NTA)	\$720.75 million
ASX Unit Price	\$1.41
NTA per Unit	\$1.66 (cum)
Target Distribution ¹	5.25% (net)
Distributions	Monthly
Management costs	0.85% p.a.
Responsible Entity	Equity Trustees Limited
Manager	Neuberger Berman Australia Limited

ABOUT NEUBERGER BERMAN

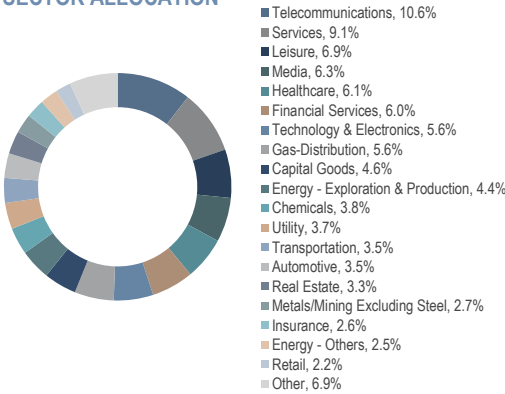
- Founded in 1939; a private, independent, employee-owned investment manager
- US\$407.8 billion in AUM as of Sep 30, 2022
- Located in 39 cities with 20 portfolio management centers across 26 countries
- The firm has considered ESG in investment processes as far back as the 1940s. For more information, please visit www.nb.com/esg

FURTHER INFORMATION AND ENQUIRIES

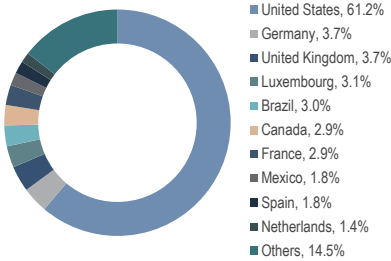
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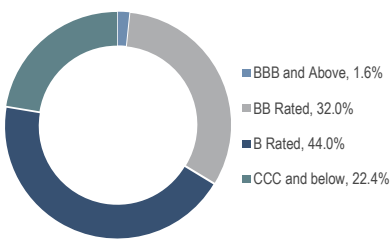
SECTOR ALLOCATION



TOP 10 COUNTRY ALLOCATION



CREDIT QUALITY⁵



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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
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
FY2022	-0.20	0.60	-0.73	-0.55	-1.16	1.91	-2.37	-2.02	-0.13	-3.53	-0.71	-7.33	-15.34
FY2023	5.46	-1.33	-4.82	2.63	2.48								

Past Performance is not a reliable indicator of future performance.

DISTRIBUTIONS (¢/unit)⁶

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	Annualised Distribution Rate ⁷
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%
FY2022	0.805	0.805	0.805	0.805	0.805	0.805	0.805	0.805	0.805	0.805	0.805	1.012	9.87	4.85%
FY2023	0.711	0.711	0.711	0.711	0.711									5.25%

TOP 10 ISSUERS

	SECTOR	%
Alice France	Telecommunications	1.57%
Blackstone CQP Holdco LP	Gas – distribution	1.48%
Frontier Communications Corp	Telecommunications	1.41%
Commscope Holding Co Inc	Technology & Electronics	1.37%
Calpine Corp	Utility	1.30%
CSC Holdings LLC	Media	1.24%
American Airlines Group	Transportation	1.21%
Assuredpartners Inc	Insurance	1.18%
Prime Security Services	Services	1.16%
Garda World Security Corp	Services	1.10%

BOND PORTFOLIO SUMMARY

Number of Holdings	514
Number of Issuers	353
Yield to Maturity (%) ⁸	9.53
Yield to Worst (%) ⁹	9.59
Weighted Average Duration (years)	4.17
Average Credit Quality	B+

- For FY2023, 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 2022 ("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.
- The most recent distribution amount has been announced, and will be paid in the following month. For summary purposes monthly distribution figures have been rounded to 3 decimal places and total financial year distribution figures have been rounded to 2 decimal places. Actual distribution figures can be found on the ASX website.
- 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; FY2022 based on the NTA per Unit as at 1 July 2021; FY2023 based on the NTA as at 1 July 2022
- 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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