

NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Global • Income • Diversification



MONTHLY INVESTMENT REPORT – AS OF 28 February 2023

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 February, NBI returned -1.46% 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

The global high yield bond market finished the month of February in negative territory after a strong start to 2023 with year-to-date returns still positive. The risk-off sentiment in the month was driven by hawkish central banks and more resilient than expected labor markets fueling a view that inflation and rates could be higher for longer as global recession concerns waned. U.S. 10-year Treasury yields ended the month at 3.92%, rising 40 basis points since the end of January 2023 and up 209 basis points from year ago. Yields on 10-year U.K. Gilts and German Bunds also rose over the month. Our bottom-up default estimates for the U.S. in 2023 (1.5% - 2.5%) and 2024 (2.5% - 3.5%) resemble more of an average default year than the spikes experienced during prior recessions. EM and European default rates also remain relatively contained outside of the more distressed China property and Eastern European region. Broadly, global high yield issuer fundamentals of free cash flow, interest coverage and leverage have remained in favorable ranges with most global high yield issuers well-positioned to navigate the current environment.

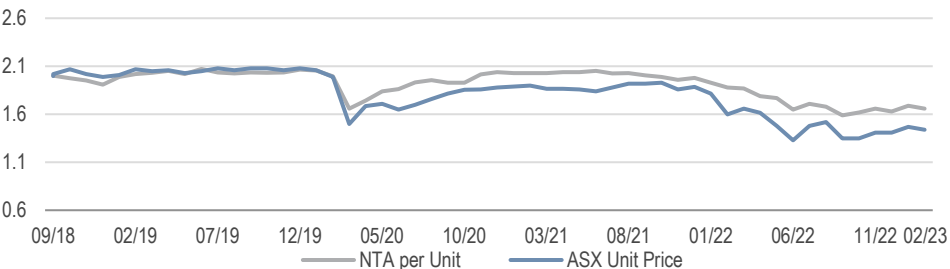
Default rates in U.S., Europe and other Developed Markets are expected to remain well below average but have moved up from the all-time lows. While EM defaults are on the rise, we are focused on select opportunities away from the higher risk regions and sectors. As of February, the par weighted trailing 12-month U.S. high yield default rate was 1.28%, up 37 basis points from the prior month and up 105 basis points from a year ago. We expect defaults to remain in a range that is below or near the long-term average in 2023 and 2024, respectively. This outlook is based on our bottom-up assessment of issuers and driven by the higher-quality ratings mix in global high yield (57% of issuers with credit ratings of BB), 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 U.S. high yield default rate is around 3% (based on annual default rates back to 1980 according to JP Morgan). As for EM high yield corporates, the overall default rate ended last year and started this year in the mid-teens 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 benign at around 3.3% in 2023, as EM corporates have entered this period with reasonable liquidity on average.

PERFORMANCE BASED ON NTA (NET)²

28 February 2023	1 Mth	3 Mth	6 Mth	1 Year	2 Year	3 Year	Since Inception ³
Total Return (%) ⁴	-1.46	1.64	1.75	-6.14	-4.08	-0.56	1.44

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



PLATFORMS

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

TRUST FACTS

Listing Date	26 September 2018
Market Cap	\$622.56 million
Net Tangible Assets (NTA)	\$717.19 million
ASX Unit Price	\$1.44
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

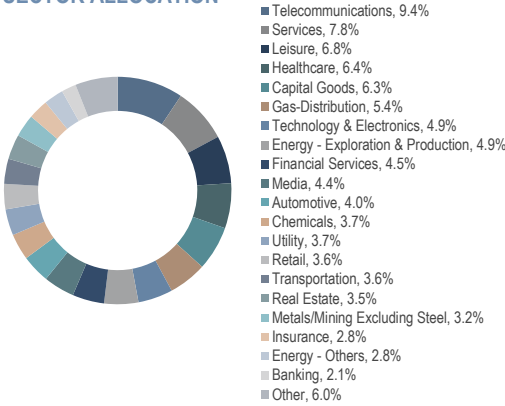
- Founded in 1939; a private, independent, employee-owned investment manager
- US\$427.3 billion in AUM as of Dec 31, 2022
- Located in 39 cities with 20 portfolio management centers across 26 countries
- The firm has considered ESG in investment processes as far back as the 1940s. For more information, please visit www.nb.com/esg

FURTHER INFORMATION AND ENQUIRIES

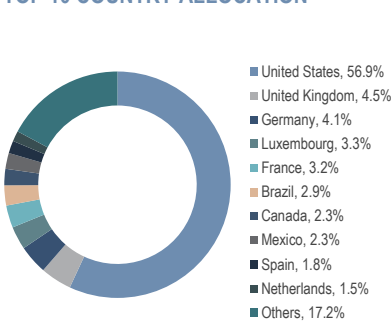
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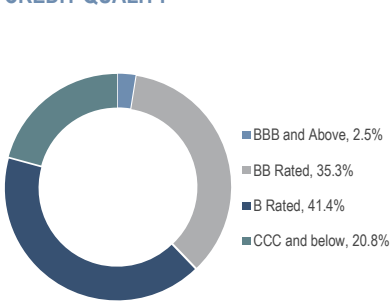
SECTOR ALLOCATION



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	-0.87	4.05	-1.46					

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	0.711	0.711	0.711						5.25%

TOP 10 ISSUERS

	SECTOR	%
Altice France	Telecommunications	1.58%
American Airlines Group	Transportation	1.32%
Ford Motor Co	Automotive	1.25%
Assuredpartners Inc	Insurance	1.19%
Prime Security Services	Services	1.14%
Petroleos Mexicanos	Energy	1.13%
Global Aircraft Leasing Co Ltd	Financial Services	1.13%
First Quantum Minerals Ltd.	Basic Industry	1.12%
Frontier Communications Corp	Telecommunications	1.10%
Commscope Holding Co Inc	Technology & Electronics	1.09%

BOND PORTFOLIO SUMMARY

Number of Holdings	562
Number of Issuers	369
Yield to Maturity (%) ⁸	9.41
Yield to Worst (%) ⁹	9.46
Weighted Average Duration (years)	3.93
Average Credit Quality	B+
Current Yield (%)	6.75

- 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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