

- GLOBAL
- INCOME
- DIVERSIFICATION

NEUBERGER BERMAN

NB GLOBAL CORPORATE INCOME TRUST

# NBI ENTITLEMENT AND SHORTFALL OFFER

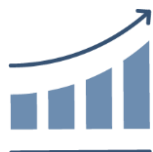
## WHY NOW?



Ongoing market demand seeking consistent and stable income



NBI trading at a premium to its Net Tangible Assets (NTA)



Increase NBI market liquidity through expanded unitholder base

## IMPORTANT DATES

<b>Announcement of Offer and lodgment of PDS with ASIC</b>	<b>14 May 2019</b>
<b>Record Date for Entitlement Offer (7.00 pm AEST)</b>	<b>31 May 2019</b>
<b>Offer opens</b>	<b>5 June 2019</b>
<b>Entitlement Offer Closing Date (5.00 pm AEST)</b>	<b>26 June 2019</b>
<b>New Units under Entitlement Offer quoted on a deferred settlement basis</b>	<b>27 June 2019</b>
<b>Shortfall Offer Closing Date (5.00 pm AEST)</b>	<b>28 June 2019</b>

Source: Neuberger Berman. The Important Dates referenced above are based on expectations as of May 14, 2019 for the NB Global Corporate Income Trust ("NBI") and are subject to change. Investors should review the "Important Dates" section set out in the Product Disclosure Statement (the "2019 PDS") for NBI. The 2019 PDS was lodged with the Australian Securities and Investments Commission on May 14, 2019 and is available on NBI's website at [www.nb.com/NBI](http://www.nb.com/NBI). Please refer to the 2019 PDS for full details of the terms of the Offer.

# KEY OFFER DETAILS

<b>Trust Name</b>	NB Global Corporate Income Trust (ASX: NBI)
<b>Investment Manager</b>	Neuberger Berman Australia Pty Limited
<b>Responsible Entity</b>	Equity Trustees Limited
<b>Offer structure</b>	(1) Non-renounceable Entitlement Offer (including Oversubscription Facility); and (2) Shortfall Offer (including available placement capacity under Listing Rule 7.1)
<b>Entitlement ratio</b>	1 New Unit for every 1 existing Unit as at the Record Date
<b>Offer Price<sup>1</sup></b>	\$2.00
<b>Pricing</b>	Daily
<b>Management Costs<sup>2</sup></b>	0.85%
<b>Performance Fee</b>	None
<b>Offer Costs</b>	Paid in full by Neuberger Berman (no charge back mechanism)
<b>Target Distribution<sup>3</sup></b>	5.25% p.a. (net of fees and expenses), paid monthly
<b>Portfolio Invested</b>	Within 3 days
<b>Currency Exposure</b>	Fully hedged back to AUD
<b>Leverage<sup>4</sup></b>	None

<sup>1</sup> The Offer Price is based on the NTA per Unit as at 10 May 2019, net Distributable Earnings. The Distributable Earnings is the accrued and forecast cash available for distribution in respect of the financial year ending June, 30 2019. Investors should refer to Section 2.5 of the 2019 PDS for NBI's Distribution Policy. The 2019 PDS is available on NBI's website at [www.nb.com/nbi](http://www.nb.com/nbi).

<sup>2</sup> Inclusive of the management fee and other costs and expenses associated with running the listed investment trust, including 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 2019 PDS for full details of the Trust, including, in particular, "Fees and Other Costs" section of the 2019 PDS.

<sup>3</sup> 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 the 2019 PDS. Please refer to the 2019 PDS for full details of the terms of the Offer, including Section 10 for the fees and costs that apply.

<sup>4</sup> NB Global Corporate Income Trust ("NBI") will not utilise leverage for investment purposes.

# NEUBERGER BERMAN



Source: Neuberger Berman, Factset. All information as of March 31, 2019, using, where applicable, an USD(US\$):AUD(\$\$) exchange rate of 1.4092 as at March 31, 2019. Neuberger Berman data reflects the collective data for the various subsidiaries of Neuberger Berman Group LLC.

<sup>1</sup>Neuberger Berman's funds under management includes \$139.9 billion in Equity assets, \$205.9 billion in Fixed Income assets and \$108.8 billion in Alternatives assets. Alternatives "AUM and Committed Capital" includes assets under management for non-Private Equity businesses and Committed Capital since inception for the Private Equity businesses. Committed Capital since inception reflects all contractual commitments, including those still in documentation, to fund investments, including those which have since been realized, advised by NB Alternatives Advisers LLC and its affiliates or predecessors (the oldest mandate of which was founded in 1981).

# AN OPPORTUNITY TO RECEIVE MONTHLY INCOME BY INVESTING IN THE BONDS OF GLOBAL COMPANIES

## INCOME

**5.25% p.a. (net)\***  
**(PAID MONTHLY)**

## DIVERSIFICATION

- Under-represented in an Australian portfolio
- Diversified, by industry, country and credit quality
- Diversified portfolio: 250 - 350 companies

## GLOBAL

- \$2.7T large, liquid market
- Large, liquid companies: >US\$100m earnings
- Attractive return, lower volatility

## CREDENTIALS<sup>^</sup>

- 20+ year track record
- 55 dedicated investment professionals<sup>#</sup>
- Managing over \$60Bn in FUM



Source: Neuberger Berman. All information as of December 31, 2018, using an USD(US\$):AUD(\$\$) exchange rate of 1.4187 as at December 31, 2018, unless otherwise specified.

\*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 the 2019 PDS, which is available on NBI's website at [www.nb.com/NBI](http://www.nb.com/NBI).

<sup>^</sup> As of March 31, 2019, using, where applicable, an USD(US\$):AUD(\$\$) exchange rate of 1.4092 as at March 31, 2019.

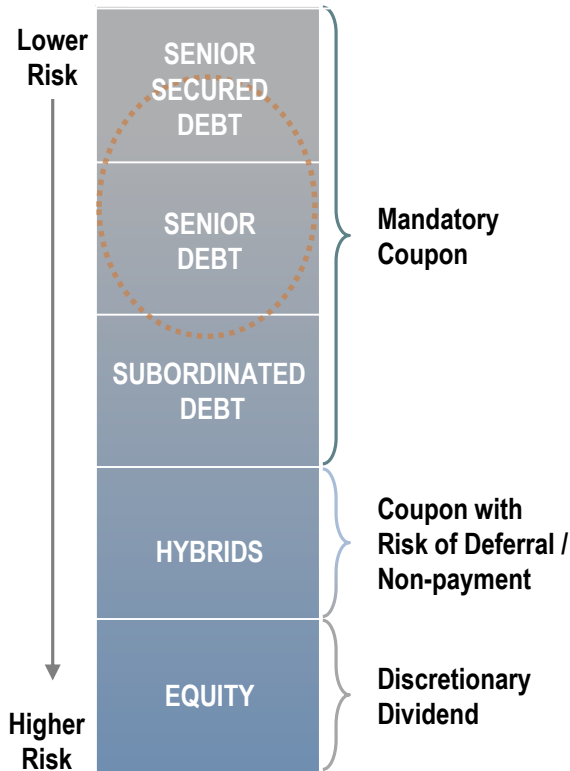
<sup>#</sup> As of May 6, 2019.

The companies referenced above are examples of the type of companies which NBI holds.

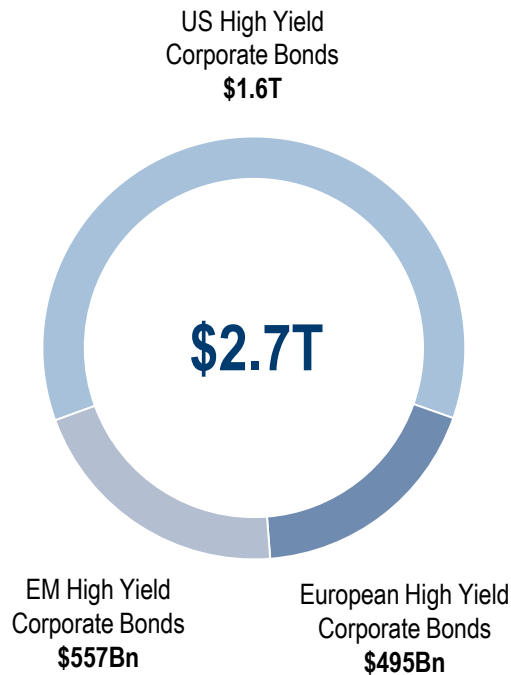


# INTRODUCING GLOBAL HIGH YIELD CORPORATE BONDS

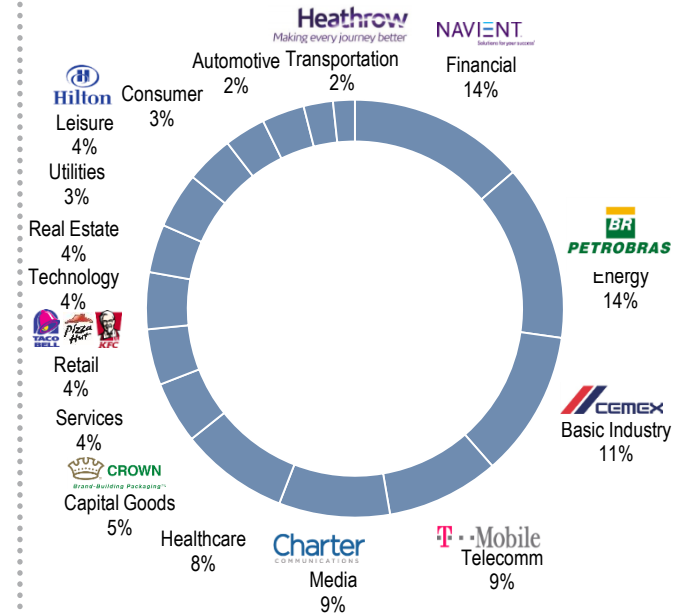
## STABLE AND CONSISTENT INCOME



## A LARGE, LIQUID MARKET



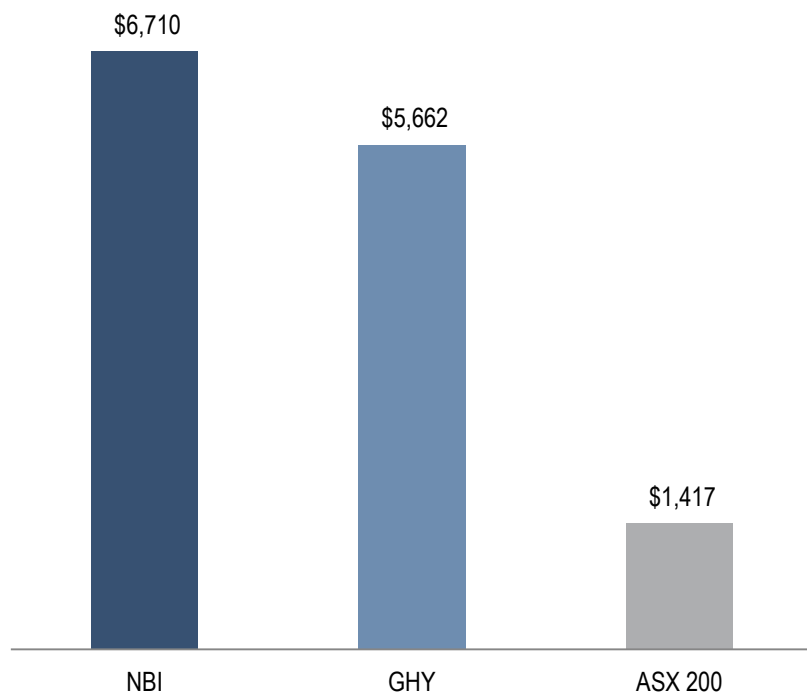
## DIVERSIFIED ACROSS INDUSTRIES



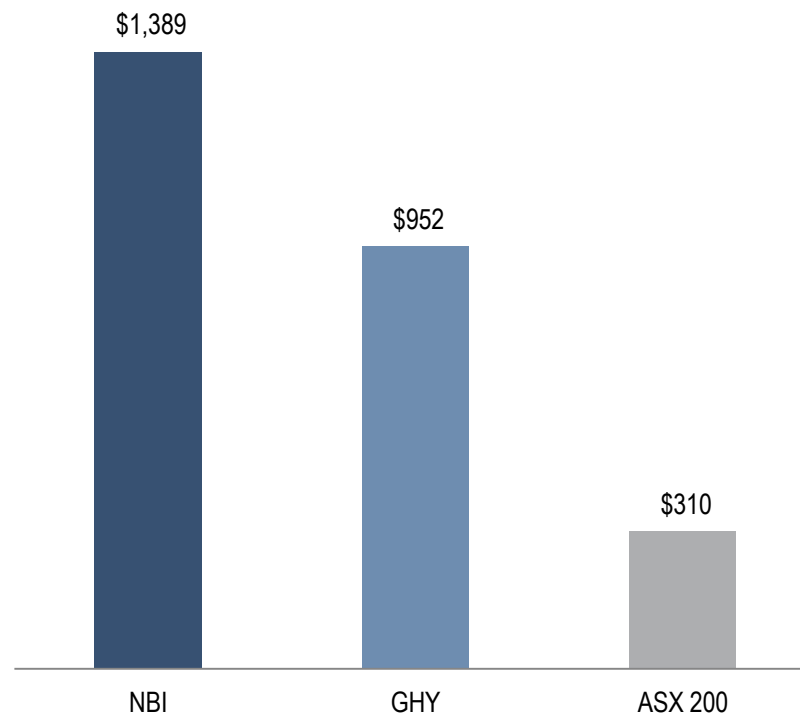
Sources: Bloomberg, Neuberger Berman. Data as of December 31, 2018, using, where applicable, an USD(US\$):AUD(\$)

# INVESTING IN LARGE, GLOBAL COMPANIES

MEDIAN COMPANY REVENUE (MILLIONS)



MEDIAN COMPANY EARNINGS\* (MILLIONS)



Sources: All data as of March 31, 2019, using, where applicable, an USD(US\$):AUD(\$ exchange rate of 1.4092 as at March 31, 2019.

• Neuberger Berman for NBI based on the current portfolio of companies in which NBI invests. Investors should review the "Overview of the Investment Strategy" set out in Section 4 of the 2019 PDS, which is available on NBI's website at [www.nib.com/NBI](http://www.nib.com/NBI), Bloomberg for GHY, represented by ICE BofAML Global High Yield Index, and the ASX 200. \*Company Earnings is represented by EBITDA.

# EXISTING HOLDINGS OF NBI



Global batteries and lighting manufacturer

**Location** – United States  
**Market Cap** – US\$3.1Bn  
**Type** – Senior Bond due 2027  
**Yield** – 6.4%  
**FY2018 Revenue** – US\$1.8Bn  
**FY2018 EBITDA** – US\$401.6 Mn  
**FY2018 ICR\*** – 3.2



Global mining company

**Location** – United States  
**Market Cap** – US\$18.7Bn  
**Type** – Senior bond due 2034  
**Yield** – 6.3%  
**FY2018 Revenue** – US\$18.7Bn  
**FY2018 EBITDA** – US\$7.1Bn  
**FY2018 ICR\*** – 6.9



Global tire manufacturing company

**Location** – United States  
**Market Cap** – US\$4.2Bn  
**Type** – Senior Bond due 2027  
**Yield** – 6.3%  
**FY2018 Revenue** – US\$15.5Bn  
**FY2018 EBITDA** – US\$1.8Bn  
**FY2018 ICR\*** – 6.0



Internet Media Company

**Location** – United States  
**Market Cap** – US\$115.7Bn  
**Type** – Senior Bond due 2029  
**Yield** – 5.3%  
**FY2018 Revenue** – US\$15.8Bn  
**FY2018 EBITDA** – US\$1.7Bn  
**FY2018 ICR\*** – 4.0



Car Rental

**Location** – United States  
**Market Cap** – US\$1.5Bn  
**Type** – Secured Bond due 2022  
**Yield** – 6.4%  
**FY2018 Revenue** – US\$9.5Bn  
**FY2018 EBITDA** – US\$3.3Bn  
**FY2018 ICR\*** – 4.2



Retail chain foodstore

**Location** – United States  
**Market Cap** – US\$30.5Bn  
**Type** – Senior Bond due 2026  
**Yield** – 5.0%  
**FY2018 Revenue** – US\$5.7Bn  
**FY2018 EBITDA** – US\$1.9Bn  
**FY2018 ICR^** – 5.4

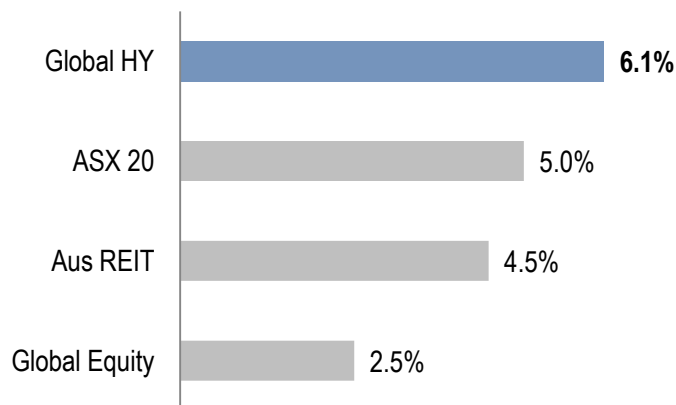
Source: Bloomberg. All information as of March 31, 2019. \*ICR = Interest Coverage Ratio (EBITDA/Total Interest Expenses) ^ICR = Interest Coverage Ratio (EBITDA/Cash Interest Expenses)

The companies referenced above are indicative examples of the type of companies in the global high yield universe and current holdings of NBI. References to these companies are for illustrative purposes only and are intended to show a broad range of companies based on credit selection, industry and credit quality. The references to these companies are not intended as, nor do they constitute, a recommendation to investors.

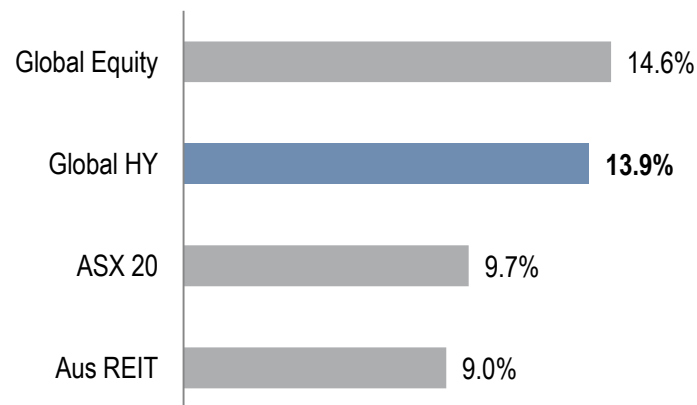


# HIGH INCOME, ATTRACTIVE RETURN, LOWER VOLATILITY

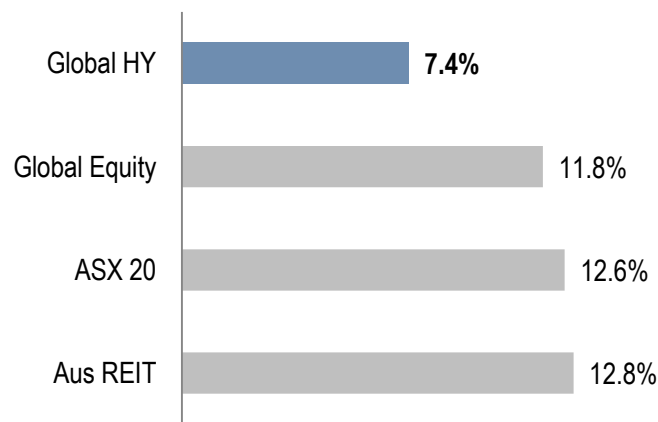
## 1. ATTRACTIVE YIELD<sup>1</sup>



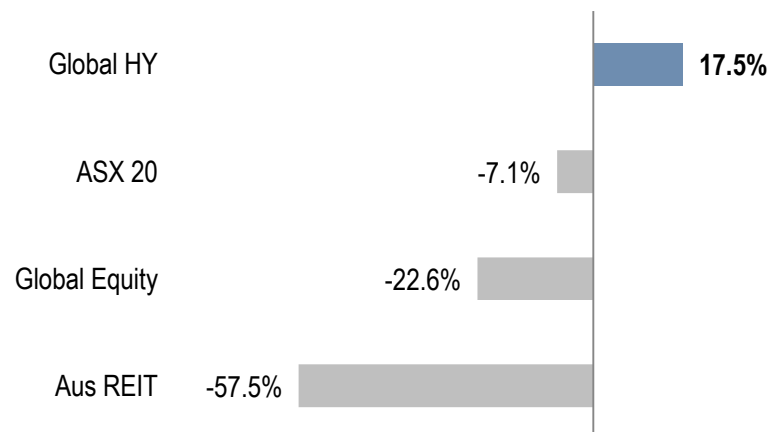
## 2. ATTRACTIVE RETURN (10YR)<sup>2</sup>



## 3. LESS VOLATILE (10YR)<sup>3</sup>



## 4. PERFORMANCE DURING THE GFC (2008-2009)<sup>4</sup>



Source: Morningstar, Bloomberg. Indices used were the ICE BofAML Global High Yield Index (100% A\$ hedged), S&P/ASX 20 TR, S&P/ASX 200 A-REIT and MSCI World (A\$ hedged). Unless stated otherwise, all Index data as of March 31, 2019.  
 1. Current Yield of respective indices (unfranked); Global HY yield is represented by yield-to-worst. 2. 10 years annualised return of respective indices. 3. 10 years annualised standard deviation of respective indices. 4. Calculation Period: 2008-2009

# INVESTMENT TEAM

## PORTFOLIO MANAGERS



**Thomas O'Reilly, CFA**  
Senior Portfolio Manager  
30 years' experience



**Russ Covode**  
Senior Portfolio Manager  
31 years' experience



**Vivek Bommi, CFA**  
Senior Portfolio Manager  
21 years' experience



**Nish Popat**  
Senior Portfolio Manager  
26 years' experience



**Jennifer Gorgoll**  
Senior Portfolio Manager  
21 years' experience

## LOCATION OF TEAM



MANAGING  
CORPORATE  
BONDS  
SINCE 1998

INVESTED IN  
OVER 1,100  
COMPANIES

1 DEFAULT  
SINCE HY  
STRATEGY  
INCEPTION<sup>1</sup>

Investment team of

**55**  
professionals

Source: Neuberger Berman. All information as of May 14, 2019.

<sup>1</sup>Neuberger Berman High Yield Strategy inception date is December 1, 1997

# INVESTMENT PROCESS

## KEY SELECTION CRITERIA

1

Focus on large, liquid companies

2

Diversified globally across industry, country and credit quality

3

Avoid companies with deteriorating fundamentals

## INVESTMENT PROCESS

Identify investment universe

Filter by company size

Conduct fundamental analysis

Apply ESG score

Select best ideas

NBI

Investors should review the "Overview of Investment Process and Portfolio Construction" set out in Section 4 of the 2019 PDS, which is available on NBI's website at [www.nb.com/NBI](http://www.nb.com/NBI).

# INVESTMENT GUIDELINES

## TARGET DISTRIBUTION

**5.25% p.a. (net)\***  
(PAID MONTHLY)

## DIVERSIFIED BY ISSUER, INDUSTRY AND GEOGRAPHY

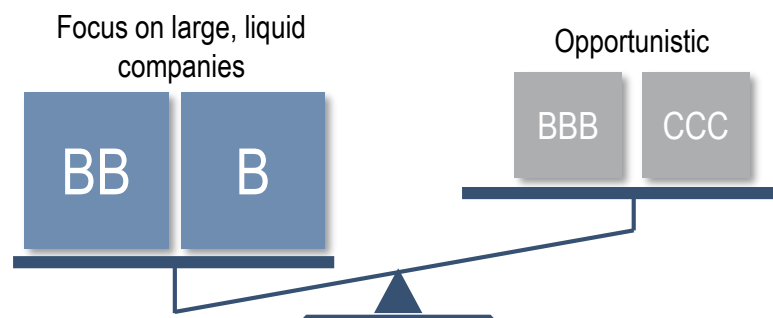
AVERAGE NO. OF ISSUERS

**250 – 350**

AVERAGE ISSUER HOLDING SIZE

**0.25% – 0.50%**

## CREDIT QUALITY MANAGEMENT



## OTHER CHARACTERISTICS

- No equities
- No leverage
- No credit derivatives
- No structured products
- No local currency or sovereign EM Debt
- FX exposure hedged to AUD

Source: Neuberger Berman as of March 31, 2019. This information is intended as a broad overview of the investment objectives, strategy and guidelines for NBI, and is subject to change. Investors should review the "Overview of the Investment Strategy" and "Risk Factors" set out in Sections 4 and 8, respectively, of 2019 PDS, which is available on NBI's website at [www.nb.com/NBI](http://www.nb.com/NBI).

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# NB GLOBAL CORPORATE INCOME TRUST (ASX: NBI)

Portfolio snapshot as of March 31, 2019

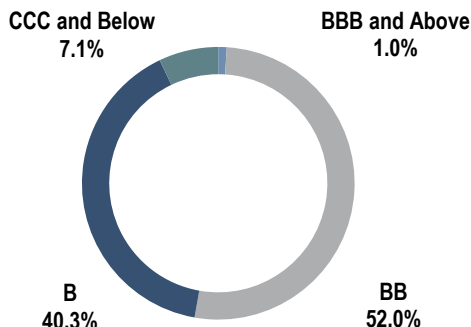
## Portfolio Summary

Number of Holdings	440
Average Holding Size (%)	0.37
Number of Issuers	302
Yield to Worst (%)	5.82
Weighted Average Duration (years)	4.14
Average Credit Quality	BB-

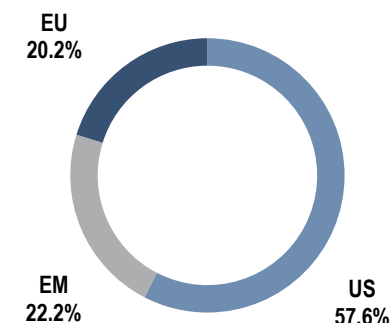
## Sector Allocation %

Basic Industry	12.8%
Energy	12.3%
Media	12.2%
Healthcare	8.4%
Telecommunications	8.2%
Services	6.6%
Utility	6.1%
Financial Services	5.4%
Capital Goods	5.1%
Leisure	4.8%
Banking	4.2%
Real Estate	4.1%
Technology & Electronics	3.2%
Consumer Goods	3.1%
Retail	2.1%
Automotive	1.4%
Transportation	0.5%
Insurance	0.1%

## CREDIT QUALITY<sup>1</sup> %



## REGIONAL ALLOCATION %



## Top 10 Issuer %

Top 10 Issuer %	Sector	Portfolio Weight
Petrobras	Energy	2.21%
Cablevision Systems Corporation	Media	1.87%
Navient Corp	Financial Services	1.71%
Numericable Group	Media	1.54%
Bausch Health Companies	Healthcare	1.52%
Virgin Media Inc	Media	1.37%
Sprint Corp	Telecommunications	1.33%
Charter Communications	Media	1.27%
Iron Mountain Inc	Services	1.20%
Medical Properties Trust Inc	Real Estate	1.16%

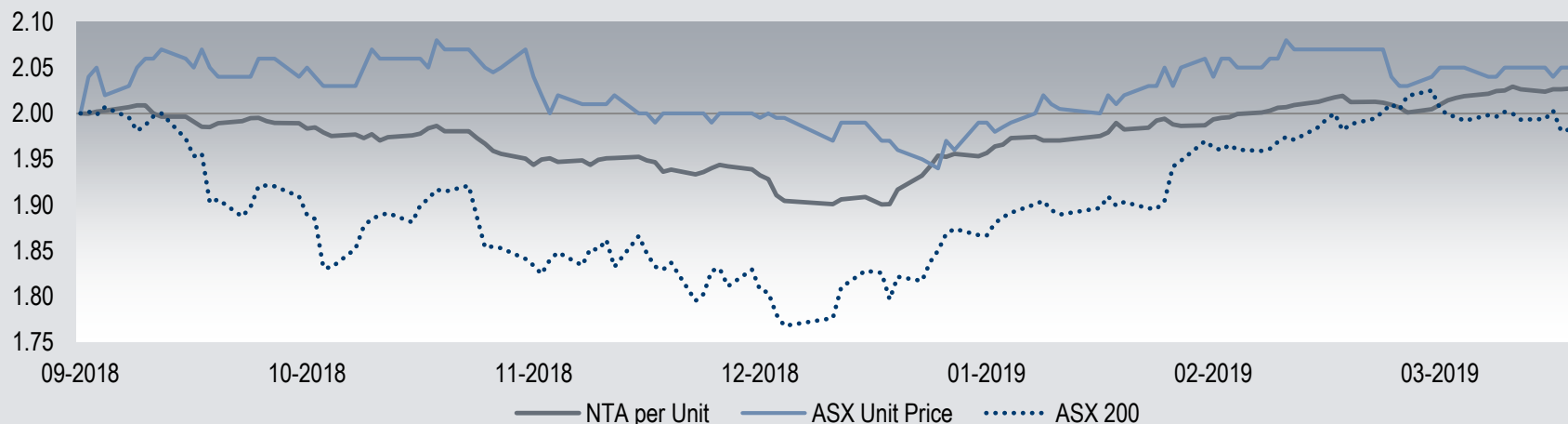
Source: Neuberger Berman, data as of March 31, 2019.

1. 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.

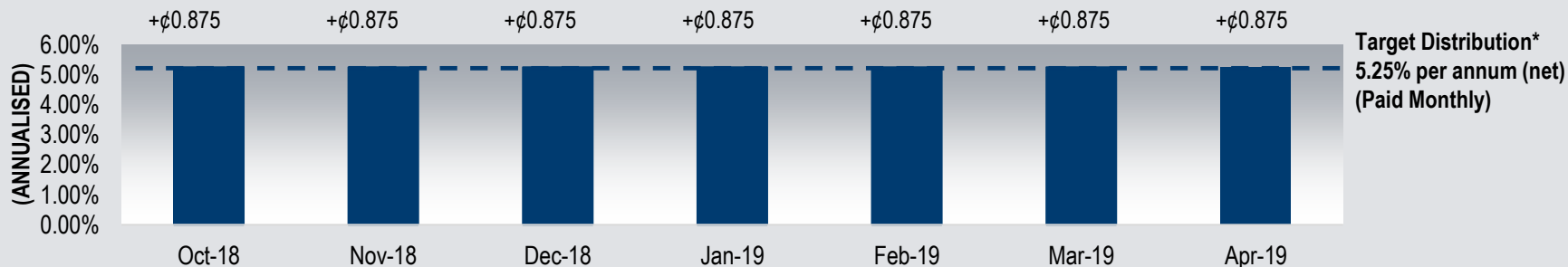
# NBI – DISTRIBUTION AND UNIT PRICE HISTORY

Consistent and stable income stream

SINCE NBI INCEPTION  
(SEPTEMBER 26, 2018 TO MARCH 31, 2019)



## MONTHLY DISTRIBUTIONS

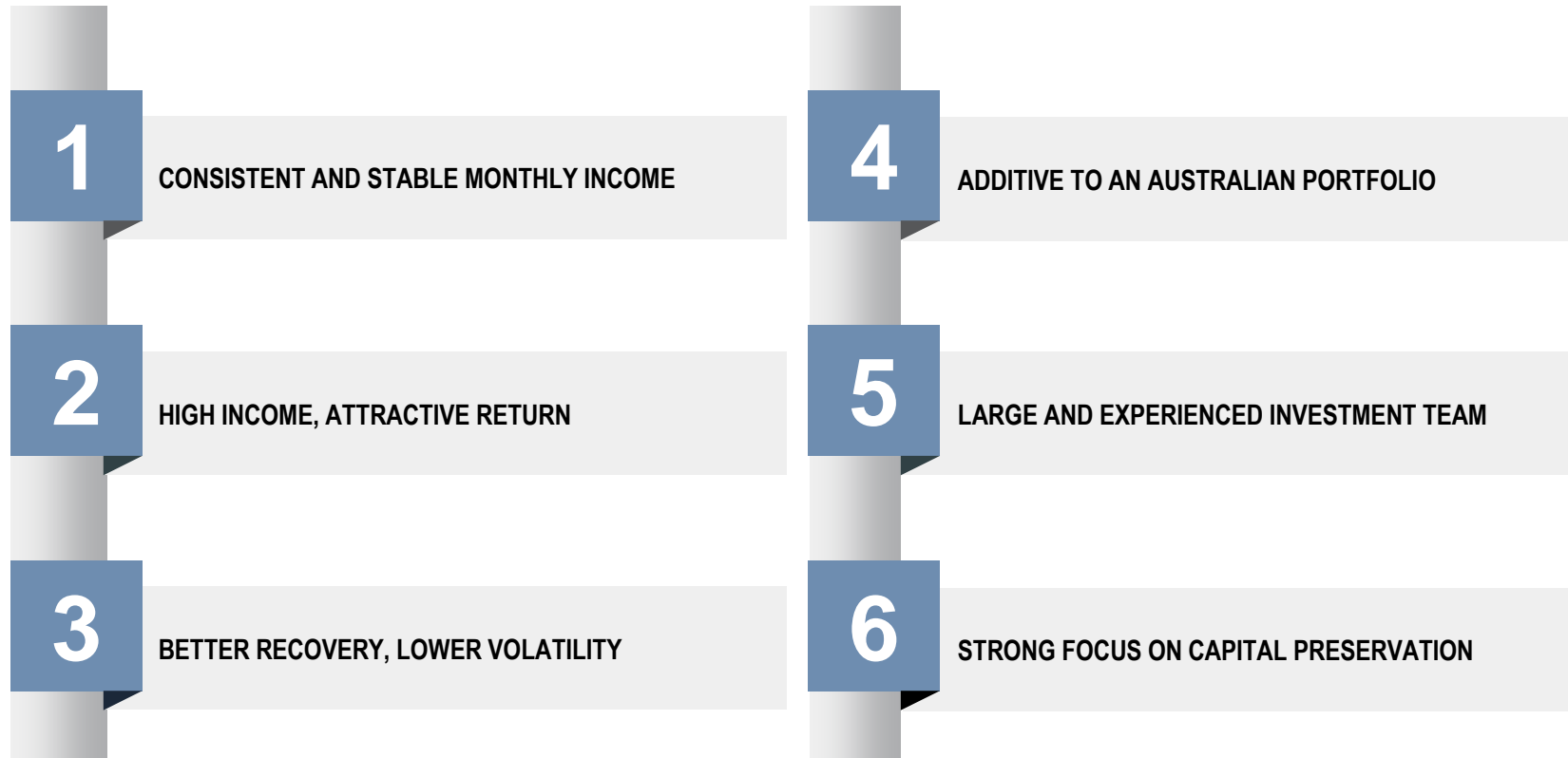


Source: Bloomberg and Neuberger Berman. All information as of March 31, 2019, unless otherwise stated. Past performance is not a reliable indicator of future performance. As with any investment, there is the possibility of profit as well as the risk of loss. \*The Target Distribution is only a target 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.



# SUMMARY

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# INVESTOR COMMUNICATIONS

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Regular investor  
updates



Half yearly national  
investor presentations



Daily NTA



Semi & Annual  
financial results



Website  
[www.nb.com/nbi](http://www.nb.com/nbi)



Media



Industry conferences



Independent research

# CONTACT

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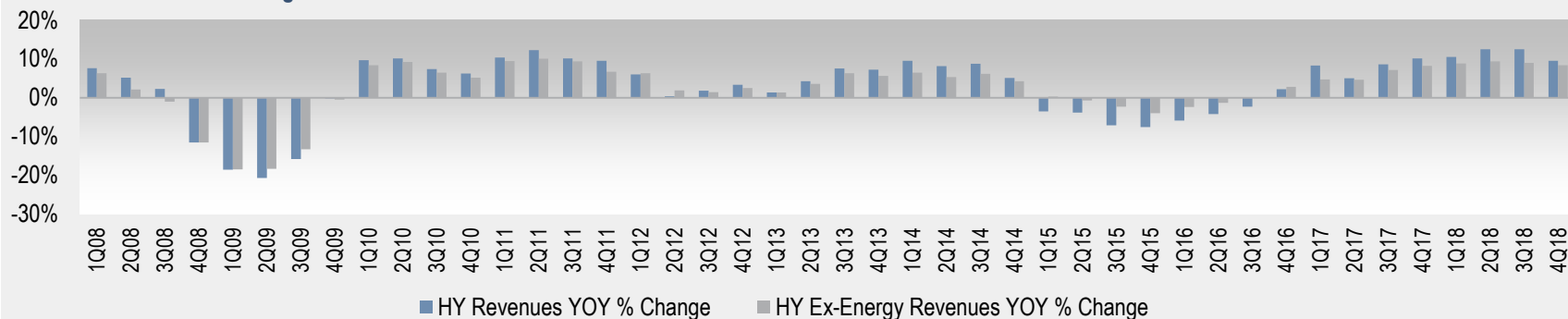
# APPENDICES

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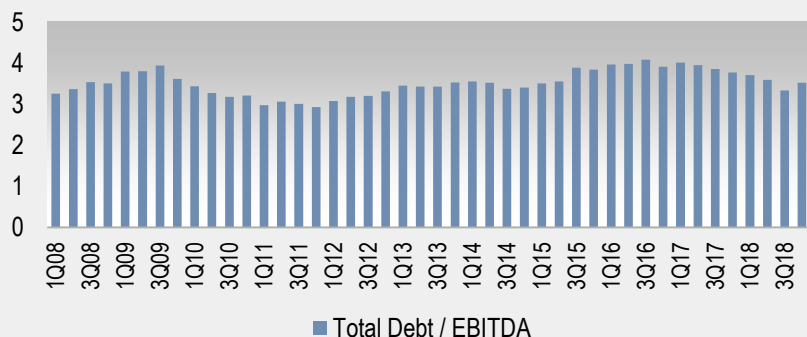
# FUNDAMENTAL TRENDS

Market's credit quality continues to improve

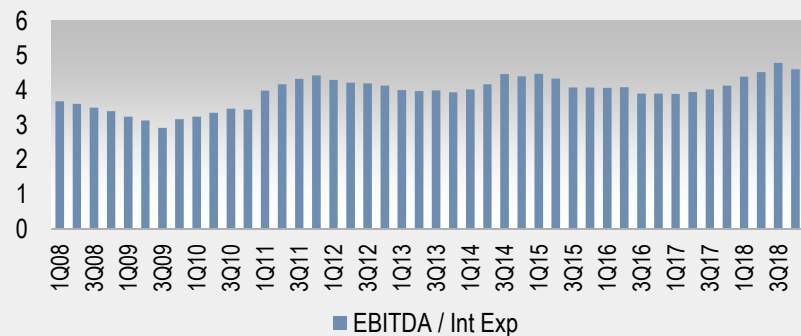
Revenue Growth was Strongest Since Late 2014<sup>1</sup>



Leverage Continues to Decline<sup>2</sup>



Interest Coverage Remains Strong<sup>2</sup>



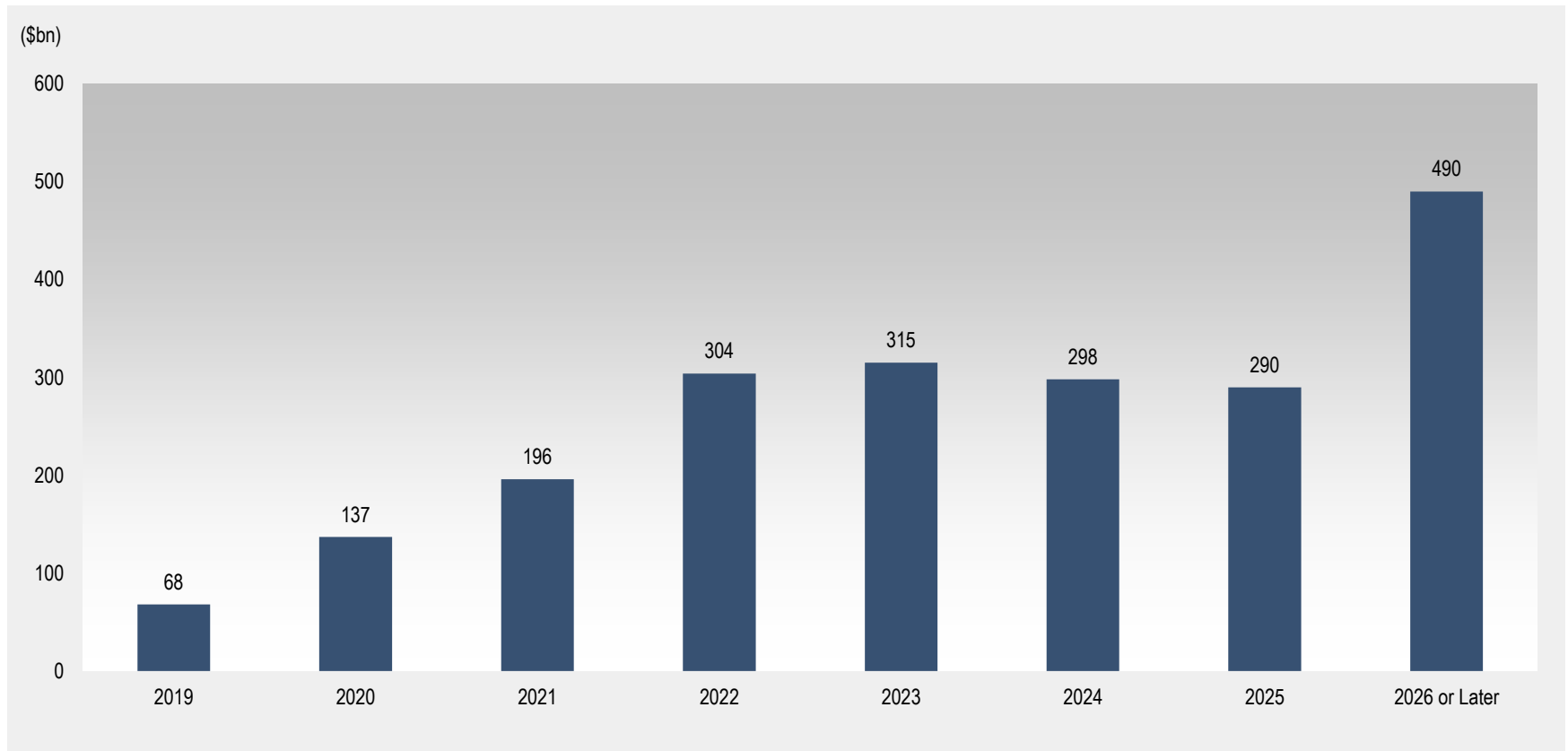
1. Source: Bank of America Merrill Lynch. Data as of December 31, 2018.

2. Source: Bank of America Merrill Lynch. Data as of December 31, 2018. Adjusted metrics are calculated using Adjusted EBITDA which removes the impact of unusual items from earnings including but not limited to non-recurring items, impairments, goodwill etc.

Historical trends do not imply, forecast or guarantee future results. This material is provided for informational purposes only, is as of the date hereof and is subject to change without notice. Neuberger Berman advisors and portfolio managers may make recommendation or take positions contrary to the views expressed. Nothing herein constitutes a prediction or projection of future events or future market behavior. Due to a variety of factors, actual events or market behavior may differ significantly from any views expressed.

# MODEST MATURITY WALL<sup>1</sup>

Continued refinancing has reduced near-term maturities



As of March 31, 2019.

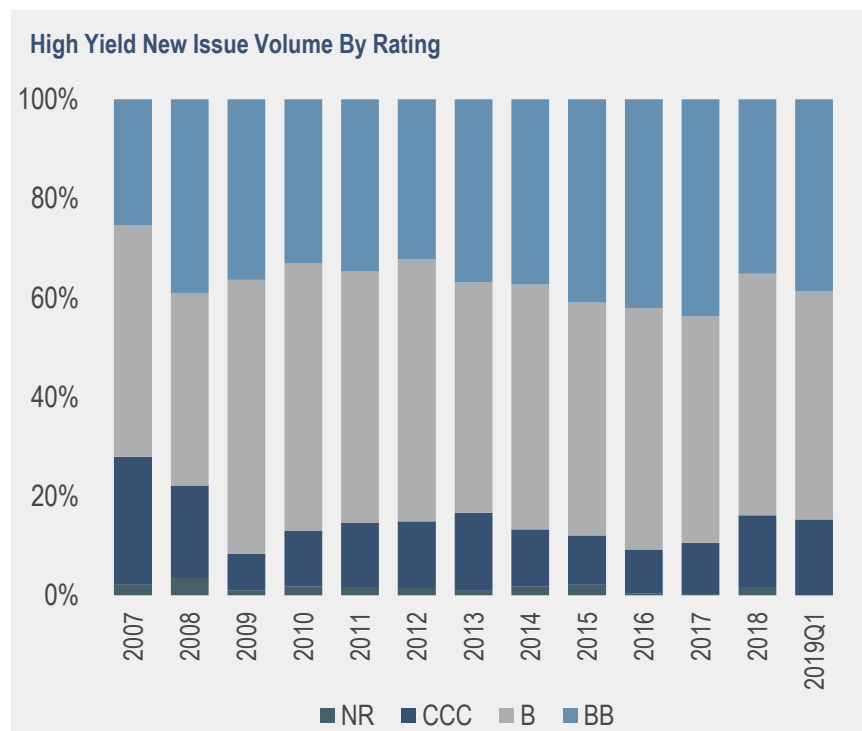
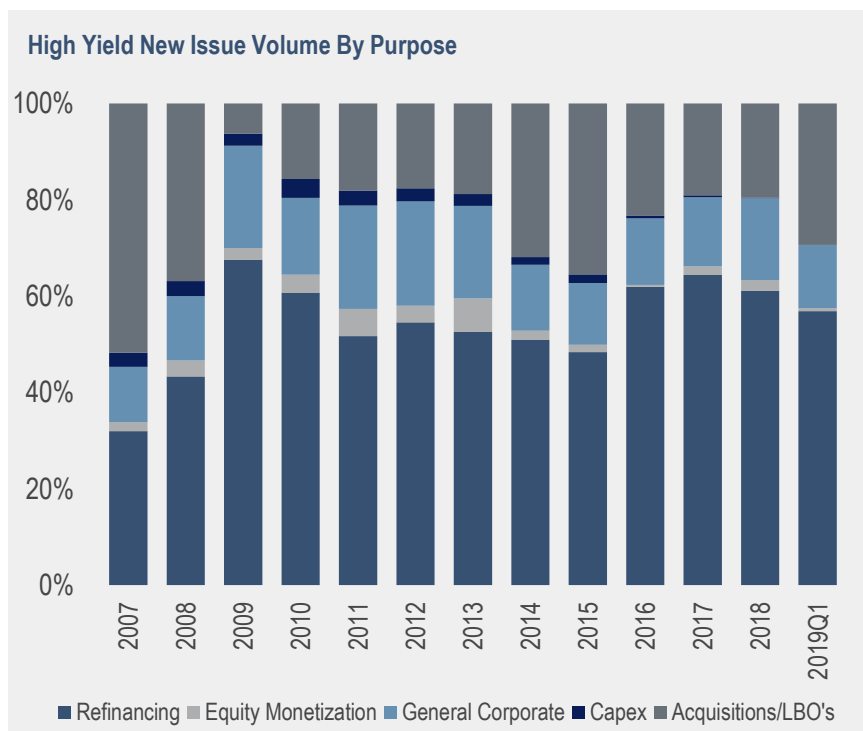
Source: Data is represented by the BofA Merrill Lynch All Maturity Global High Yield Index (HW0J).

1. For each year set forth above, the table shows the amount of high yield bonds outstanding expected to mature.

See definitions of indices at the back of this presentation. Past performance is not necessarily indicative of future results. As with any investment, there is the possibility of profit as well as the risk of loss.



# ISSUANCE TRENDS<sup>1</sup>

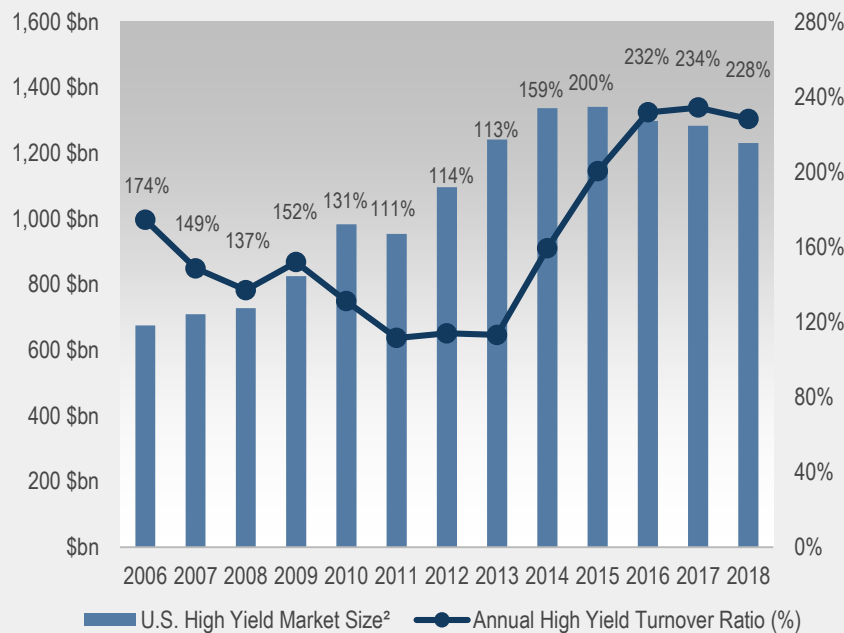


1. Source: Bank of America Merrill Lynch, S&P LCD. Data as of March 31, 2019. High Yield ratings are ICE BofA Merrill Lynch Global High Yield ratings. Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior.

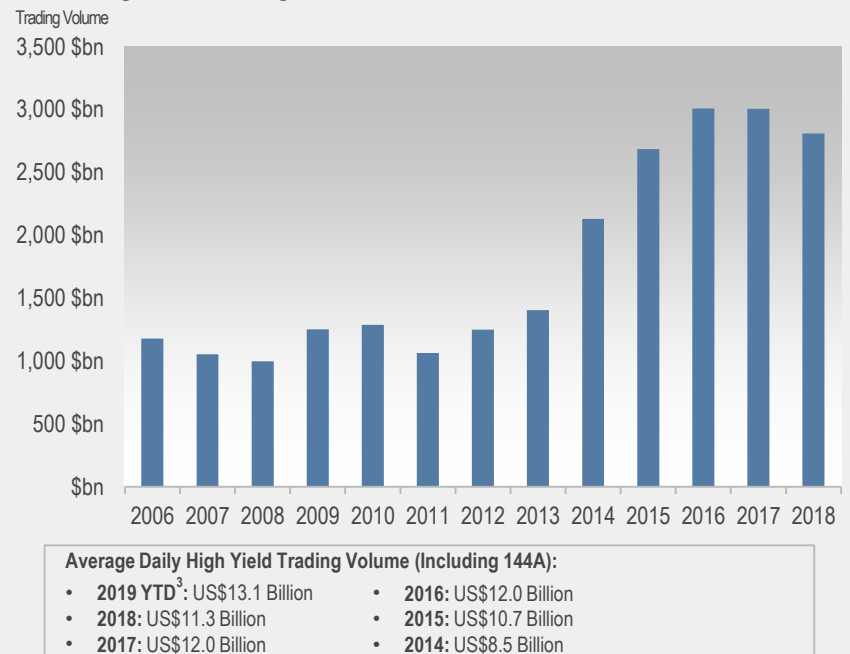
# LIQUIDITY TRENDS

Trading volumes continue to increase

Annual High Yield Turnover<sup>1</sup>



Annual High Yield Trading Volume<sup>1</sup>



1. Source: TRACE, ICE Data Services. Data as of December 31, 2018. TRACE began tracking 144a trading volume in July 2014.

2. U.S. high yield market size is represented by the ICE BofA Merrill Lynch U.S. High Yield Index.

3. As of March 31, 2019.

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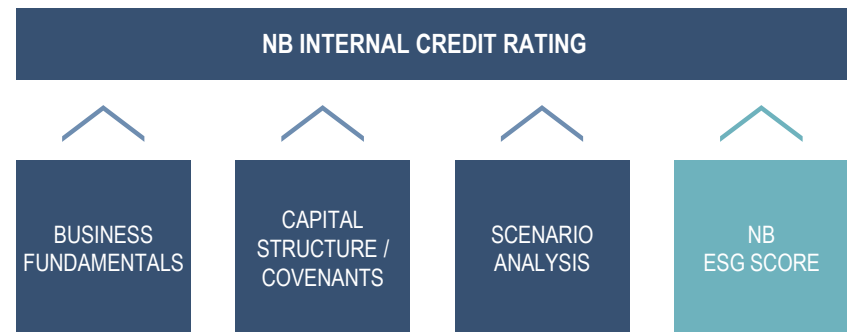
# INTEGRATION OF ESG ANALYSIS INTO THE INVESTMENT PROCESS

PRI has awarded NB an A+ for our Fixed Income ESG integration

## INTEGRATED ESG PROCESS

- **ESG is a critical component of the fundamental research process** that determines Internal Credit Ratings
- **ESG analysis is performed by the Non-Investment Grade Credit research team**
- **Proactive engagement** with issuers to enhance disclosure, improve ESG analysis, and affect positive change
- **Performance attribution** is monitored to determine the impact of ESG analysis

## NB ESG PROCESS



## NEUBERGER BERMAN COLLABORATION IN ESG



Signatory of the UN-supported Principles for Responsible Investment (PRI) since 2012



Founding member of the Sustainability Accounting Standards Board (SASB) Alliance



United Nations  
Global Compact

Registered participant and committed to making the United Nations Global Compact's Ten Principles



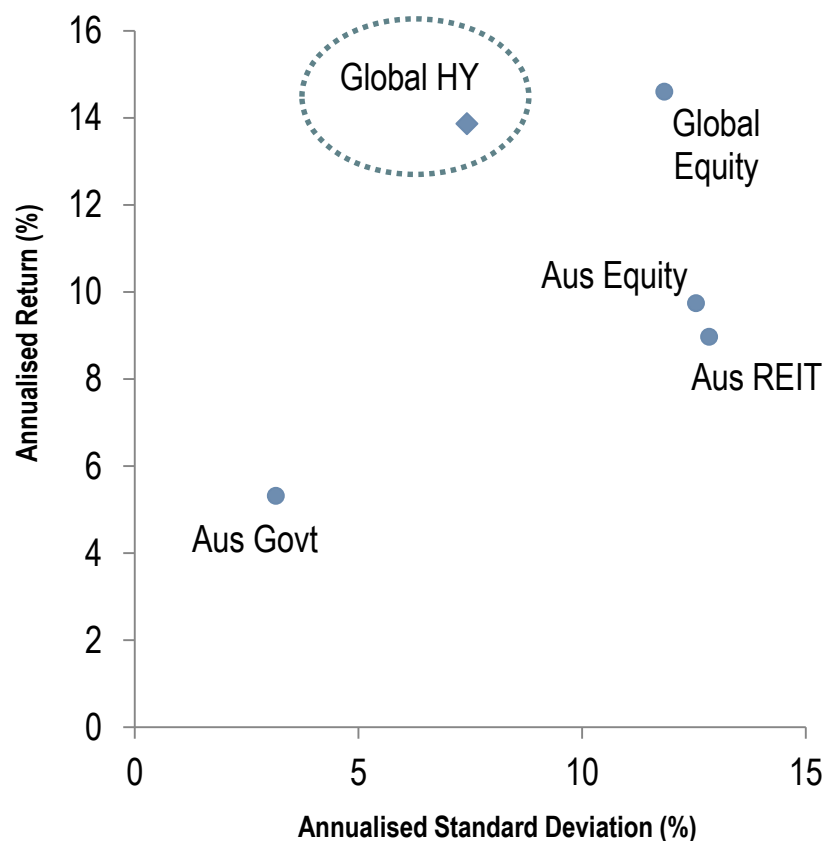
World  
Benchmarking  
Alliance

Ally of the World Benchmarking Alliance and to provide access to information that indicates how companies are contributing to the Sustainable Development Goals

Investors should review the "Environmental, Social and Governance ("ESG") overview set out in Section 4 of the Product Disclosure Statement (the "2019 PDS") for NBI. The 2019 PDS was lodged with the Australian Securities and Investments Commission on May 14, 2019 and is available on NBI's website at [www.nb.com/NBI](http://www.nb.com/NBI). Neuberger Berman is independent of UN PRI.

# DIVERSIFICATION BENEFITS OF GLOBAL HIGH YIELD

**10 YEAR RISK / RETURN PROFILE  
(AS OF MARCH 31, 2019)**



**CORRELATION TO AUSTRALIAN ASSET CLASSES  
10 YEAR PERIOD (AS OF MARCH 31, 2019)**

	Global HY	Global Equity	Aus REIT	Aus Govt.	Aus Equity
Global HY	1.000				
Global Equity	0.728	1.000			
Aus REIT	0.357	0.395	1.000		
Aus Govt.	-0.283	-0.399	0.216	1.000	
Aus Equity	0.550	0.695	0.600	-0.245	1.000

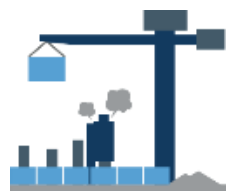
**Global High Yield has historically had low correlation to traditional fixed income asset classes**

- Negative correlation to Australian government securities
- Low correlation to Australian REIT and Australian Equity
- While correlation is highest to global equities, volatility of global high yield is lower

Source: Morningstar, Bloomberg. Indices used were the ICE BofAML Global High Yield Index (A\$ hedged), MSCI World (A\$ hedged), S&P/ASX 200 A-REIT, Bloomberg AusBond Govt 0+ Yr Index and S&P/ASX 20 TR. Unless stated otherwise, all Index data as of March 31, 2019. Past performance is not a reliable indicator of future performance.

# WHAT HAPPENS WHEN RATES RISE...

## WHEN RATES ARE RISING...



Economy is doing well



Growth in earnings



Improvement in  
company fundamentals



Decrease in corporate  
credit risk

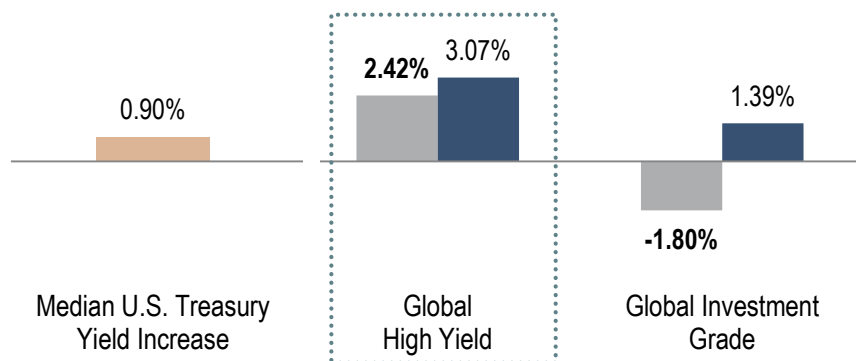


Strong Return

## HY CORPORATE BONDS GENERALLY PERFORM STRONGLY

Median Return during periods of rising U.S. Treasury yields (2000 – 2016)

■ 3 months' return during period ■ Immediate 3 months' return after period



## BEING LESS SENSITIVE TO RISING RATES

COUPON PAYMENT <sup>1</sup>		
Global Investment Grade	Australia Bonds	Global High Yield
2.9%	1.9%	6.1%

Higher  
Coupon

DURATION <sup>2</sup>		
Global Investment Grade	Australia Bonds	Global High Yield
7 yrs	5 yrs	4 yrs

Shorter  
Duration

Sources: Bloomberg and Neuberger Berman. All information as of March 31, 2019, unless otherwise specified. Indices used are the ICE BofAML Global High Yield Index (USD Hedged); Bloomberg Barclays Global Aggregate Corporate Bond Index (USD Hedged); Bloomberg Barclays AusBond Composite 0+ Years Index; and S&P U.S. Treasury Bond Current 5-Year Index.

<sup>1</sup>Coupon Payment is represented by Yield-to-Worst <sup>2</sup>Duration is represented by Modified Duration, Global High Yield is represented by Effective Duration.

# STRONG EMPHASIS ON CAPITAL PRESERVATION WHEN IT MATTERS MOST

	Neuberger Berman U.S. High Yield Composite 0 Defaults										Neuberger Berman U.S. High Yield Composite 0 Defaults					Neuberger Berman U.S. High Yield Composite 0 Defaults						
	INTERNET BUBBLE BURSTS										GLOBAL FINANCIAL CRISIS					COMMODITY COLLAPSE						
RETURNS (%) <sup>1</sup>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD 2019
Neuberger Berman U.S. High Yield Composite (Net-of-fees)	7.6	5.6	-1.3	6.2	3.8	27.7	8.7	4.8	10.1	2.2	-17.8	52.6	15.2	4.1	15.6	7.7	2.0	-4.1	14.8	5.8	-2.1	7.1
Benchmark	2.9	2.4	-5.2	4.5	-0.5	28.0	10.9	2.8	10.8	2.5	-26.1	58.1	15.1	4.4	15.6	7.4	2.5	-4.6	17.5	7.5	-2.3	7.4

Source: Neuberger Berman as of March 31, 2019.

<sup>1</sup>The benchmark is the ICE BofAML U.S. High Yield Master II Constrained Index, which is designed to measure the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market, including 144A issues. The benchmark is calculated on a total return basis. Periods less than one year are not annualized. The performance presented is supplemental to the GIPS-compliant presentation included as part of this presentation in the back. Indices are unmanaged, are not available for direct investment and are not subject to fees and expenses typically associated with managed accounts or investment funds. Please see additional notes and disclosures, which are required as part of this presentation. Preliminary returns, based on unreconciled data.

Past performance is not a reliable indicator of future performance. As with any investment, there is the possibility of profit as well as the risk of loss. Historical trends do not imply, forecast or guarantee future results.



# INVESTMENT PERFORMANCE DISCLOSURE STATEMENT

## U.S. High Yield Composite (Inception 12/01/1997)

	Composite		Benchmark	Composite					3 Year Standard Deviation	
	Total Return (%, Gross of Fees)	Total Return (%, Net of Fees)	ICE BofAML US HY Master II Constrained Index (%)	No. of Accounts	Market Value (\$ m)	Total Firm Assets (\$ bn)	% of Firm Assets	Internal Dispersion	Composite (%)	ICE BofAML US HY Master II Constrained Index (%)
YTD Mar-2019	7.02	7.05	7.40	25	7,500.6	--	--	--	4.25	4.54
2018	-1.74	-2.12	-2.27	25	7,130.0	304.1	2.34	0.06	3.89	4.63
2017	6.21	5.78	7.48	30	9,866.1	295.2	3.34	0.07	5.00	5.59
2016	15.22	14.76	17.49	25	8,222.6	255.2	3.22	0.17	5.59	6.01
2015	-3.73	-4.12	-4.61	24	6,392.1	240.4	2.66	0.17	5.63	5.26
2014	2.38	2.00	2.51	24	7,466.8	250.0	2.99	0.08	5.15	4.44
2013	8.09	7.72	7.41	24	7,630.5	241.7	3.16	0.10	7.41	6.43
2012	15.99	15.61	15.55	21	6,841.4	205.0	3.34	0.14	8.13	7.02
2011	4.54	4.11	4.37	21	6,777.4	193.1	3.51	0.32	11.05	10.96
2010	15.64	15.18	15.07	12	4,882.1	80.1	6.10	0.37	--	--
2009	53.11	52.64	58.10	11	3,587.6	75.8	4.73	2.54	--	--

### Compliance Statement

- Neuberger Berman Group LLC ("NB", "Neuberger Berman" or the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Neuberger Berman has been independently verified for the period January 1, 2011 to December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The NB U.S. High Yield composite has been examined for the periods January 1, 1998 to December 31, 2017. The verification and performance examination reports are available upon request.
- The GIPS® firm definition was redefined effective January 1, 2011. For prior periods there were two separate firms for GIPS® firm definition purposes and such firms were independently verified for the periods January 1, 1997 to December 31, 2010 and January 1, 1996 to December 31, 2010, respectively.

### Definition of the Firm

- The firm is currently defined for GIPS® purposes as Neuberger Berman Group LLC, ("NB", "Neuberger Berman" or the "Firm"), and includes the following subsidiaries: Neuberger Berman Investment Advisers LLC, Neuberger Berman Europe Ltd., Neuberger Berman Asia Ltd., Neuberger Berman East Asia Ltd., Neuberger Berman Singapore Pte. Ltd., Neuberger Berman Taiwan Ltd., Neuberger Berman Australia Pty. Ltd., Neuberger Berman Trust Company N.A., Neuberger Berman Trust Company of Delaware N.A., NB Alternatives Advisers LLC and Neuberger Berman Breton Hill ULC.

### Policies

- Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

### Composite Description

- The U.S. High Yield Composite (the "Composite") includes the performance of all fee-paying U.S. High Yield portfolios, with no minimum investment, managed on a fully discretionary basis by the Non Investment Grade Fixed Income team. The U.S. High Yield strategy is designed for investors who seek to achieve returns relative to a broad high yield bond index. The emphasis is on

avoidance of credit deterioration, sector rotation and relative value bond selection. The Composite creation and performance inception date is December 1997. A complete list of Neuberger Berman's composites is available upon request.

### Primary Benchmark Description

The benchmark is the ICE BofAML U.S. High Yield Master II Constrained Index (the "Index"). The Index is designed to measure the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market, including 144a issues. The benchmark is calculated on a total return basis. Additional disclosures for complete benchmark descriptions are available upon request.

### Reporting Currency

Valuations are computed and performance is reported in U.S. Dollars.

### Fees

- Composite Gross of Fee returns are the return on investments reduced by any trading expenses incurred during the period.
- Composite Net of Fee returns are the Gross of Fee returns reduced by investment advisory fees.

### Fee Schedule

The annual investment advisory fee, generally payable quarterly, is as follows: 0.55% on the first \$50mn; 0.45% on the next \$250mn; 0.35% thereafter.

### Internal Dispersion

- Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were in the Composite for the entire year. Internal dispersion is not calculated if the Composite does not contain at least 6 portfolios for the entire year.

### Annualized Standard Deviation

The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period. The standard deviation is not required for periods prior to 2011.

# INDEX DEFINITIONS

**ICE Bank of America Merrill Lynch U.S. High Yield Index:** This index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million.

**ICE BofAML U.S. High Yield Master II Constrained Index:** This index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market, including 144a issues. Yankee bonds (debt of foreign issuers issued in the U.S. domestic market) are included in the index provided the issuer is domiciled in a country having an investment grade foreign currency long-term debt rating (based on a composite of Moody's and S&P). Qualifying bonds must have at least one year remaining to maturity, a fixed coupon schedule and a minimum amount outstanding of \$250 million. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer (defined by Bloomberg tickers) does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis. Similarly, the face value of bonds of all other issuers that fall below the 2% cap are increased on a pro-rata basis.

**The Bloomberg Barclays U.S. Aggregate Index:** The Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**S&P/LSTA Leveraged Loan Index:** The S&P/LSTA Leveraged Loan index is a daily total return index that uses LSTA/LPC Mark-to-Market Pricing to calculate market value change. On a real-time basis, the S&P/LSTA Leveraged Loan index tracks the current outstanding balance and spread over LIBOR for fully funded term loans. The facilities included in the index represent a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers.

**S&P/LSTA U.S. Leveraged Loan 100 Index:** The S&P/LSTA Leveraged Loan 100 Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market. The index consists of 100 loan facilities drawn from a larger benchmark - the S&P/LSTA (Loan Syndications and Trading Association) Leveraged Loan Index (LLI), which covers more than 900 facilities and had a market value of more than US\$ 490 billion on June 30th, 2011. As of June 30, 2011, the S&P/LSTA U.S. Leveraged Loan 100 Index had a total market value of US\$ 183.4 billion.

**J.P. Morgan Global High Yield Index:** The J.P. Morgan Global High Yield Index consists of fixed income securities of domestic and foreign issuers with a maximum credit rating of BB+ or Ba1.

# INDEX DEFINITIONS

**Bloomberg AusBond Composite 0+ Yr Index:** The Bloomberg AusBond Composite 0+ Yr Index is engineered to measure the Australian debt market and is a composite of Treasury, Semi-Govt, Supra/Sov, and Credit indices. This is a legacy UBS index and is a subset of the Bloomberg AusBond Master Index. It is a rules-based, market value weighted index which includes bonds maturing in 0+ years.

**MSCI World Index:** The MSCI World Index (Net) is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. It covers approximately 85% of the free float-adjusted market capitalization in each country and does not offer exposure to emerging markets.

**S&P 500 Index:** The S&P 500 Index is a capitalization weighted index comprised of 500 stocks chosen for market size, liquidity, and industry group representation. The S&P 500 Index is constructed to represent a broad range of industry segments in the U.S. economy. The S&P 500 focuses on the large-cap segment of the market with over 80% coverage of US equities. Criteria for inclusion include financial stability (minimize turnover in the index), screening of common shares to eliminate closely held companies and trading activity indicative of ample liquidity and efficient share pricing. Companies in merger, acquisition, leveraged-buy-outs, bankruptcy (Chapter 11 filing or any shareholder approval of recapitalization which changes a company's debt-to-equity ratio), restructuring, or lack of representation in their representative industry groups are eliminated from the index.

**S&P/ASX 200 Index :** The S&P/ASX 200 measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative liquid and tradable, it is widely considered Australia's preeminent benchmark index. The index is float-adjusted. The index was launched in April 2000.

**S&P/ASX 20 Index :** The S&P/ASX 20 is designed to measure actively traded and highly liquid securities that are among the 20 largest securities listed on the ASX.

**S&P/ASX 200 A-REIT Index:** A sector subindex of the S&P/ASX 200, this index tracks the performance of Australian real estate investment trusts (A-REITs) and mortgage REITs.

# INDEX DEFINITIONS

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**U.S. Treasury: 1-3 Year:** Securities in the Treasury Index (i.e., public obligations of the U.S. Treasury) with a maturity from 1 up to (but not including) 3 years.

**U.S. Credit Description:** Publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

**U.S. Treasury:** Public obligations of the U.S. Treasury with a remaining maturity of one year or more. Exclusions:

- Treasury bills are excluded (because of the maturity constraint).
- Certain special issues, such as flower bonds, targeted investor notes (TINs), and state and local government series (SLGs) bonds are excluded.
- Coupon issues that have been stripped are reflected in the index based on the underlying coupon issue rather than in stripped form. Thus STRIPS are excluded from the index because their inclusion would result in double counting. However, for investors with significant holdings of STRIPS, customized benchmarks are available that include STRIPS and a corresponding decreased weighting of coupon issues.
- Treasuries not included in the Aggregate Index, such as bills, coupons, and bellwethers, can be found in the index group Other Government on the Index Map.
- As of December 31, 1997, Treasury Inflation-Protection Securities (TIPS) have been removed from the Aggregate Index. The TIPS index is now a component of the Global Real index group.

**U.S. Treasury Bills: 1-3 Months:** The Barclays Treasury Bill Index includes U.S. Treasury bills with a remaining maturity from 1 up to (but not including) 12 months. It excludes zero coupon strips.

# DISCLAIMER

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