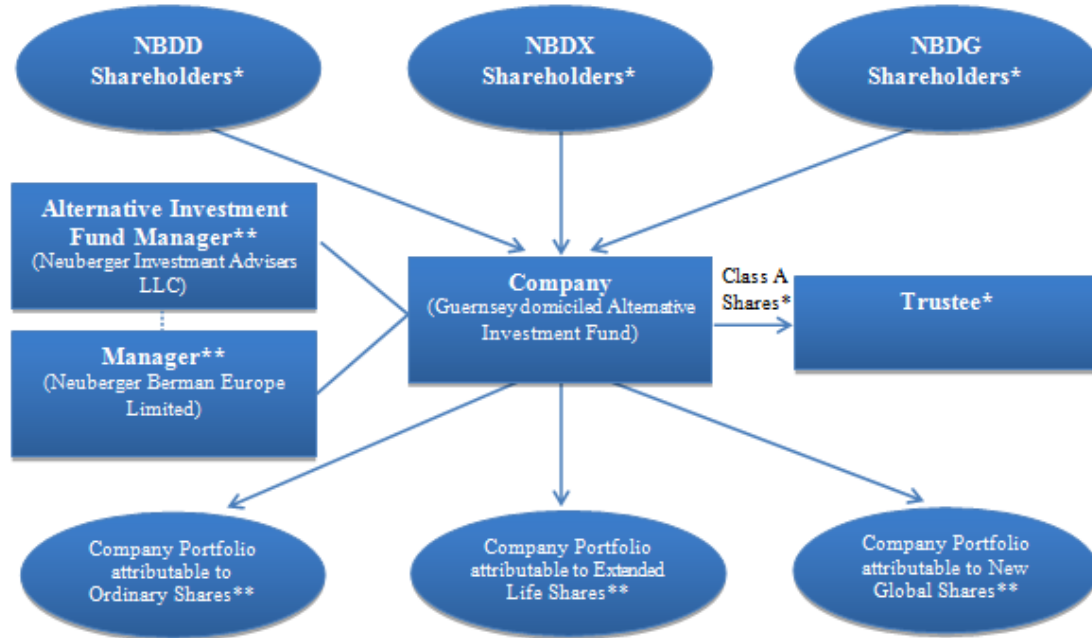


BUSINESS MODEL

Principal Activities and Structure

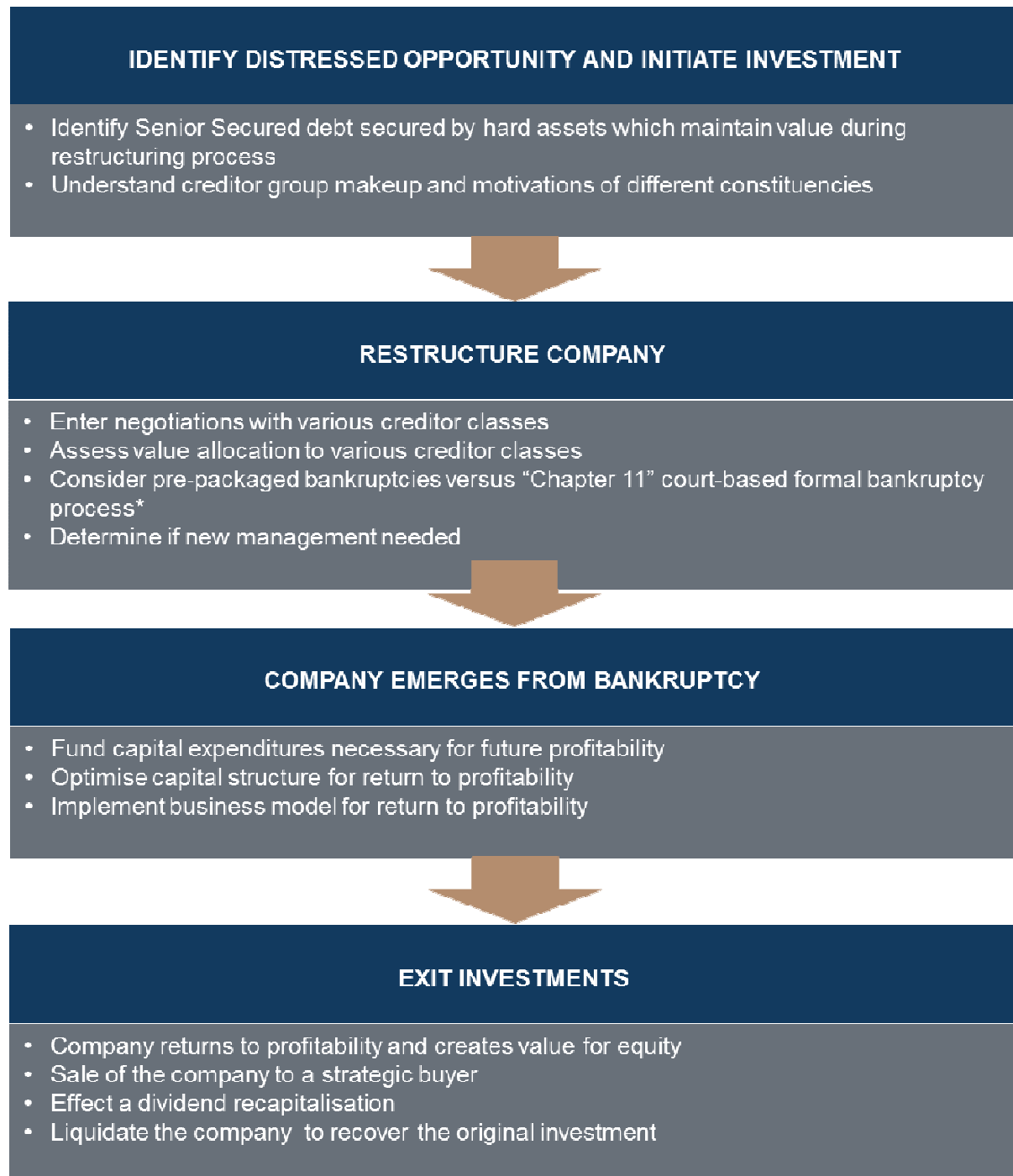


* Further information on the Company's capital structure can be found in the Capital Structure section.

** Further information on the Company's investment management arrangements can be found in the Strategic Report's Management Arrangements section.

BUSINESS MODEL

Typical Life Cycle of a Distressed Debt Investment

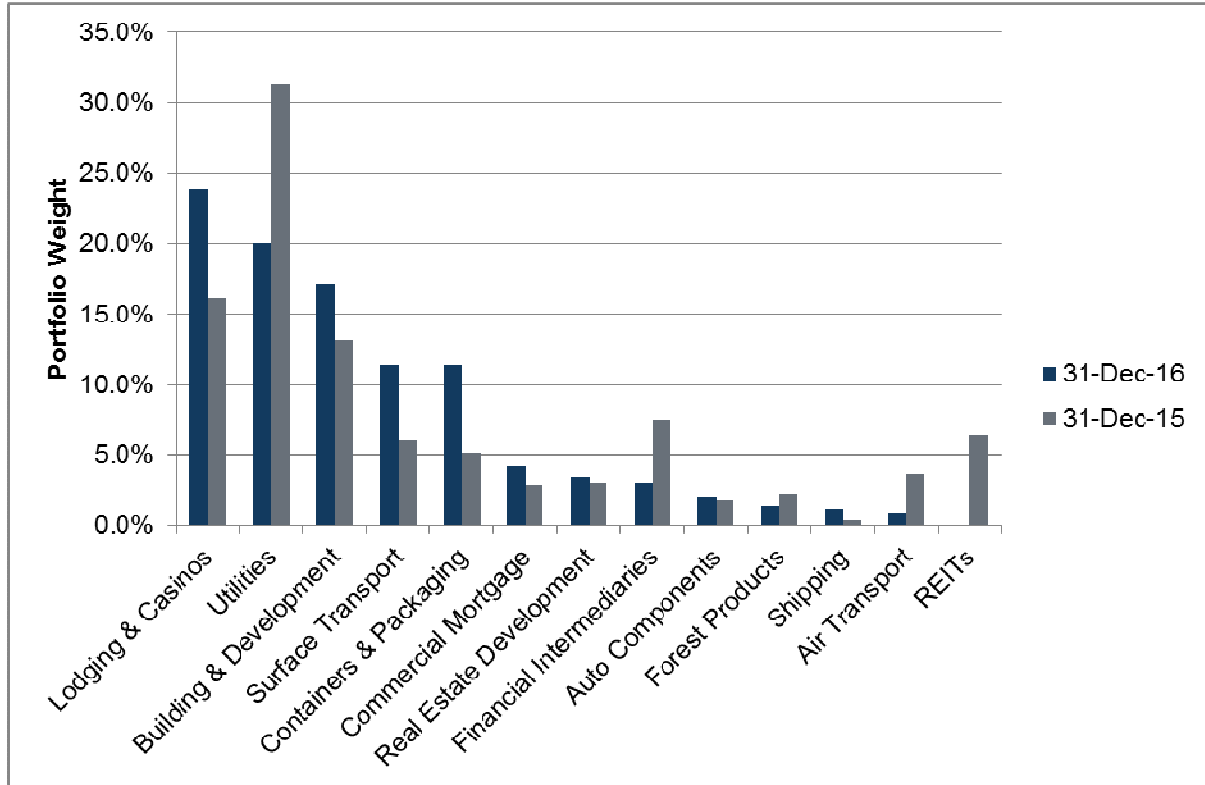


* Negotiations can take place within bankruptcy or creditors can negotiate with the company to agree on a pre-packaged bankruptcy whereby the plan of reorganisation is negotiated before the company files for bankruptcy protection (this has become more common).

PORTFOLIO INFORMATION

Ordinary Share Class Portfolio (NBDD)

Sector Breakdown^{1,2}



1 Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited as Administrator to the Company. Please note that irrespective of the "sector" in which an investment is made, the underlying assets constituting the collateral for the investment comprise real estate assets in a majority of cases. As a result, NBDD's overall exposure to the real estate sector may be more than its actual direct exposure to that sector.

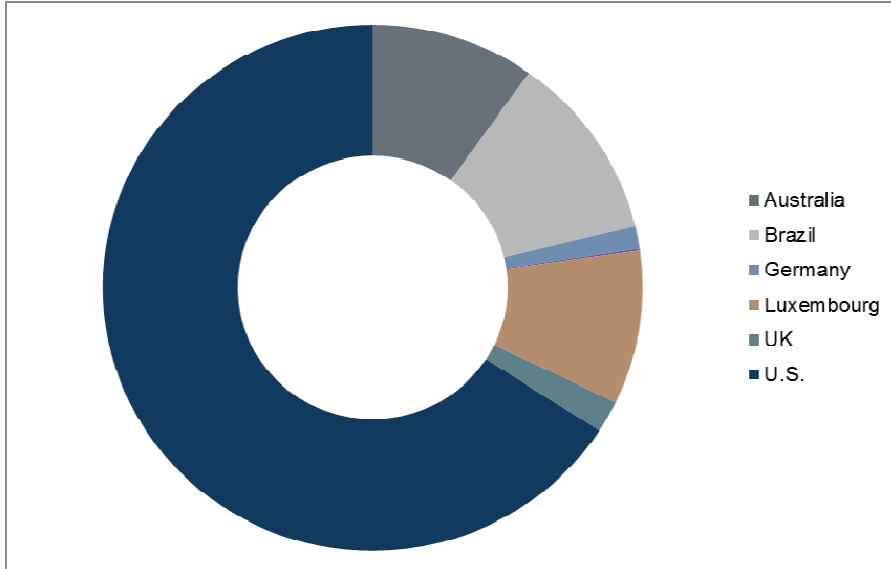
2 Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market values at 31 December 2016 and 31 December 2015.

PORTFOLIO INFORMATION

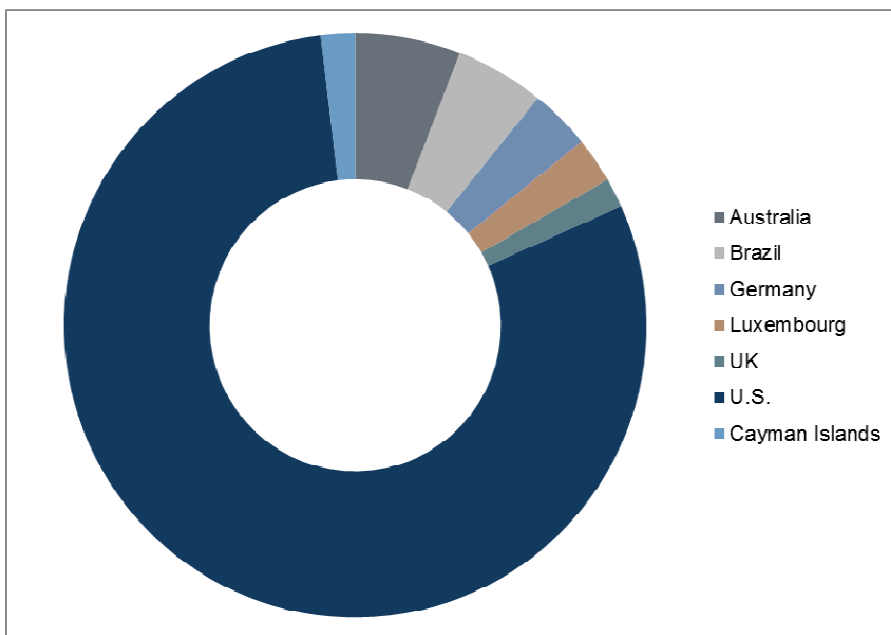
Ordinary Share Class Portfolio (NBDD)

Country Breakdown²

31 December 2016



31 December 2015

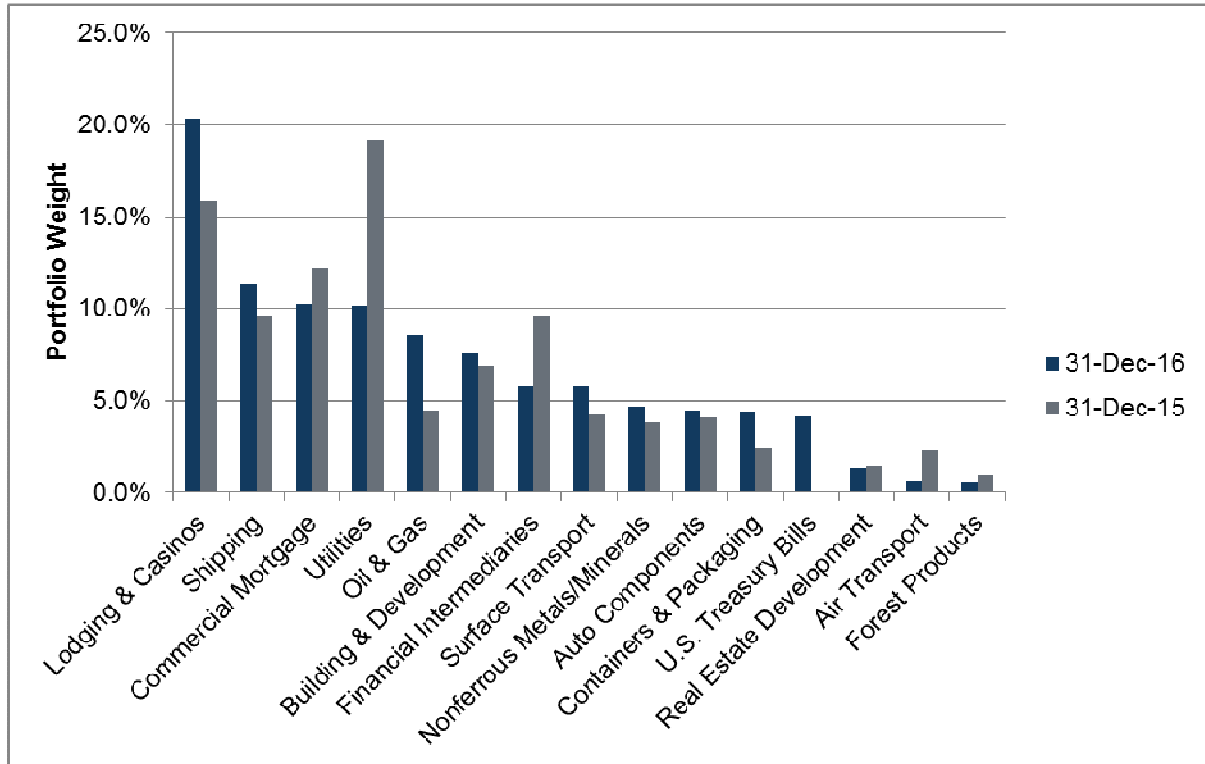


2 Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market values at 31 December 2016 and 31 December 2015.

PORTFOLIO INFORMATION

Extended Share Class Portfolio (NBDX)

Sector Breakdown^{1,2}



1 Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited as Administrator to the Company. Please note that irrespective of the “sector” in which an investment is made, the underlying assets constituting the collateral for the investment comprise real estate assets in a majority of cases. As a result, NBDX’s overall exposure to the real estate sector may be more than its actual direct exposure to that sector.

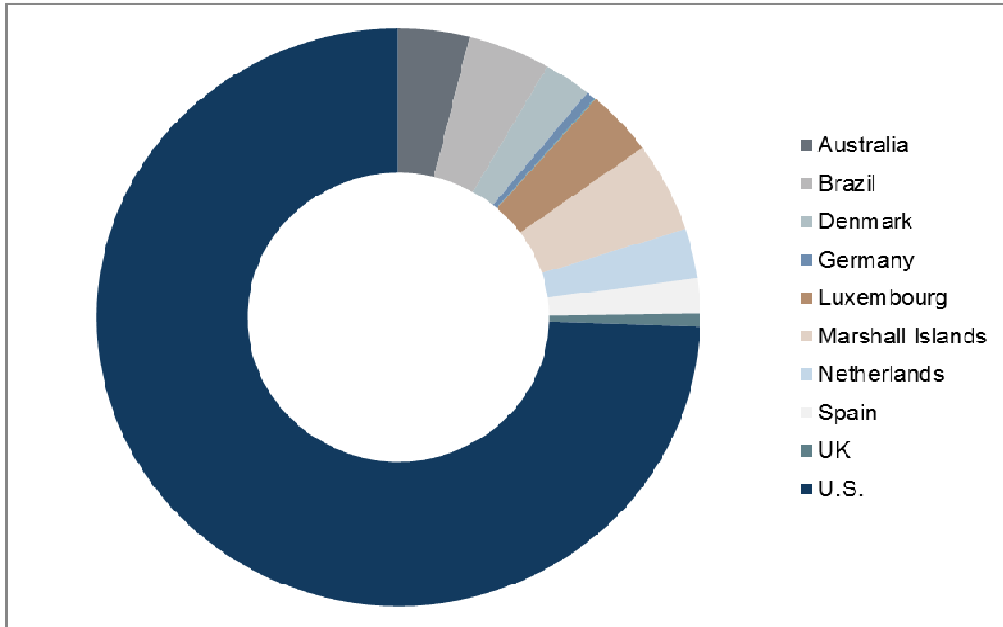
2 Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market values at 31 December 2016 and 31 December 2015.

PORTFOLIO INFORMATION

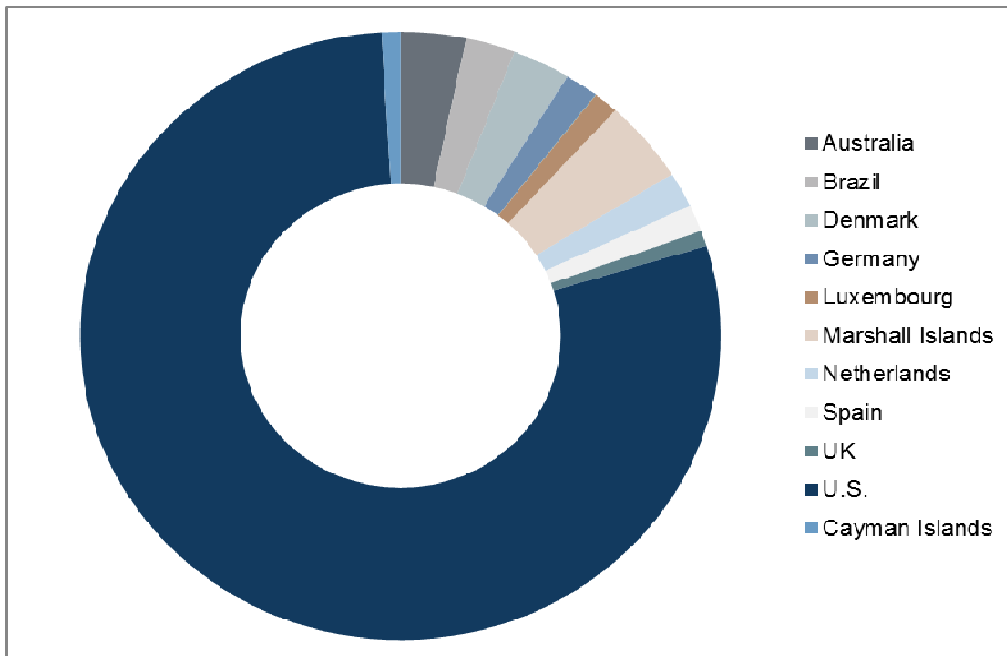
Extended Share Class Portfolio (NBDX)

Country Breakdown²

31 December 2016



31 December 2015

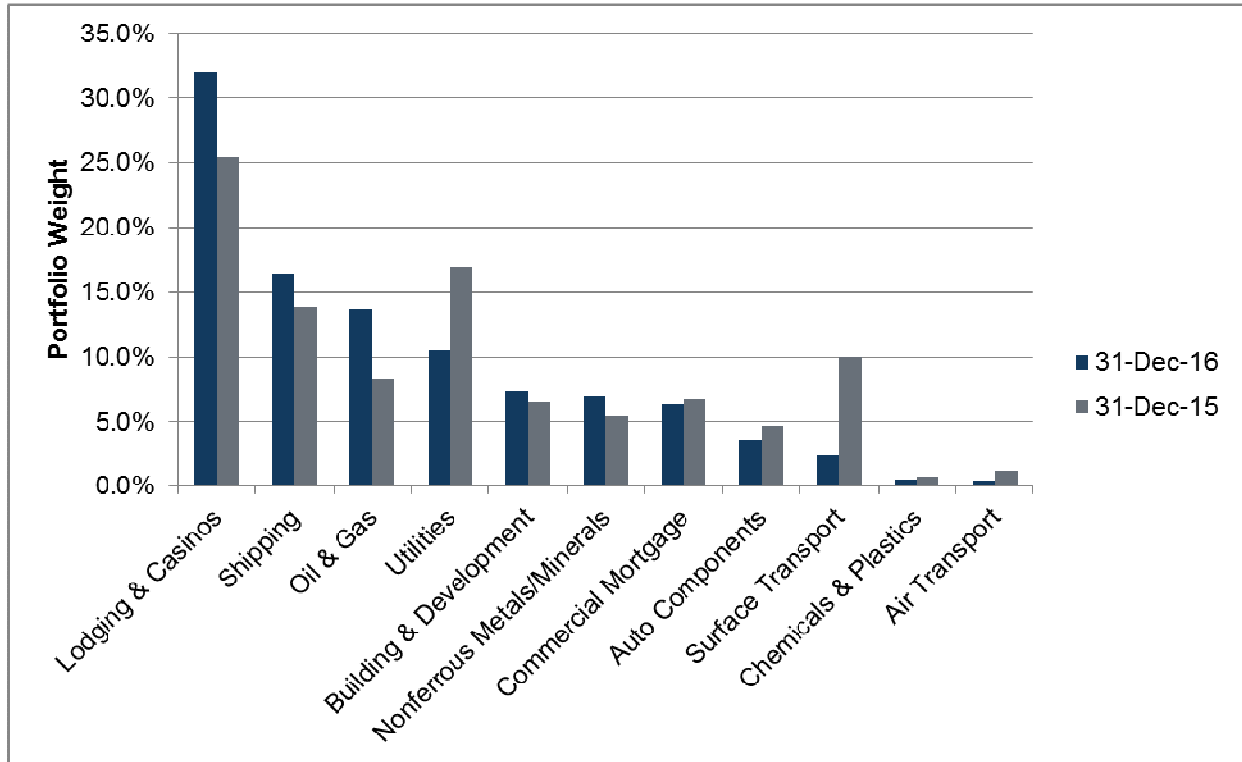


² Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market values at 31 December 2016 and 31 December 2015.

PORTFOLIO INFORMATION

New Global Share Class Portfolio (NBDG)

Sector Breakdown^{1,2}



1 Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited as Administrator to the Company. Please note that irrespective of the “sector” in which an investment is made, the underlying assets constituting the collateral for the investment comprise real estate assets in a majority of cases. As a result, NBDG’s overall exposure to the real estate sector may be more than its actual direct exposure to that sector.

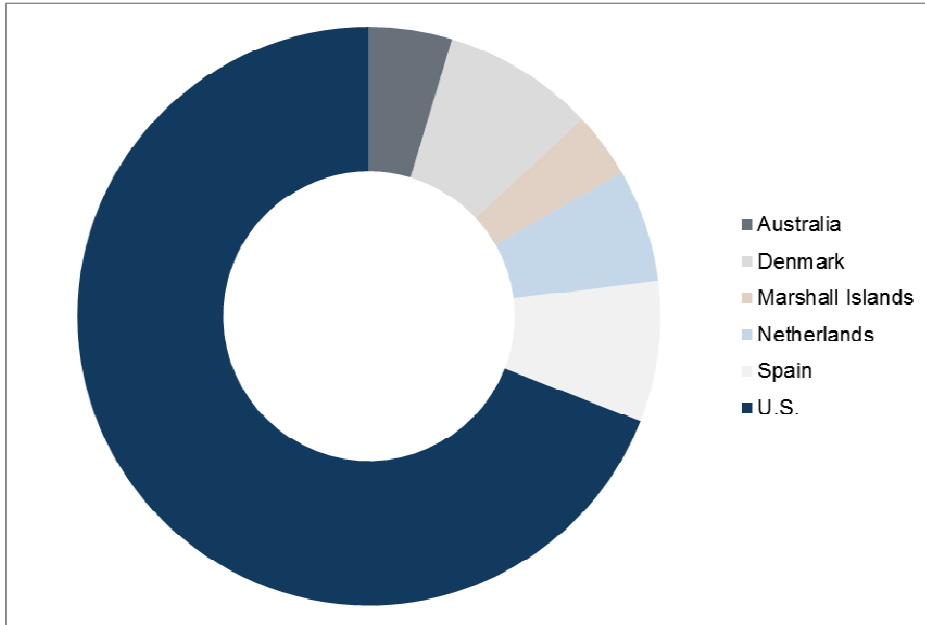
2 Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market values at 31 December 2016 and 31 December 2015.

PORTFOLIO INFORMATION

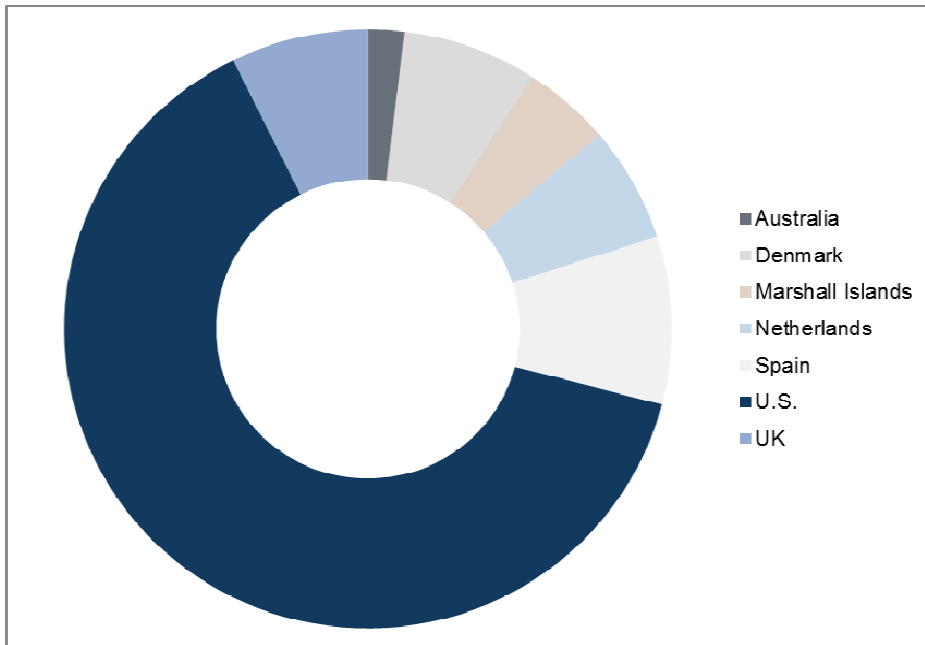
New Global Share Class Portfolio (NBDG)

Country Breakdown²

31 December 2016



31 December 2015



² Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market values at 31 December 2016 and 31 December 2015.