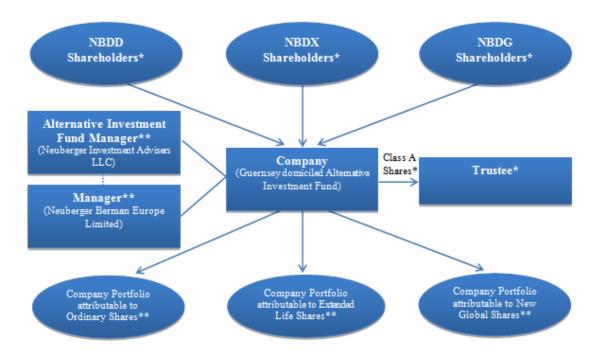
BUSINESS MODEL

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

IDENTIFY DISTRESSED OPPORTUNITY AND INITIATE INVESTMENT

- Identify Senior Secured debt secured by hard assets which maintain value during restructuring process
- Understand creditor group makeup and motivations of different constituencies



- Enter negotiations with various creditor classes
- Assess value allocation to various creditor classes
- Consider pre-packaged bankruptcies versus "Chapter 11" court-based formal bankruptcy process*
- Determine if new management needed.

COMPANY EMERGES FROM BANKRUPTCY

- Fund capital expenditures necessary for future profitability
- · Optimise capital structure for return to profitability
- Implement business model for return to profitability

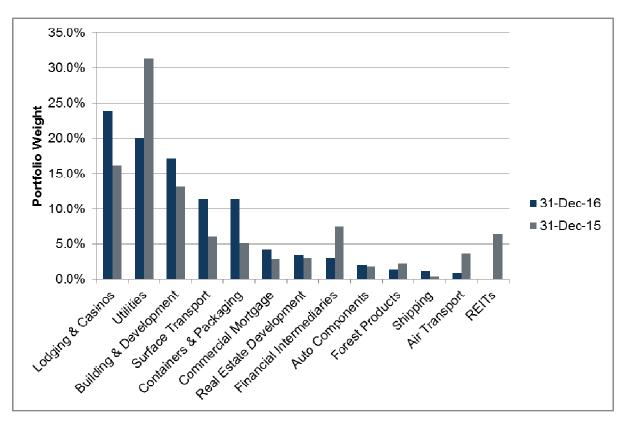
EXIT INVESTMENTS

- Company returns to profitability and creates value for equity
- Sale of the company to a strategic buyer
- · Effect a dividend recapitalisation
- Liquidate the company to recover the original 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).

Ordinary Share Class Portfolio (NBDD)

Sector Breakdown 1,2



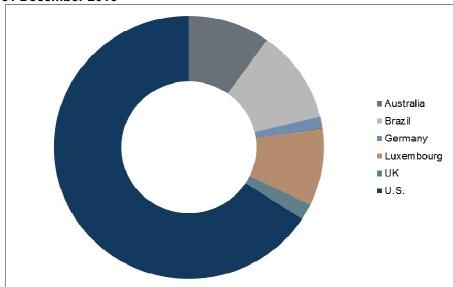
¹ Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited as Administrator to the Company. Please note that irrespective of the "sector" in which an investment is made, the underlying assets constituting 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.

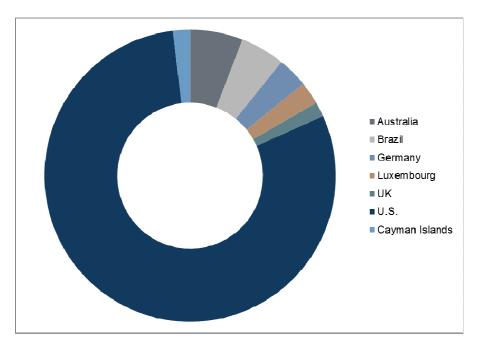
Ordinary Share Class Portfolio (NBDD)

Country Breakdown²

31 December 2016



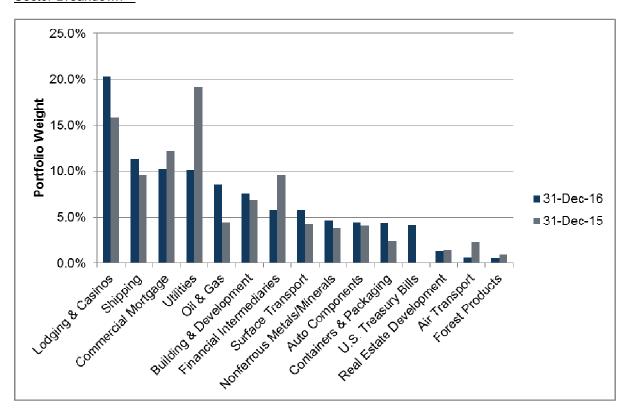
31 December 2015



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

Extended Share Class Portfolio (NBDX)

Sector Breakdown 1,2



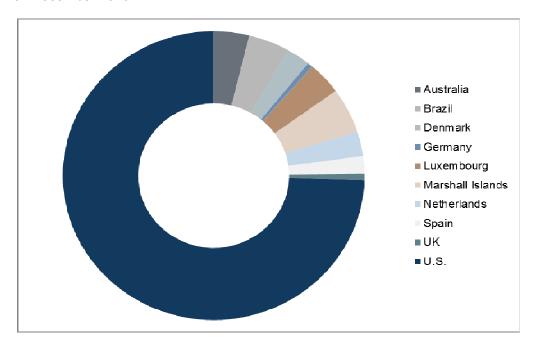
¹ Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited as Administrator to the Company. Please note that irrespective of the "sector" in which an investment is made, the underlying assets constituting 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.

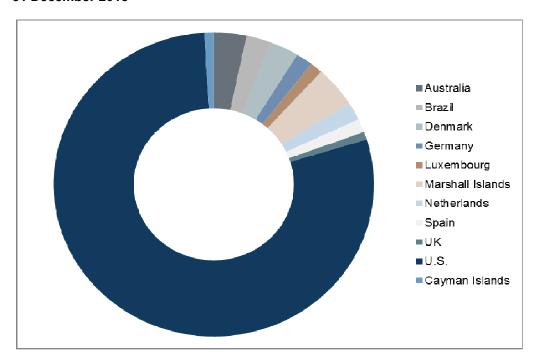
Extended Share Class Portfolio (NBDX)

Country Breakdown²

31 December 2016



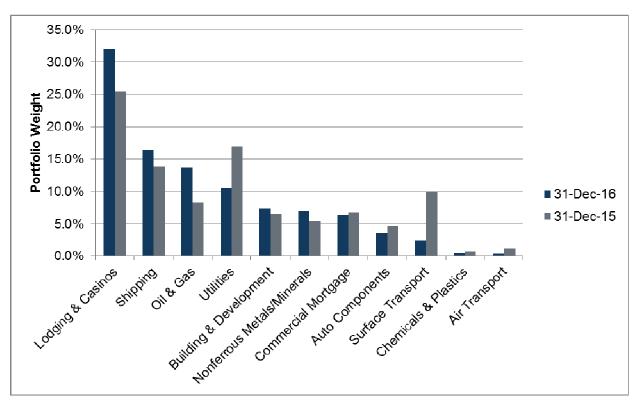
31 December 2015



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

New Global Share Class Portfolio (NBDG)

Sector Breakdown 1,2



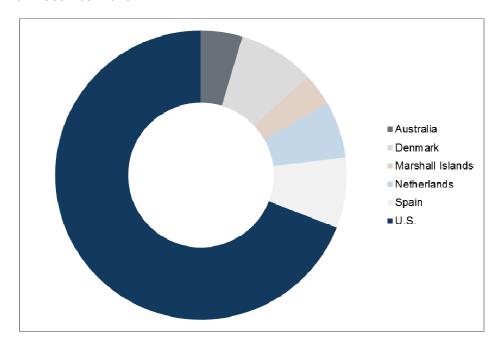
¹ Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited as Administrator to the Company. Please note that irrespective of the "sector" in which an investment is made, the underlying assets constituting 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.

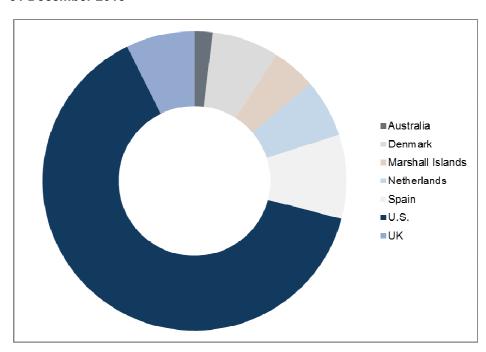
New Global Share Class Portfolio (NBDG)

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.