

NB Distressed Debt Investment Fund Limited – Global Shares (“NBDG”)

31 March 2020

NBDG FUND OBJECTIVE

NB Distressed Debt Investment Fund Limited’s (“NBDDIF”) primary objective is to provide investors with attractive risk-adjusted returns through long-biased, opportunistic stressed, distressed and special situation credit-related investments while seeking to limit downside risk.

NBDDIF’s holdings are diversified across distressed, stressed and special situations investments, with a focus on senior debt backed by hard assets. The portfolio is managed by the Distressed Debt team at Neuberger Berman, which sits within what we believe is one of the largest and most experienced non-investment grade credit teams in the industry.

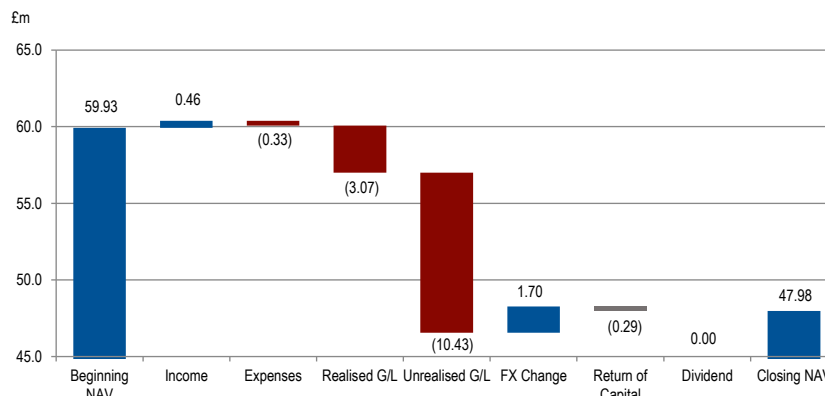
The New Global Share Class (“NBDG”) was created in March 2014 in order to capture the growing opportunity in distressed debt globally. NBDG’s investment period ended on 31 March 2017, following which the harvest period commenced. Post quarter-end, the Board approved a £ 7.5 million capital distribution. Inception to date distributions of £52.9 million (equivalent to 48% of original capital), has been, or will have been, distributed to shareholders (income by way of dividend, capital by way of redemption and share buy-backs), since the realisation phase for this share class began.

The New Global Share Class is one of three classes of shares in NBDDIF. The others are the Ordinary Share Class and the Extended Life Share Class. The Ordinary Share Class was subject to an investment period which ended on 10 June 2013 and the Extended Life Share Class was subject to an investment period which ended on 31 March 2015. Separate factsheets are produced for those share classes.

FUND FACTS¹

NAV Per Share:	67.23p
Share Price:	59.20p
Share Price Discount to NAV	(11.9)%
Market Cap.	£42.2m
Total NAV	£48.0m
No. of issuers	15
Launch Date:	4 March 2014
Base Currency:	GBP
NAV Frequency:	Daily
Domicile:	Guernsey
Year End:	31 December
Management Fee:	1.5%
Bloomberg Ticker:	NBDG:LN
ISIN:	GG00BFZ5JM92
Website:	www.nbddif.com
Fund Type:	Closed-ended Investment Company

NAV BRIDGE: 31 DECEMBER 2019 – 31 MARCH 2020



Source: Neuberger Berman

Beginning NAV and Closing NAV are based on published NAVs for NBDG and not on a per share basis.

FX Changes due to share class's exposure to foreign currencies. As detailed in its prospectus, the share class generally does not intend to hedge the currency exposure between Sterling (the currency in which shares are denominated) and the currency of the investments made by the share class.

Return of Capital includes distributions and buy backs.

Figures presented are based on quarter-end published financial information and financial information provided by U.S. Bank Global Fund Services (Guernsey) Limited / U.S. Bank Global Fund Services (Ireland) Limited, as administrator to NBDDIF (the "Administrator"). This NAV bridge has not been audited and figures are subject to change.

MANAGER COMMENTARY

During the quarter, we saw significant volatility in the markets due to the spread of COVID-19, its impact on global growth expectations, and a significant decline in oil prices. The effects of COVID-19 on the global economy are not fully known at this time and the financial impact on the portfolio is difficult to estimate. The investment manager is committed to realising the investments in a timely manner and returning cash to investors. For the public equity investments, because of the demand shock and resulting economic downturn, we no longer see the expected catalysts occurring in the near term. Therefore, we are electing to realise those investments at the current prices or reasonably close to them. The sale of the public equities commenced in the first quarter and should be complete in the second quarter.

The investment manager's ability to estimate the gross realisable value in downside, base case and upside scenarios for each investment in the portfolio has been impacted by the current volatility. For this reason we will not make predictions of realisable value and timing of distributions as we have in past quarters. As there is more clarity on the magnitude of the global slowdown and effects on global business and trade, we will update investors on the realisation expectations. Based on the public equity sales to date, the Board approved a £7.5 million capital distribution by way of redemption post quarter-end, bringing total distributions to shareholders to £52.9 million or 48% of original capital.

NBDG had three exits in the quarter generating £0.65 million cash. Details on the exits are below. Inception to date, the ratio of total value (capital distributions, dividends, share buy-backs and current NAV) to original capital is 84%.

Portfolio Update

NBDG ended the quarter with NAV per share of £0.6723 compared with £0.8349 at the end of December 2019. NBDG's NAV decreased 19% principally due to unrealised losses in public equities representing 87% of the investment mark to market loss in the quarter. At quarter-end, 95% of NBDG's NAV was invested in distressed assets (including cash held in subsidiary accounts, receivables and net payables) with 5% held in cash.

The current portfolio consists of 15 issuers across 9 sectors. The largest sector concentrations include lodging & casinos, shipping, commercial mortgage and nonferrous metals/mining.

Notable events² below describe activity in the investments during the quarter and post quarter-end.

- Nonferrous Metals/Mining investment – Post quarter-end, the sale of the company was concluded. We are waiting for the company to finalise the distribution to the shareholders.
- Public Equities – Post quarter-end, Vistra, Five Point Holdings, TORM, Twin River and a majority of Eagle Bulk shares were sold generating proceeds of approximately £13 million. Not all proceeds are available at the time of the publication of this factsheet but will be distributed as soon as enough has been received to make distribution economic.

Data as at 31 March 2020. Past performance is not indicative of future returns. All comments unless otherwise stated relate to NBDG.

1. Source: Bloomberg, except where otherwise stated

2. Notable corporate events may or may not result in an increase or decrease in the value of an NBDG investment or a change in NBDG's NAV per share. An investment may experience a change in value (positive or negative) during the quarter whether or not it was subject to a notable corporate event. Not all events involving existing investments are disclosed. In addition, certain corporate events may not have been disclosed due to confidentiality obligations.

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FUND MANAGERS

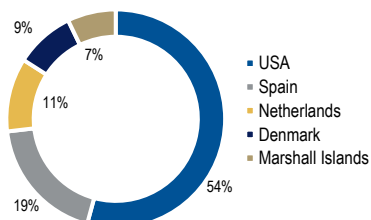
Michael Holmberg
30 years' investment experience

Brendan McDermott
15 years' investment experience

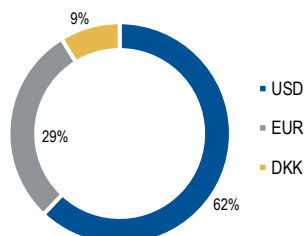
Ravi Soni
14 years' investment experience

Directors:
John Hallam (Chairman)
Michael Holmberg
Christopher Legge
Stephen Vakil

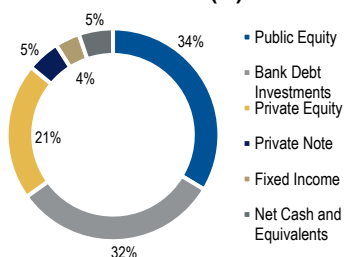
COUNTRY BREAKDOWN^{4,5} (%)



CURRENCY BREAKDOWN^{4,5} (%)



INVESTMENT TYPE⁶ (%)



SECTOR BREAKDOWN⁷ (%)

Lodging & Casinos	29%
Shipping	20%
Commercial Mortgage	11%
Nonferrous Metals/Minerals	8%
Auto Components	8%
Surface Transport	6%
Utilities	6%
Building & Development	4%
Oil & Gas	3%
Restricted Cash	0%
Unrestricted Cash	5%

Portfolio Update (continued)

Public Equity

As mentioned, the public equity positions are in the process of being divested and we expect that process to be completed in 2Q20. The chart below shows the changes in public equity holdings from year end to the date of the factsheets.

ISSUER	MARKET VALUE AT 31 DEC 2019 (£ millions)	% NAV	MARKET VALUE AT 1 MAY 2020 (£ millions)	% NAV
Twin River Management	10.7	18%	0	0%
Torm A/S	5.2	9%	0	0%
Eagle Bulk Shipping Inc	4.3	7%	0.3	0.6%
Vistra Energy Corp (fka TECH)	3.3	6%	0	0%
Five Point Holdings LLC	2.6	4%	0	0%
Sandridge Energy Inc	0.5	1%	0	0%
Rivera Resources	0.2	0.4%	0	0%
Grand Total	26.9	45%	0.3	0.6%

Significant Value Change³

INDUSTRY	INSTRUMENT	1Q20 TOTAL RETURN (£ in millions)	MARKET VALUE (£ in millions)	QUARTERLY PRICE CHANGE	COMMENT
Lodging & Casinos	Secured Loan/Private Equity	(0.60)	6.1	-26%	Hotel shut down and marketing of assets delayed
Twin Rivers Casino	Public Equity	(4.90)	5.8	-49%	Casinos shut down and public equity markets decline, commenced share sale in 2Q20
Commercial Mortgage	Secured Loan	(0.10)	5.2	-7%	Sale of building delayed by COVID-19 uncertainty
TORM	Public Equity	(1.00)	4.2	-22%	Oil price war and global downturn, shares sold 2Q20
Nonferrous Metals/Mining	Private Equity	0.10	4.0	-3%	Sale of company completed April 2020
Auto Components	Secured Notes/Private Equity	(1.00)	3.9	-19%	Impacted by market selloff in illiquid credit due to Covid-19
Vistra	Public Equity	(0.80)	2.6	-31%	Equity sold off with market, equity sold 2Q20
Eagle Bulk Shipping	Public Equity	(2.50)	1.8	-60%	Started selling position in April, plan to exit in 2Q20
Five Point Holding	Public Equity	(0.50)	1.8	-27%	Delay in selling lots, position sold in 2Q20
Oil & Gas	Private Equity	0.10	1.4	-9%	Private shares illiquid and declined in 2Q20 to date

Exits

There were 3 exits during the quarter.

Exits 20 (Private), 21 (Linn Energy) & 22 (Sandridge) – Oil & Gas investments

Beginning with the 2014 decline in oil and natural gas commodity prices, U.S. upstream oil and gas companies have been under intense financial pressures. The decrease in commodity prices, along with the decline in production and drilling, resulted in significant reductions in revenue, EBITDA, and cash flow. As we have discussed with you previously disclosed, we invested in secured and unsecured debt in certain U.S. E&P companies. Our expectation was that commodity prices are cyclical and the debt, if converted to equity, could realise attractive returns upon normalisation. Unfortunately, low commodity prices persisted and nearly all domestic producers were unable to earn their cost of capital in the existing environment. As discussed, our investments are likely to be permanently impaired and we do not foresee meaningful remaining upside. We have sought to exit the balance of our exposure to the sector.

3. Industry categorisations determined by Neuberger Berman. Total Return determined by the Administrator and includes realised and unrealised gains and losses, expenses, FX gains and losses, and all income on investments according to US GAAP accounting. References in this factsheet to the market value of specific fund investments refers to the value determined in accordance with NBDG's valuation policy, which may include fair valued investments where third party prices are not available or are not considered accurate

4. Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market value as of 31 March 2020.

5. Includes cash and accruals.

6. Cash includes restricted and unrestricted cash, net accruals.

7. Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and the Administrator. 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.

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Exits (continued)

EXIT	CASH INVESTED	CASH RECEIVED	TOTAL RETURN	IRR	ROR	MONTHS HELD
20	£1.5 million	£0.2 million	(£1.3 million)	-32%	-85%	59
21	£1.4 million	£0.5 million	(£0.9 million)	-29%	-62%	59
22	£8.8 million	£3.4 million	(£5.4 million)	-44%	-61%	64

Inception to date, NBDG has experienced 22 exits with a total return of £0.7 million, weighted average IRR of -2% and weighted average ROR of 0%.

Distributions

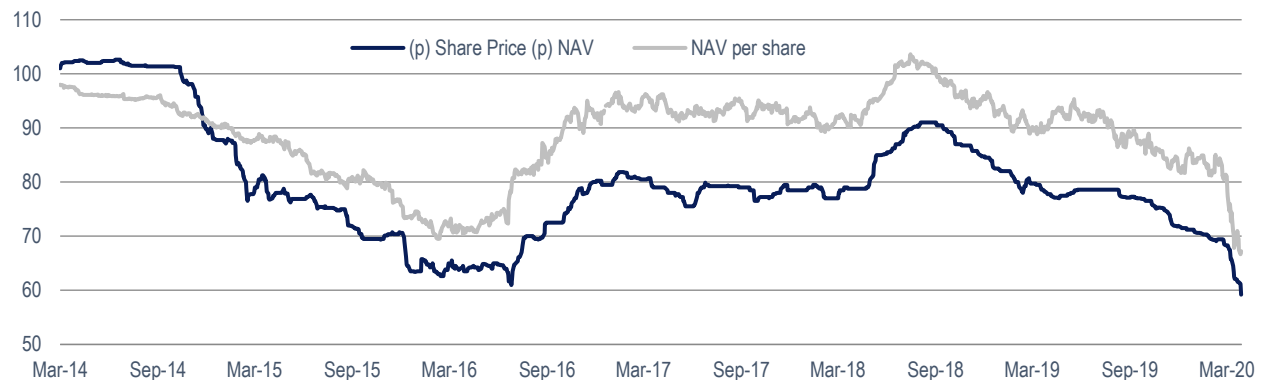
With the uncertainty as to how long the economic shutdown will last, certain realisations in NBDG have been delayed. As stated earlier, we are not releasing the estimates of timing of distributions at this time and will update investors as volatility is reduced and there is clarity on the scope of the global slowdown. For regulatory reasons, the final 10% of total return in respect of any class of participating shares in NBDDIF will be returned to shareholders with the final compulsory redemption of all of the outstanding shares of that class. The investment manager is committed to realising the investments in a timely manner to distribute cash to investors as soon as possible.

Post quarter-end, the Board approved a £7.5 million capital distribution to be paid via redemption of shares. Inception to date, total distributions (dividends, redemptions and buy-backs) are £52.9 million or 48% of original capital.

Share Buy-Backs

NBDDIF repurchased 430,000 shares in NBDG during the quarter at a weighted average discount of 15.2% and a cost of £290,660. Since inception, a total of 13,597,200, or 12% of the original NBDG shares at a cost of £9.6 million, has been repurchased and cancelled.

FUND PERFORMANCE⁸



PORTFOLIO COMPOSITION – TOP 10 HOLDINGS⁹

Holding	Industry	Current Instrument	Status	Country	% NAV	Primary Assets
1	Lodging & Casino	Post-Reorg Equity	Post-Reorg	US	18%	Hotel/ Casino
2	Lodging & Casino	Secured Loan	Defaulted	Spain	11%	Hotel
3	Commercial Mortgage	Secured Loan	Defaulted	Netherlands	9%	Commercial Real Estate
4	Shipping	Secured Loan	Post-Reorg	Denmark	9%	Ships
5	Auto Components	Secured Loan	Post-Reorg	US	8%	Manufacturing Plant
6	Metals/Mining	Post-Reorg Equity	Post-Reorg	US	6%	Aluminium Manufacturing
7	Shipping	Secured Loan	Post-Reorg	Marshall Islands	6%	Ships
8	Utilities	Secured Loan	Post-Reorg	US	6%	Power Plants
9	Surface Transportation	Secured Loan	Defaulted	Spain	5%	Legal Claim
10	Lodging & Casino	Secured Notes	Defaulted	US	4%	Hotel/ Casino
					81%	

8. Source: Bloomberg

9. Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and the Administrator. 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.

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