

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

31 March 2017

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.

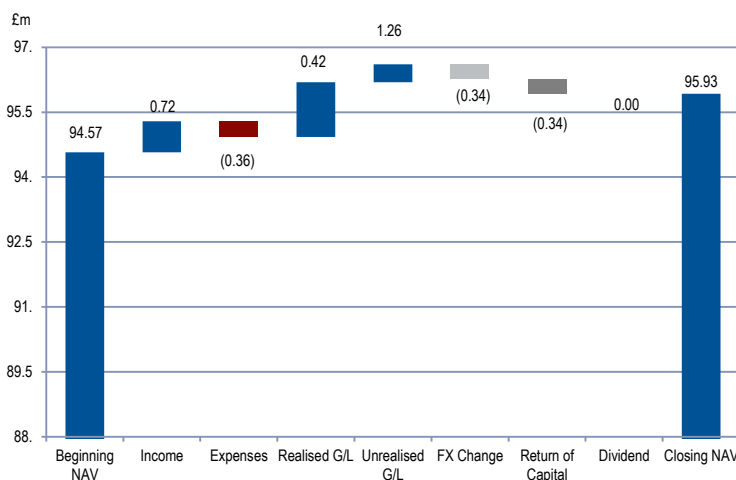
The New Global Share Class (“NBDG”) was created in March 2014 in order to capture the growing opportunity in distressed debt globally. NBDG's investment period ended on 31 March 2017, following which the harvest period commenced.

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:	95.78p
Share Price:	79.00p
Share Price Discount vs. NAV	(17.51)%
Market Cap.	£79.1m
Total NAV	£95.9m
No. of issuers	25
Launch Date:	4 March 2014
Base Currency:	GBP
NAV Frequency:	Daily
Domicile:	Guernsey
Year End:	31 December
Management Fee:	1.5%
Bloomberg Ticker:	NBDG
ISIN:	GG00BH7JH183
Website:	www.nbddif.com
Fund Type:	Closed-ended Investment Company

NAV BRIDGE: 31 DECEMBER 2016 – 31 MARCH 2017



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 further detailed in its prospectus, the share class generally does not intend to hedge the currency exposure between the 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. Bancorp Fund Services (Guernsey) Limited / Quintillion Limited, as administrator to NBDDIF (the "Administrator"). This NAV bridge has not been audited and figures are subject to change.

MANAGER COMMENTARY

NAV increased in the quarter due to continued progress with restructurings and resolutions. However, liquidity in distressed debt markets remains strained as investment banks continue to pull back their proprietary investing activities due to regulatory changes. As a result, we are seeing wider bid / ask spreads and a greater mark-to-market impact on the portfolio. Ultimately, we believe value in the investments within the portfolio will be realised via liquidity events (i.e. sale to a strategic buyer, refinancing or IPO). Access to capital markets significantly improves once an asset or company's balance sheet has been restructured and / or operations have been stabilised.

Portfolio Update

NBDG's investment period ended on 31 March 2017. NBDG's NAV increased by 1.86% over the quarter. The share class ended the first quarter with NAV per share of 95.78p compared with 94.03p at the end of December, due primarily to improving market conditions and specific events within the portfolio (discussed below). The increase in NAV during the quarter was due in part to an 18% increase in value of a Spanish hotel portfolio investment resulting from operational improvements at the property level and an increase in value of shipping investments following improvements in shipping charter rates. During the quarter, NBDG agreed to purchase an ownership interest in a Spanish hotel that is undergoing an operational turnaround. NBDG had four exits during the quarter, generating a total return (income and capital gains over the life of the investments) of £3.2 million to the fund.

As at 31 March 2017, 95% of NBDG's NAV was invested in distressed assets with 5% cash available for distributions and expenses. NBDG has investments in 25 issuers across 11 sectors. The largest sector concentrations were in lodging & casinos, shipping, utilities, oil and gas, and building and development. NBDG generated £5.0 million cash from exits and portfolio activity (principal repayments and distributions) which was offset by the new £5.3 million Spanish hotel investment. Net cash deployed was (£0.3 million). Notable corporate events involving NBDG's existing investments are highlighted on the next page²:

Data as at 31 March 2017. 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. Please note that 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.

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

31 March 2017

FUND MANAGERS

Michael Holmberg
27 years' investment experience

Brendan McDermott
12 years' investment experience

Ravi Soni
11 years' investment experience

Directors:
John Hallam (Chairman)
Sarah Evans
Michael Holmberg
Christopher Sherwell
Stephen Vakil

Portfolio Update continued

- Secured bank debt in a portfolio of Australian wind farms rose during the quarter as local power prices and the company's operating performance both improved. Post quarter-end, the company announced plans to raise additional equity to fund new projects and increase balance sheet flexibility, potentially to facilitate a global refinancing of its debt facilities.

Significant Value Change (approximately 0.5% of NBDG NAV or +/- £500,000)¹

INDUSTRY	INSTRUMENT	Q117 TOTAL RETURN	COMMENT
Lodging & casinos	Secured loan	£0.7 million	Improved operations at hotels
Shipping	Secured loan	£0.6 million	Increase in ship values & operational improvement
Shipping	Public equity	£0.5 million	Improved shipping rates
Oil & gas	Public equity	(£0.7 million)	Decline in energy prices

Exit 9

NBDG invested £2.1 million in the bank debt of one of the world's leading suppliers of marine fuels and related bunkering services, secured by accounts receivable and cash in collection accounts. At the time of our purchase, the company was in bankruptcy. Full collection of receivables was uncertain as certain customers were not paying invoices due to the bankruptcy. Resolution of various lawsuits in favour of the company / secured lenders led to an increase in the value of the estate and future distributions. We sold our position in the secondary market for £2.8 million resulting in a total return of £0.7 million. IRR was 31% and ROR was 34% over the 19-month holding period.

Exit 10

NBDG invested £2.0 million in the secured bank debt of a U.S. independent power producer with assets across the U.S. Due to historically low natural gas prices, the company experienced depressed cash flows that forced it to file a pre-packaged plan of reorganisation, which exchanged secured bank debt for private equity. Eighteen months after the filing, the company announced a sale of substantially all of its assets to a U.S. energy retailer. The transaction ultimately closed in February 2017 when the final disbursements from escrow were paid to equity holders. Continued low natural gas prices and resulting low power prices impacted the sale price for the company. Total cash received was £2.1 million and the total return for this investment was £0.1 million with an IRR of 1% and a ROR of 4%. NBDG held the investment for 36 months.

Exit 11

NBDG invested £3.2 million in the post-reorganised private equity of an eastern U.S. combined cycle gas turbine power plant. At the time of the purchase, NBDG believed that power prices in the market would improve and the plant would be sold at an attractive valuation above our purchase price. In August 2016, it was announced that the plant was being sold to a large, public, U.S. independent power producer. The bulk of the transaction proceeds were paid in early 2016 while the final escrow release was received in Q1 2017. Total cash received was \$5.1 million and total return on this investment was £1.9 million over a 36-month holding period, resulting in an IRR of 22% and ROR of 59%.

Exit 12

NB distressed funds collectively purchased a 50% interest in an existing joint venture in an aircraft financing company. Invested capital from all funds was \$11.875 million (NBDG invested £2.2 million). We purchased from a fund that sought to provide liquidity to its investors who needed to exit the investment. Our JV partner was one of the largest independent providers of aviation services globally and they acted as the servicer of the entity. At the time of our investment the joint venture owned eight 737-400s (vintage 1992-97). Six of the aircraft were sold on installment sale to an independent Mid-Eastern airline and two were leased to airlines in South Eastern Asia. The planes on installment sale were exited at various points in time in accordance with the terms of the sale agreements. One of the leased aircraft was sold to the lessee. The remaining aircraft was sold following a lease termination due to payment default and repossession by the servicer. The total return on this investment for NBDG was £0.6 million, with initial cash invested of £2.2 million and total cash received over the life of the investments £2.8 million. IRR on the investment was 34% over 24 months and ROR was 29%.

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31 March 2017

COUNTRY BREAKDOWN^{3,4} (%)

US	66.8%
Spain	13.6%
Netherlands	5.9%
Denmark	5.3%
Australia	4.6%
Marshall Islands	3.9%
Brazil	0.0%

CURRENCY BREAKDOWN^{3,4} (%)

USD	69.2%
EUR	14.2%
GBP	7.9%
DKK	5.3%
AUD	3.5%

SECTOR BREAKDOWN⁵ (%)

Lodging & Casinos	34.0%
Shipping	16.0%
Utilities	9.4%
Oil and Gas	8.9%
Building & Development	6.5%
Nonferrous Metals / Minerals	6.2%
Commercial Mortgage	5.9%
Auto Components	3.2%
Surface Transport	2.2%
Chemicals & Plastics	0.5%
AirTransport	0.0%
Restricted Cash	0.7%
Unrestricted Cash	6.4%

INTEREST & COUPON PAYMENTS (ex cash)³ (%)

Non Coupon Paying	68.7%
Coupon Paying	24.5%
PIK	6.7%

PORTFOLIO COMPOSITION – TOP 10 HOLDINGS⁵

Holding	Industry	Instrument	Status	Country	% of NAV	Primary Assets
1	Lodging & Casino	Post-Reorg Equity	Post-Reorg	US	10%	Casino
2	Lodging & Casino	Post-Reorg Equity	Post-Reorg	US	7%	Hotel / Lodging real estate
3	Shipping	Secured Loan	Post-Reorg	US	7%	Maritime vessels
4	Building & Development	Post-Reorg Equity	Post-Reorg	US	7%	Residential real estate
5	Nonferrous Metals / Minerals	Post-Reorg Equity	Post-Reorg	US	6%	Manufacturing / Distribution real estate
6	Lodging & Casino	Secured Loan	Defaulted	Spain	6%	Hotels
7	Commercial Mortgage	Secured Loan	Current	Netherlands	6%	Commercial real estate
8	Lodging & Casino	Secured Loan	Defaulted	Spain	6%	Hotel
9	Shipping	Secured Loan	Post-Reorg	Denmark	5%	Maritime vessels
10	Utilities	Secured Loan	Current	Australia	5%	Power plants
Total					65%	

Data as at 31 March 2017. Past performance is not indicative of future returns. All comments unless otherwise stated relate to NBDG.

1. Source: Stifel Nicolaus Europe Limited.

2. Source: Bloomberg.

3. Categorisations determined by Neuberger Berman and percentages determined by the Administrator, based on market value as of 31 March 2017.

4. Includes cash and accruals.

5. 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.

EXIT	CASH INVESTED	CASH RECEIVED	TOTAL RETURN	HOLDING PERIOD	IRR	ROR
9	\$2.1 million	\$2.8 million	\$0.7 million	19 months	31%	33%
10	\$2.0 million	\$2.1 million	\$0.1 million	36 months	1%	4%
11	\$3.2 million	\$5.0 million	\$1.8 million	36 months	22%	59%
12	\$2.2 million	\$2.8 million	\$0.6 million	24 months	34%	29%

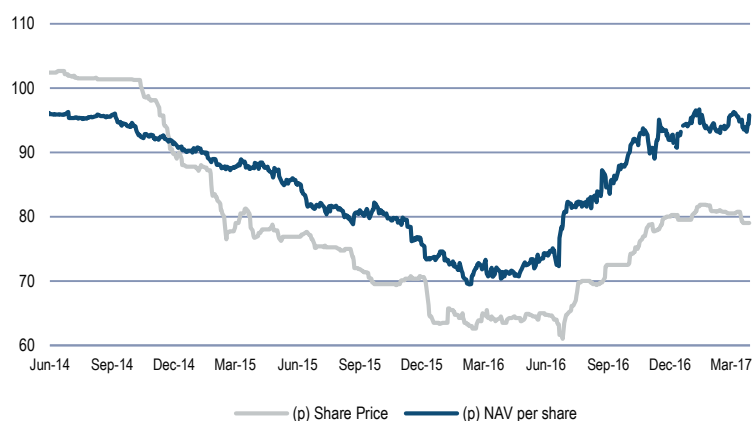
Distributions

There were no distributions during the first quarter. Total distributions to date are £1.0 million.

Share Buy-Backs

NBDG purchased 422,000 shares during the first quarter under the discount control policy at a total cost of £336,075 and an average discount to NAV of 15.6%¹. The shares were held in treasury with 10,632,000 shares at held at quarter-end.

FUND PERFORMANCE²



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