

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

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.

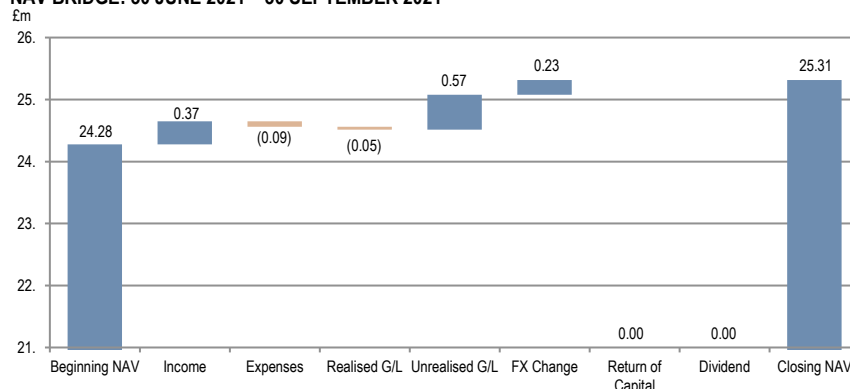
The New Global Share Class (“NBDG”) was created in March 2014 in order to capture the growing opportunity in distressed debt globally. NBDG’s investment period ended on 31 March 2017, following which the harvest period commenced. No shares were repurchased during the quarter – inception to date, distributions stand at £56.1 million or 51% of original capital (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:	61.56p
Share Price:	38.0p
Share Price Discount to NAV	-38.27%
Market Cap.	£15.6m
Total NAV	£25.3m
No. of issuers	7
Launch Date:	4 March 2014
Base Currency:	GBP
NAV Frequency:	Daily
Domicile:	Guernsey
Year End:	31 December
Management Fee:	nil
Bloomberg Ticker:	NBDG:LN
ISIN:	GG00BMY71748
Website:	www.nbddif.com
Fund Type:	Closed-ended Investment Company

NAV BRIDGE: 30 JUNE 2021 – 30 SEPTEMBER 2021



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

Momentum in public markets continued as investors and consumers remained encouraged by COVID-19 vaccination rates, decreasing hospitalisation rates, and strong global growth. However, the threat of new variants remains and may require a reassessment of the speed at which to lift restrictions. In addition, investors are monitoring supply chain disruptions, sharply rising input costs, and a tight labour market for a possible impact on market volatility, of which we saw glimpses during the quarter. Furthermore, the potential for tighter fiscal and monetary conditions exists as central banks and governments weigh their response to high inflation and strong demand. Given these circumstances, the timing and quantum of any financial impact on the portfolio remains difficult to predict. Despite the uncertainty, the investment manager remains committed to realising the investments in an orderly manner and winding down the share class as soon as practicable.

For regulatory reasons, the final 10% of the total return (NAV plus cumulative distributions) in respect of any class of participating shares in NBDDIF will be returned to shareholders with a final compulsory redemption of all the outstanding shares of that class.

While uncertainty in markets remains, we have reviewed the remaining investments to provide guidance on their realisable values. The investment manager uses economic, industry and issuer specific data to estimate the gross realisable value in downside, base case and upside scenarios for each investment in the portfolio. It currently estimates that the range of the aggregated realisable value for the investments in the portfolio is between 92% and 137% of the 30 September 2021 market values of these investments, with a base case of 116%. The range decreased slightly due to an increase in the value of a shipping investment while its expected realisable value remained unchanged, and a decrease in the expected realisable value for a commercial mortgage investment. Shareholders should, however, note that: (i) the realisable values of the investments are calculated on a gross basis and, in particular, do not reflect any applicable third-party expenses; and (ii) this range of aggregate realisable values is an estimate only, with no guarantee that the value actually realised will be within this range. Further details on the risks relating to "forward looking information" are set out at the end of this announcement.

Portfolio Update

NBDG ended the quarter with a NAV per share of 61.56p compared with 59.24p at the end of June 2021. NAV increased 4% principally due to a shipping investment benefiting from a stronger dry bulk market, offset by a decrease in value of a commercial mortgage investment. At quarter-end, 92% of NBDG's NAV was invested in distressed assets (including net cash held in subsidiaries), with 8% held in cash and US Treasury securities.

The remaining portfolio consists of 7 issuers across 6 sectors, including lodging & casinos, commercial mortgage, surface transport and shipping. NBDG had no exits in the quarter. Inception to date, the ratio of distributions, both income and capital, to original capital, is 51%. Including the current NAV, the figure rises to 73%.

There were no Notable Events² during the quarter.

Data as at 30 September 2021. 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
32 years' investment experience

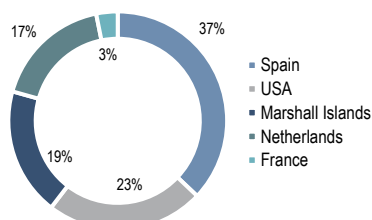
Brendan McDermott
15 years' investment experience

Ravi Soni
14 years' investment experience

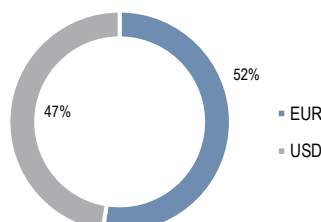
Directors:

John Hallam (Chairman)
Michael Holmberg
Christopher Legge
Stephen Vakil

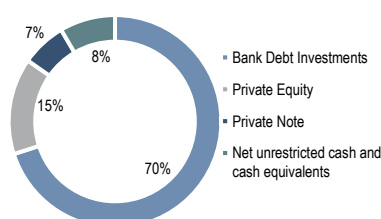
COUNTRY BREAKDOWN^{4,5} (%)



CURRENCY BREAKDOWN^{4,5} (%)



INVESTMENT TYPE⁵ (%)



SECTOR BREAKDOWN⁴ (%)

Lodging & Casinos	32%
Shipping	19%
Commercial Mortgage	17%
Surface Transport	13%
Oil & Gas	8%
Auto Components	3%
Net Cash and cash equivalents, U.S. Treasury securities and FX	8%

Portfolio Update (continued)

Significant Value Change (+/- £250,000)³

INDUSTRY	INSTRUMENT	3Q21 TOTAL RETURN (£ in millions)	MARKET VALUE (£ in millions)	QUARTERLY PRICE CHANGE	COMMENT
Shipping	Secured Loan/Private Equity	1.0	4.8	+18.0%	Dry bulk shipping market strength
Commercial Mortgage	Bank Debt	-0.3	4.4	-7.2%	Reduced NOI due to work from home trends

Exits

There were no exits during the quarter. Inception to date, there have been 30 exits with a total return of (£7.3 million), weighted average IRR of (5%) and weighted average ROR of (6%).

Distributions

There were no distributions in respect of the quarter. Inception to date there have been distributions (dividends, redemptions and buy-backs) equal to £56.1 million or 51% of original capital.

The investment manager has undertaken a review of all the investments in the light of a changed market and we have updated the distribution schedule for the investments based on current expectations. The expectation is to distribute approximately all of the 30 September 2021 NAV in 2022. The main driver for a reduction in distributions in 2021 is ongoing negotiations for restructuring a lodging & casino investment taking longer than expected. For regulatory reasons, the final 10% of total return in respect of any class of participating shares in NBDIF will be returned to shareholders, with the final compulsory redemption of all of the outstanding shares of that class. In the harvest period, we continue to focus on restructuring and monetising our investments, balancing timely realisations with maximising proceeds to our shareholders. Changes to timing are expected based on current market conditions and investment developments, and will continue to be updated in the quarterly factsheets.

Share Buybacks

NBDIF did not repurchase any shares in NBDG during the quarter. Since inception, a total of 16,114,533, or 15% of the original NBDG shares at a cost of £10.9 million, has been repurchased and cancelled.

The buyback programme was intended to narrow the discount during the investment period. At this point of the harvest period, our priority, based on shareholder feedback, is the return of capital. The Board intends to make distributions from investment realisations and not hold back cash for future buyback programmes. Cash will be returned to shareholders through distributions from realisation of investments and not through buybacks.

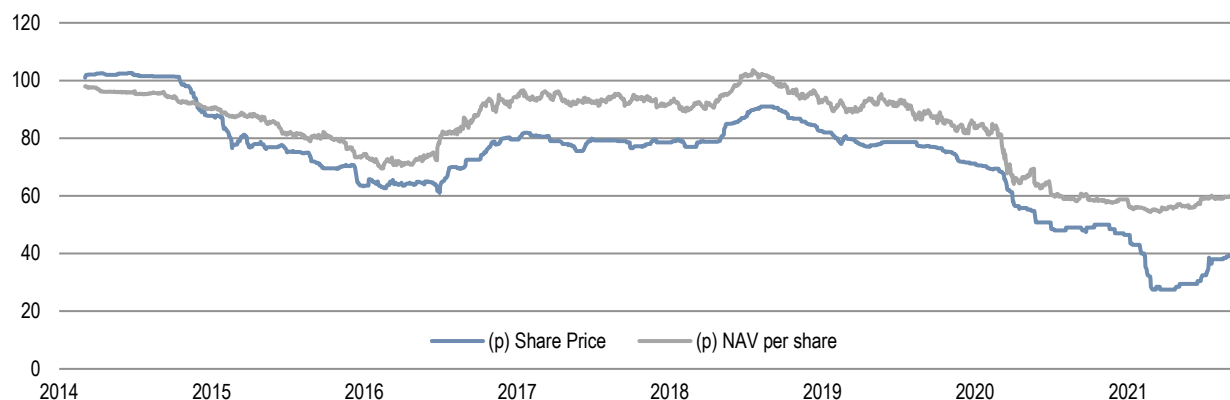
3. Industry categorisations determined by Neuberger Berman. Total Return determined by the Administrator and includes realised and unrealised gains and losses, expenses, FX gains and losses, and all income on investments according to US GAAP accounting. References in this factsheet to the market value 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 30 September 2021.

5. Includes cash and accruals.

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FUND PERFORMANCE⁶



PORTFOLIO COMPOSITION – TOP 7 HOLDINGS⁷

Holding	Industry	Current Instrument	Status	Country	% NAV	Primary Assets
1	Lodging & Casino	Secured Loan/Private Equity	Current	Spain	25%	Hotel/Casino
2	Shipping	Secured Loan/Private Equity	Post-Reorg	Marshall Islands	19%	Ships
3	Commercial Mortgage	Secured Loan	Defaulted	Netherlands	17%	Commercial Real Estate
4	Surface Transportation	Secured Loan	Defaulted	Spain	13%	Legal Claim
5	Oil & Gas	Private Equity	Post-Reorg	US	8%	Ethanol Plant
6	Lodging & Casino	Secured Notes	Defaulted	US	7%	Hotel/Casino
7	Auto Components	Secured Loan	Post-Reorg	US	3%	Manufacturing Plant
					92%	

⁶ Source: Bloomberg

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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An investment in the Company involves risks, with the potential for above average risk, and is only suitable for people who are in a position to take such risks. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of any investment, and should consult its own legal counsel and financial, actuarial, accounting, regulatory and tax advisers to evaluate any such investment. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. Investment in the Company should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Diversification and asset class allocation do not guarantee profit or protect against loss.

Past performance is not a reliable indicator of current or future results. The value of investments may go down as well as up and investors may not get back any of the amount invested. The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

The value of investments designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

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