

October 12, 2018

Dear Investor:

We are providing the enclosed U.S. federal income tax-reporting information with respect to your investment in NB Distressed Debt Investment Fund Limited Extended Share Class. ("NBDDIF")

Passive Foreign Investment Company (PFIC) Information – NB Distressed Debt Investment Fund Limited

We believe that NBDDIF is a PFIC for U.S. federal income tax purposes, based on the information provided to us. Accordingly, a U.S. investor is considered a U.S. shareholder in a PFIC and is subject to the rules contained in Sections 1291 through 1297 of the Internal Revenue Code (the "Code"). A U.S. investor may elect to treat the arrangement as a "qualified electing fund" or QEF pursuant to Section 1295(b) of the Code with respect to the shareholder's ownership interest in the PFIC. Once a QEF election has been made, the election applies to all subsequent years.

Should an investor follow the appropriate procedures to make a QEF election, the U.S. investor is taxed on its proportionate share of NBDDIF earnings computed under U.S. tax principles for each year in which the Issuer is considered a PFIC. Electing U.S. investors report their share of earnings from the QEF by filing IRS Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.

The amounts reflected on the enclosed PFIC Annual Information Statement represent NBDDIF's ordinary earnings, net short term capital gain, and net long term capital gain for the designated tax year. As an investor, if a QEF election is effective, you should report your pro rata share of the Issuer's income for the number of days during the year that you held the investment. An investor who has made a QEF election may elect to defer paying the tax on the undistributed income of the PFIC, if any, on Form 8621. If this election is made, the investor will be subject to an interest charge on the deferred tax.

It is suggested that investors consult with their tax advisor and the offering memorandum to determine whether to make a QEF election with respect to their ownership interest in NBDDIF.

Passive Foreign Investment Company (PFIC) Information – Strategic Value Restructuring Fund Ltd.

NBDDIF owns shares of Strategic Value Restructuring Fund Ltd., ("SVP") a Cayman Islands Exempted Company. Investors in NBDDIF are deemed to be indirect owners of SVP shares. SVP has indicated to NBDDIF that they believe they are to be treated as a PFIC for U.S. federal income tax purposes. As such, U.S. investors fall within the same PFIC rules outlined above for their indirect ownership of the SVP shares.

NBDDIF requested a PFIC Annual Information Statement from SVP and was told this information would not be made available. As a result, a U.S. Investor is likely subject to Section 1291 of the Code with respect to its indirect investment in SVP.

During 2017, SVP made a final distribution to NBDDIF of \$29,834,269 cash distribution on September 30th. NBDDIF recognized a \$5,358,641 gain on liquidation of its interest in SVP. Below is additional information related to SVP and the distribution(s) from the preceding three tax years, which you may require. Please note that the amounts presented in the table below represent the total amounts for the Extended share class. To determine your indirect ownership in SVP, you will need to multiply the amounts below by your ownership percentage of the respective share class.

Name of PFIC: Strategic Value Restructuring Fund Ltd.

Address of PFIC: C/O International Fund Services. 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

Tax Year of PFIC: January 1, 2017 to December 31, 2017

EIN: None

	Extended
1. Description of each class of SVP shares:	Series S
2. Number of SVP shares acquired December 31, 2010 (“Lot 1 Shares”) which were held at beginning and end of taxable year:	22,947,166
3. Number of SVP shares acquired March 21, 2011 (“Lot 2 Shares”) which were held at beginning and end of taxable year:	8,951,559
4. Number of SVP shares acquired May 19, 2011 (“Lot 3 Shares”) which were held at beginning and end of taxable year:	32,975,516
5. Total number of SVP shares held at end on December 31, 2017:	NONE
6. Total value of SVP shares held on December 31, 2017:	NONE
7. February 20th, 2014 SVP distribution to NBDDIF:	\$2,025,900
8. August 21st, 2014 SVP distribution to NBDDIF:	\$1,816,873
9. December 1st, 2015 distribution to NBDDIF:	\$2,966,639
10. May 13, 2016 distribution NBDDIF:	\$526,555
11. November 1, 2016 distribution NBDDIF:	\$512,180
12. Total number of NBDDIF shares as of February 20th, 2014:	335,188,578
13. Total number of NBDDIF shares as of August 21st, 2014:	335,188,578
14. Total number of NBDDIF shares as of December 1st, 2015:	271,378,645
15. Total number of NBDDIF shares as of May 13th, 2016:	236,829,739
16. Total number of NBDDIF shares as of November 1st, 2016:	235,681,754
17. Total number of NBDDIF shares as of September 30th, 2017:	177,375,932
18. Amount of proceeds received in liquidation on September 30th, 2017:	\$29,834,269
19. Amount of gain from SVP included in the LTCG earnings of NBDDIF in 2017:	\$5,358,641

Passive Foreign Investment Company (PFIC) Information – London Lake Michigan LP

NBDDIF owns shares of London Lake Michigan LP (“Lake Michigan”), a Cayman Islands partnership that has elected to be treated as a corporation for U.S. federal income tax purposes. We believe Lake Michigan is a PFIC under U.S. tax principles. As such, U.S. investors fall within the same PFIC rules outlined above for their indirect ownership of the Lake Michigan shares.

The information to complete Form 8621 is below. Please note that the amounts presented in the table below represent the total amounts for the Extended share class. To determine your indirect ownership in Lake Michigan, you will need to multiply the amounts below by your ownership percentage of the respective share class.

Name of PFIC: London Lake Michigan LP
Address of PFIC: Ugland House, South Church Street
Tax Year of PFIC: January 1, 2017 to December 31, 2017
EIN: 98-1166488

1. Description of each class of Lake Michigan shares:	Common
2. Number of Lake Michigan shares acquired during tax year 2017:	NONE
3. Fair market value of Lake Michigan shares held on December 31, 2017:	\$9,477
4. Total number of NBDDIF shares on December 31, 2017:	174,010,536

5. Total number of Lake Michigan shares held on December 31, 2017:	100
6. 3/30/2017 cash distribution by Lake Michigan to NBDDIF during 2017:	\$364,570
7. NBDDIF Shares on 3/30/2017:	205,083,769
8. 6/14/2017 cash distribution by Lake Michigan to NBDDIF during 2017:	\$500,000
9. NBDDIF Shares on 6/14/2017:	204,283,748
10. Property distributed by Lake Michigan to NBDDIF during 2017:	NONE
11. Lake Michigan 2017 Ordinary Earnings:	NONE
12. Lake Michigan 2017 Short-Term Capital Gain:	NONE
13. Lake Michigan 2017 Long-Term Capital Gain:	NONE

Lake Michigan will permit you to inspect and copy its permanent books of account, records, and other such documents as may be maintained by Lake Michigan that are necessary to establish that PFIC ordinary earning and net capital gain, as provided in Section 1293(e) of the Internal Revenue Code, are computed in accordance with U.S. income tax principles.

Passive Foreign Investment Company (PFIC) Information – London Lake Erie LP

NBDDIF owns shares of London Lake Erie LP (“Lake Erie”), a Cayman Islands partnership that has elected to be treated as a corporation for U.S. federal income tax purposes. We believe Lake Erie is a PFIC under U.S. tax principles. As such, U.S. investors fall within the same PFIC rules outlined above for their indirect ownership of the Lake Erie shares.

The information to complete Form 8621 is below. Please note that the amounts presented in the table below represent the total amounts for the Extended share class. To determine your indirect ownership in Lake Erie, you will need to multiply the amounts below by your ownership percentage of the respective share class.

Name of PFIC: London Lake Erie LP

Address of PFIC: Ugland House, South Church Street

Tax Year of PFIC: January 1, 2017 to December 31, 2017

EIN: 98-1227998

1. Description of each class of Lake Erie shares:	Common
2. Number of Lake Erie shares acquired during tax year 2017:	NONE
3. Fair market value of Lake Erie shares held on December 31, 2017:	NONE
4. Total number of NBDDIF shares on December 31, 2017:	174,010,536
5. Total number of Lake Michigan shares held on December 31, 2017:	100
6. Cash distributed by Lake Erie to NBDDIF during 2017:	NONE
7. Property distributed by Lake Erie to NBDDIF during 2017:	NONE
8. Lake Erie 2017 Ordinary Earnings:	NONE
9. Lake Erie 2017 Short-Term Capital Gain:	NONE
10. Lake Erie 2017 Long-Term Capital Gain:	NONE

Lake Erie will permit you to inspect and copy its permanent books of account, records, and other such documents as may be maintained by Lake Erie that are necessary to establish that PFIC ordinary earning and net capital gain, as provided in Section 1293(e) of the Internal Revenue Code, are computed in accordance with U.S. income tax principles.

Additional Information

Distributions from NBDDIF are not “qualified dividends” and thus are not eligible for the reduced rate of tax provided by the 2003 Jobs and Growth Reconciliation Tax Act.

A U.S. investor who received distributions during the calendar year may receive IRS Form 1099-DIV from the trustee or paying agent stating the cash payment. An investor who has made a QEF election should disregard the 1099-DIV to be sure to avoid double-counting earnings from this investment.

It is suggested that investors consult with their tax advisor with regard to the above.

Issuer: NB Distressed Debt Investment Fund Limited (Extended Share Class)
P.O. Box 285, Elizabeth House
Les Ruettes Brayes, St. Peter Port, Guernsey, GY1 1WA

Passive Foreign Investment Company (PFIC) Annual Information Statement
For Tax Year Ended: December 31, 2017

- (1) This Information Statement applies to the taxable year of Issuer beginning on January 1, 2017 and ending on December 31, 2017.
- (2) The below amounts represent income for the entire Extended Share class for the period from January 1, 2017 to December 31, 2017:

	<u>Total</u>
Ordinary Earnings	\$ -
Net Capital Gain	\$ 6,083,056

To determine your share of income, divide the total income by your per share ownership per day using the share detail in Appendix A.

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Issuer to the Extended Share class during the taxable year.

	<u>Total</u>	<u>Per Share</u>
Cash Distribution	NONE	NONE
Fair Market Value of Other Property	NONE	NONE

- (4) Issuer will permit you to inspect and copy Issuer's permanent books of account, records, and other such documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earning and net capital gain, as provided in Section 1293(e) of the Internal Revenue Code, are computed in accordance with U.S. income tax principles.

Date:

10-15-18

NB Distressed Debt Investment Fund Limited

By:

Title:


David Mancilla

~~Authorized Signatory~~

APPENDIX A

Extended Share Class 2017 Share Registrar

Date	Shares
1/4/2017	215,833,853
1/5/2017	215,783,843
1/6/2017	215,733,949
1/9/2017	215,703,926
1/10/2017	215,683,758
1/11/2017	215,663,810
1/12/2017	215,643,857
1/13/2017	215,603,801
1/16/2017	215,603,799
1/17/2017	215,583,928
1/18/2017	215,563,909
1/19/2017	215,563,924
1/20/2017	215,563,823
1/23/2017	215,563,776
1/24/2017	215,563,949
1/25/2017	215,563,956
1/26/2017	215,563,824
1/27/2017	215,563,865
1/30/2017	215,563,861
1/31/2017	215,563,940
2/1/2017	215,563,951
2/2/2017	215,563,778
2/3/2017	215,563,772
2/6/2017	215,563,755
2/7/2017	215,563,785
2/8/2017	215,563,876
2/9/2017	215,563,906
2/10/2017	215,563,830
2/13/2017	215,563,823
2/14/2017	215,563,925
2/15/2017	215,563,915
2/16/2017	215,563,881
2/17/2017	215,563,894
2/20/2017	215,563,788
2/21/2017	215,563,769
2/22/2017	205,136,470
2/23/2017	205,136,520
2/24/2017	205,118,720
2/27/2017	205,118,608
2/28/2017	205,118,633
3/1/2017	205,118,720
3/2/2017	205,118,653
3/3/2017	205,118,791
3/6/2017	205,118,773
3/7/2017	205,118,593

3/8/2017	205,118,778
3/9/2017	205,118,790
3/10/2017	205,118,615
3/13/2017	205,118,737
3/14/2017	205,118,637
3/15/2017	205,118,709
3/16/2017	205,118,705
3/17/2017	205,118,640
3/20/2017	205,118,607
3/21/2017	205,118,683
3/22/2017	205,118,699
3/23/2017	205,118,775
3/24/2017	205,118,650
3/27/2017	205,093,651
3/28/2017	205,093,633
3/29/2017	205,093,731
3/30/2017	205,083,769
3/31/2017	205,053,648
4/3/2017	205,053,757
4/4/2017	205,053,661
4/5/2017	205,033,608
4/6/2017	205,033,646
4/7/2017	205,033,748
4/10/2017	205,033,669
4/11/2017	205,012,754
4/12/2017	204,982,615
4/13/2017	204,982,700
4/18/2017	204,982,765
4/19/2017	204,947,772
4/20/2017	204,947,774
4/21/2017	204,947,678
4/24/2017	204,947,617
4/25/2017	204,937,705
4/26/2017	204,937,613
4/27/2017	204,937,666
4/28/2017	204,937,615
5/2/2017	204,937,650
5/3/2017	204,937,652
5/4/2017	204,912,626
5/5/2017	204,912,687
5/8/2017	204,902,719
5/9/2017	204,902,790
5/10/2017	204,892,711
5/11/2017	204,882,701
5/12/2017	204,882,594
5/15/2017	204,862,657
5/16/2017	204,812,722
5/17/2017	204,802,697
5/18/2017	204,762,633
5/19/2017	204,742,642
5/22/2017	204,702,624

5/23/2017	204,677,595
5/24/2017	204,657,783
5/25/2017	204,637,629
5/26/2017	204,597,733
5/30/2017	204,577,620
5/31/2017	204,537,641
6/1/2017	204,483,673
6/2/2017	204,443,690
6/5/2017	204,403,706
6/6/2017	204,403,787
6/7/2017	204,403,775
6/8/2017	204,353,768
6/9/2017	204,323,686
6/12/2017	204,283,664
6/13/2017	204,283,699
6/14/2017	204,283,627
6/15/2017	204,283,748
6/16/2017	204,283,648
6/19/2017	204,283,602
6/20/2017	204,283,769
6/21/2017	204,283,687
6/22/2017	204,283,774
6/23/2017	188,051,481
6/26/2017	188,011,408
6/27/2017	187,991,544
6/28/2017	187,971,386
6/29/2017	187,951,546
6/30/2017	187,931,474
7/3/2017	187,911,455
7/4/2017	187,891,420
7/5/2017	187,871,511
7/6/2017	187,851,482
7/7/2017	187,811,464
7/10/2017	187,791,508
7/11/2017	187,771,450
7/12/2017	187,751,541
7/13/2017	187,731,477
7/14/2017	187,711,502
7/17/2017	187,691,402
7/18/2017	187,691,428
7/19/2017	187,671,534
7/20/2017	187,651,547
7/21/2017	187,631,478
7/24/2017	187,611,409
7/25/2017	187,601,516
7/26/2017	187,581,554
7/27/2017	187,561,404
7/28/2017	187,541,458
7/31/2017	187,521,437
8/1/2017	187,501,508
8/2/2017	187,481,441

8/3/2017	187,461,388
8/4/2017	187,451,398
8/7/2017	187,451,396
8/8/2017	187,451,389
8/9/2017	187,451,502
8/10/2017	187,451,415
8/11/2017	187,451,489
8/14/2017	187,451,521
8/15/2017	187,451,409
8/16/2017	187,451,496
8/17/2017	187,451,509
8/18/2017	187,451,412
8/21/2017	187,451,391
8/22/2017	187,451,530
8/23/2017	187,451,405
8/24/2017	187,451,424
8/25/2017	187,451,538
8/29/2017	187,451,485
8/30/2017	187,451,463
8/31/2017	187,451,450
9/1/2017	187,451,534
9/4/2017	177,420,889
9/5/2017	177,420,954
9/6/2017	177,420,987
9/7/2017	177,420,926
9/8/2017	177,420,902
9/11/2017	177,420,950
9/12/2017	177,420,864
9/13/2017	177,420,993
9/14/2017	177,420,990
9/15/2017	177,421,001
9/18/2017	177,420,910
9/19/2017	177,420,964
9/20/2017	177,420,918
9/21/2017	177,420,883
9/22/2017	177,420,887
9/25/2017	177,420,877
9/26/2017	177,400,955
9/27/2017	177,375,848
9/28/2017	177,375,986
9/29/2017	177,375,932
10/2/2017	177,375,860
10/3/2017	177,375,876
10/4/2017	177,375,894
10/5/2017	177,375,975
10/6/2017	177,375,986
10/9/2017	177,375,854
10/10/2017	177,375,972
10/11/2017	177,375,905
10/12/2017	177,375,946
10/13/2017	177,375,918

10/16/2017	177,375,959
10/17/2017	177,375,943
10/18/2017	177,375,998
10/19/2017	177,375,899
10/20/2017	177,350,994
10/23/2017	177,350,940
10/24/2017	177,350,927
10/25/2017	177,340,992
10/26/2017	177,340,998
10/27/2017	177,340,988
10/30/2017	177,340,922
10/31/2017	177,340,914
11/1/2017	177,340,946
11/2/2017	177,340,874
11/3/2017	177,340,877
11/6/2017	177,340,879
11/7/2017	177,340,939
11/8/2017	177,340,989
11/9/2017	177,341,003
11/10/2017	177,340,845
11/13/2017	173,367,953
11/14/2017	173,367,985
11/15/2017	173,367,895
11/16/2017	173,367,883
11/17/2017	173,367,925
11/20/2017	173,367,963
11/21/2017	173,368,030
11/22/2017	173,367,894
11/23/2017	173,368,015
11/24/2017	173,368,022
11/27/2017	173,368,020
11/28/2017	173,367,899
11/29/2017	173,367,919
11/30/2017	173,367,916
12/1/2017	173,367,966
12/4/2017	173,342,978
12/5/2017	173,342,996
12/6/2017	173,323,001
12/7/2017	173,302,981
12/8/2017	173,302,878
12/11/2017	173,302,957
12/12/2017	173,302,988
12/13/2017	173,302,943
12/14/2017	173,302,929
12/15/2017	173,302,968
12/18/2017	173,302,892
12/19/2017	173,302,970
12/20/2017	173,302,929
12/22/2017	173,303,026
12/27/2017	173,302,899
12/29/2017	174,010,536