

October 7, 2019

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 – 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, 2018 to December 31, 2018

**EIN:** 98-1166488

1. Description of each class of Lake Michigan shares:	Common
2. Number of Lake Michigan shares acquired during tax year 2018:	NONE
3. Fair market value of Lake Michigan shares held on December 31, 2018:	\$3,591
4. Total number of NBDDIF shares on December 31, 2018:	154,104,598

5. Total number of Lake Michigan shares held on December 31, 2018:	100
6. Cash distributed by Lake Michigan to NBDDIF during 2018:	NONE
7. Property distributed by Lake Michigan to NBDDIF during 2018:	NONE
8. Lake Michigan 2018 Ordinary Earnings:	NONE
9. Lake Michigan 2018 Short-Term Capital Gain:	NONE
10. Lake Michigan 2018 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.

### **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, 2018**

- (1) This Information Statement applies to the taxable year of Issuer beginning on January 1, 2018 and ending on December 31, 2018.
- (2) The below amounts represent income for the entire Extended Share class for the period from January 1, 2018 to December 31, 2018:

	<u>Total</u>	
Ordinary Earnings	\$	-
Net Capital Gain	\$	-

- (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 May 25, 2018	\$	16,241,937	\$	1.0701
Cash Distribution August 17, 2018	\$	2,991,939	\$	1.0684

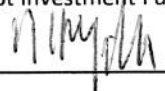
- (4) Issuer will permit you to inspect and copy Issuer's permanent books of account, records, and other such documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earning and net capital gain, as provided in Section 1293(e) of the Internal Revenue Code, are computed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

Date:

10-9-19

NB Distressed Debt Investment Fund Limited

By:



Title:

David Mancilla  
Authorized Signatory