

October 6, 2020

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 Ordinary 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.

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 (Ordinary 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, 2019

- (1) This Information Statement applies to the taxable year of Issuer beginning on January 1, 2019 and ending on December 31, 2019.
- (2) The below amounts represent income for the entire Ordinary Share class for the period from January 1, 2019 to December 31, 2019:

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

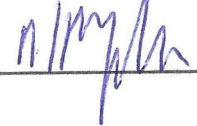
- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Issuer to the Ordinary Share class during the taxable year.

<u>Total</u>	<u>Per Share</u>
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: 10-7-2020

NB Distressed Debt Investment Fund Limited

By: 

Title: David Mancilla
Authorized Signatory