

## **NB Distressed Debt Investment Fund Limited**

June 30, 2024

Dear Investor:

We are providing the enclosed information with respect to your investment in the New Global Share Class of NB Distressed Debt Investment Fund Limited ("NBDDIF Ltd.").

NBDDIF Ltd. is a PFIC for U.S. federal income tax purposes. Accordingly, a U.S. investor in NBDDIF Ltd. is considered a U.S. shareholder in a PFIC. A U.S. shareholder is subject to the rules contained in Sections 1291 through 1298 of the Internal Revenue Code. A U.S. shareholder may elect to treat the arrangement as a Qualified Electing Fund ("QEF") pursuant to Section 1295(b) with respect to the shareholder's ownership interest in the PFIC. Once a QEF election is made, the election applies to all subsequent tax years.

Should a shareholder follow appropriate procedures and make a QEF election, the shareholder is taxed on the shareholder's proportionate share of earnings computed under U.S. tax principles for each year in which the fund is a PFIC. An electing U.S. shareholder reports the share of earnings from the PFIC by filing IRS Form 8621, Information 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 the shareholder's share of NBDDIF Ltd.'s ordinary earnings and net capital gain income for the tax year. As a shareholder, if a QEF election is effective, you should pick up your pro rata share of NBDDIF Ltd.'s income for the number of days during the year that you held the investment.

A shareholder 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 under Section 1294 of the Code, the shareholder will be subject to an interest charge on the deferred tax.

Ordinary earnings from NBDDIF Ltd. 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. shareholder who received distributions during the fiscal year may receive IRS Form 1099-DIV from the trustee or paying agent stating the cash payment. A shareholder who has made a QEF election should consider whether the distribution has been taxed as part of a previous QEF income inclusion.

It is suggested that the shareholders consult with their tax advisors and the offering documents to determine whether to make a QEF election with respect to their ownership interest in NBDDIF Ltd.

Sincerely,

NB Distressed Debt Investment Fund Limited

Enclosures as stated

**PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)  
ANNUAL INFORMATION STATEMENT**

**NB Distressed Debt Investment Fund Limited  
P.O. Box 285, Elizabeth House  
Les Ruettes Brayes, St. Peter Port,  
Guernsey GY1 1WA  
EIN: 98-1060583**

*Equity Class: New Global Share Class*

- 1) The first and last day of the taxable year of NB Distressed Debt Investment Fund Limited ("NBDDIF Ltd.") to which the information statement applies are:

First Day: **January 1, 2023**  
Last Day: **December 31, 2023**

- 2) The below amounts represent income for the entire Equity Class for the taxable year specified above. Shareholders should adjust the below income amounts by their appropriate percentage ownership.

	<b>Total for Class</b>	<b>Per Share</b>	<b>Per Share Per Day</b>
<b>Ordinary Earnings</b>	\$0	0.0	0.0
<b>Net Capital Gain</b>	\$0	0.0	0.0

- 3) The amount of cash and fair market value of other property distributed, or deemed distributed, by NBDDIF Ltd. during the taxable year specified in paragraph 1 is as follows:

<b>Distribution Payment Date</b>	<b>Distribution Amount Per Share</b>
05/02/2023	\$0.8426

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

**NB Distressed Debt Investment Fund Limited**

By:  \_\_\_\_\_

Title: Authorized Signatory