



NB Distressed Debt Investment Fund Limited

2023 INTERIM REPORT

Unaudited Consolidated Interim Financial Statements
For The Six Month Period Ended 30 June 2023

NEUBERGER BERMAN

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Features

NB Distressed Debt Investment Fund Limited (the “Company”)

The Company is a closed-ended investment company incorporated and registered in Guernsey on 20 April 2010 with registration number 51774. The Company is governed under the provisions of the Companies (Guernsey) Law, 2008 (as amended) (the “Law”), and the Registered Collective Investment Scheme Rules and Guidance 2021 issued by the Guernsey Financial Services Commission (“GFSC”). It is a non-cellular company limited by shares and has been declared by the GFSC to be a registered closed-ended collective investment scheme. The Company trades on the Specialist Fund Segment (“SFS”) of the London Stock Exchange (“LSE”).

The Company is a member of the Association of Investment Companies (the “AIC”) and is classified within the Debt – Loans & Bonds Category.

Investment Objective

The Company’s primary objective is to provide investors with attractive risk-adjusted returns through long-biased, opportunistic exposure to stressed, distressed and special situation credit-related investments while seeking to limit downside risk by, amongst other things, focusing on senior and senior secured debt with both collateral and structural protection.

Investment Policy

More information on the Company’s investment policy is provided on page 4 of the Annual Report and Financial Statements for the year ended 31 December 2022.

Alternative Investment Fund Manager (“AIFM”) and Manager

Investment management services are provided to the Company by Neuberger Berman Investment Advisers LLC (the “AIFM”) and Neuberger Berman Europe Limited (the “Manager”), collectively the “Investment Manager”. The AIFM is responsible for risk management and discretionary management of the Company’s Portfolio and the Manager provides, amongst other things, certain administrative services to the Company.

Share Capital

As at 30 June 2023 the Company’s share capital comprised the following¹:

Ordinary Share Class (“NBDD”)

15,382,770 Ordinary Shares, none of which were held in treasury.

Extended Life Share Class (“NBDX”)

47,875,446 Extended Life Shares, none of which were held in treasury.

New Global Share Class (“NBDG”)

27,821,698 New Global Shares, none of which were held in treasury.

For the purposes of efficient portfolio management, the Company has established a number of wholly-owned subsidiaries domiciled in Luxembourg. All references to the Company in this document refer to the Company together with its wholly-owned subsidiaries.

Non-Mainstream Pooled Investments

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority’s (“FCA”) rules in relation to non-mainstream pooled investment (“NMPI”) products and intends to continue to do so for the foreseeable future.

The Company’s shares are excluded from the FCA’s restrictions which apply to NMPI products.

Company Numbers

Ordinary Shares

LSE ISIN code: GG00BDFZ6F78

Bloomberg code: NBDD:LN

Extended Life Shares

LSE ISIN code: GG00BRZRVJ00

Bloomberg code: NBDX:LN

New Global Shares

LSE ISIN code: GG00BNTXRB08

Bloomberg code: NBDG:LN

Legal Entity Identifier

YRFO7WKOU3V511VFX790

Website

www.nbddif.com

¹ In addition the Company has two Class A Shares in issue. Further information is provided in the Capital Structure section of this report on page 3.

Capital Structure

The Company's share capital consists of three different share classes, all of which are in the harvest period: the Ordinary Share Class; the Extended Life Share Class; and the New Global Share Class. These share classes each have different capital return profiles and, in one instance a different geographical remit. In addition, the Company has two Class A Shares in issue. While the Company's share classes are all now in harvest, returning capital to shareholders, the Company's corporate umbrella itself has an indefinite life to allow for flexibility for the Company to add new share classes if demand, market opportunities and shareholder approval supported such a move, although the Company has no current plans to create new share classes. Each share class is considered in turn below.

Ordinary Share Class

NBDD was established at the Company's launch on 10 June 2010 with a remit to invest in the global distressed debt market with a focus on North America. The investment period of NBDD expired on 10 June 2013.

Voting rights:	Yes
Denomination:	US Dollars
Hedging:	Portfolio hedged to US Dollars
Authorised share capital:	Unlimited
Par value:	Nil

Extended Life Share Class

A vote was held at a class meeting of NBDD shareholders on 8 April 2013 where the majority of shareholders voted in favour of a proposed extension.

Following this meeting and with the NBDD shareholders' approval of the extension, on 9 April 2013 a new Class, NBDX, was created and the NBDX Shares were issued to 72% of initial NBDD investors who elected to convert their NBDD Shares to NBDX Shares. NBDX had a remit to invest in the global distressed debt market with a focus on North America. The investment period of NBDX expired on 31 March 2015.

Voting rights:	Yes
Denomination:	US Dollars
Hedging:	Portfolio hedged to US Dollars
Authorised share capital:	Unlimited
Par value:	Nil

New Global Share Class

NBDG was created on 4 March 2014 and had a remit to invest in the global distressed market with a focus on Europe and North America. The investment period of NBDG expired on 31 March 2017.

Voting rights:	Yes
Denomination:	Pound Sterling
Hedging:	Unhedged portfolio
Authorised share capital:	Unlimited
Par value:	Nil

Class A Shares

The Class A Shares are held by a trustee pursuant to a purpose trust established under Guernsey law. Under the terms of the Trust Deed the Trustee holds the Class A Shares for the purpose of exercising the right to receive notice of general meetings of the Company but the Trustee shall only have the right to attend and vote at general meetings of the Company when there are no other Shares of the Company in issue.

Voting rights:	No
Denomination:	US Dollars
Authorised share capital:	10,000 Class A Shares
Par value:	US Dollar \$1

Financial Highlights

Key Figures

AS AT 30 JUNE 2023 (UNAUDITED)	ORDINARY SHARE CLASS	EXTENDED LIFE SHARE CLASS	NEW GLOBAL SHARE CLASS ¹	AGGREGATED
Net Asset Value ("NAV") (\$ millions)	12.2	49.2	23.1	84.5
NAV per Share (\$)	0.7959	1.0267	0.8290	–
Share Price (\$)	0.740	0.5600	0.4513	–
NAV per Share (£)	–	–	0.6521	–
Share Price (£)	–	–	0.355	–
Premium /(Discount) to NAV per Share	(7.02%)	(45.46%)	(45.56%)	–
Portfolio of Distressed Investments (\$ millions)	7.4	31.8	22.1	61.3
Cash and Cash Equivalents (\$ millions)	4.3	15.5	0.7	20.5
Total Expense Ratio ("TER") ²	1.08%	1.18%	1.53%	–
Ongoing Charges ³	1.05%	1.13%	1.48%	–

AS AT 31 DECEMBER 2022 (AUDITED)	ORDINARY SHARE CLASS	EXTENDED LIFE SHARE CLASS	NEW GLOBAL SHARE CLASS ¹	AGGREGATED
Net Asset Value ("NAV") (\$ millions)	11.9	58.5	24.8	95.2
NAV per Share (\$)	0.7730	0.9728	0.7987	–
Share Price (\$)	0.740	0.4800	0.4691	–
NAV per Share (£)	–	–	0.6640	–
Share Price (£)	–	–	0.39	–
Premium /(Discount) to NAV per Share	(4.27%)	(50.66%)	(41.26%)	–
Portfolio of Distressed Investments (\$ millions)	7.3	42.5	24.0	73.8
Cash and Cash Equivalents (\$ millions)	4.4	15.2	0.2	19.8
Total Expense Ratio ("TER") ²	0.97%	0.99%	1.33%	–
Ongoing Charges ³	0.95%	0.96%	1.29%	–

1 Stated in US Dollars, the £ price as at 30 June 2023 and 31 December 2022 converted to US Dollars using respective period/year end exchange rates.

2 The TERs represent the operating expenses, as required by US Generally Accepted Accounting Principles ("US GAAP"), expressed as a percentage of average net assets.

3 In the period to 30 June 2023, the Company's Ongoing Charges were 1.21%. This figure is based on an expense figure for the period to 30 June 2023 of \$547,458. This figure, which has been prepared in accordance with AIC guidance represents the Company's operating expenses, excluding finance costs payable, expressed as a percentage of average net assets. Effective 18 March 2021, the Investment Manager had waived its entitlement to all fees from the Company. The Ongoing Charges by share class are disclosed above.

Summary of Value in Excess of Original Capital Invested

AS AT 30 JUNE 2023	ORDINARY SHARE CLASS (\$)	EXTENDED LIFE SHARE CLASS (\$)	NEW GLOBAL SHARE CLASS (£)
Original Capital Invested	(124,500,202)	(359,359,794)	(110,785,785)
Total Capital Distributions	129,627,394	290,315,104	51,444,766
Total Income Distributions ¹	3,166,835	20,695,255	5,070,285
Distributions as % of Original Capital	107%	87%	51%
Total Buybacks	–	12,112,379	10,924,963
NAV	12,243,896	49,152,033	18,141,858
Total of NAV Plus Capital and Income Returned (“Value”)	145,038,125	372,274,771	85,581,872
Value in Excess of Original Capital Invested	20,537,923	12,914,977	(25,203,913)
Value as % of Original Capital Invested	116%	104%	77%

AS AT 31 DECEMBER 2022	ORDINARY SHARE CLASS (\$)	EXTENDED LIFE SHARE CLASS (\$)	NEW GLOBAL SHARE CLASS (£)
Original Capital Invested	(124,500,202)	(359,359,794)	(110,785,785)
Total Capital Distributions	129,627,394	278,812,413	49,279,634
Total Income Distributions ¹	3,166,835	20,695,255	5,070,285
Distributions as % of Original Capital	107%	83%	49%
Total Buybacks	–	12,112,379	10,924,963
NAV	11,890,321	58,477,990	20,598,910
Total of NAV Plus Capital and Income Returned (“Value”)	144,684,550	370,098,037	85,873,792
Value in Excess of Original Capital Invested	20,184,348	10,738,243	(24,911,993)
Value as % of Original Capital Invested	116%	103%	78%

¹ By way of dividend

Chairman's Statement



Dear Shareholder,

The six-month period ending 30 June 2023 continued to see interest rate increases, high inflation, the war in Ukraine, rising recession risk and volatile energy prices. With each share class in its harvest period, we continue to seek to balance the pace of exits and the value achieved for shareholders as we return capital to our investors. As a reminder, the Ordinary class shareholders will no longer receive capital distributions until such time as all final assets attributable to them have been realised to ensure compliance with UK regulations.

Company Performance

As at 30 June 2023, the Company had returned a total of \$129m or 107% of NBDD investors' original capital of \$124.5m, \$290m or 87% of NBDX investors' original capital of \$359.4m and £51.4m or 51% of NBDG investors' original capital of £110.8m. Currently we are in what we hope to be the final stages of harvesting a number of investments and we will keep investors informed as they occur. It is our intention to fully harvest NBDD during the next 12 months, subject to market conditions and with this in mind the Investment Manager is evaluating all options. The Board continues to monitor all costs to ensure that they are appropriate as we are conscious that shareholders may be concerned about the impact of costs on a reducing portfolio during the harvest period. We would therefore remind shareholders that with effect from 18 March 2021 our investment manager has agreed to waive all future fees.

Annual General Meeting ("AGM") Results

We were pleased to see that shareholders voted overwhelmingly in favour of all resolutions proposed at our AGM held on 28 June 2023. We appreciate that circumstances have adversely impacted the results the company has achieved and would like to take the opportunity to thank you all for your votes and continued support. We would continue to highlight the importance of voting in the AGM. We are always happy to receive any questions or concerns from shareholders ahead of the AGM so they can be addressed beforehand.

Board Composition, Independence and Diversity

Due to the expected wind up of the fund it is not considered appropriate or practical to refresh the board at this time and we believe the results of the relevant AGM resolutions endorse this approach.

Distributions

During the period we made good progress on the realisation of assets. Following the receipt of proceeds from the realisation of a lodging & casinos investment the Board resolved on 17 April 2023 to make capital distributions of \$0.1356 and £0.0698 per share in respect of the NBDX and NBDG classes respectively. These distributions were made by a compulsory pro rata redemption of shares held as at 2 May 2023 with payment being made on 17 May 2023.

On 16 June 2023, the Board announced a further capital distribution of \$0.0651 per Extended Life Share, again from the realisation of a lodging & casinos investment, which was paid 13 July 2023.

We will continue to put our income distribution policy to a shareholder vote at each annual general meeting. I would like to remind shareholders that such distributions occur on an ad-hoc basis and are not expected to be either material or equal for each share class.

Outlook

As I said in the annual report, the final distributions from each share class have been delayed. The Ordinary class of shares will be the first to commence the final wind-up process in the next 12 months, followed by the Extended share class and then the New Global share class. As is normally the case with investment companies, as opposed to those with commercial undertakings, this does not currently have any material impact on the Company's ability to continue as a going concern or to remain viable. However, the whole process must be managed in a way that ensures compliance with UK regulations.

The Extended and Global classes will continue to distribute until their net assets are reduced to approximately \$36.5m and £8.4m respectively. In certain cases, the cash associated with these share classes will need to remain in underlying corporate vehicles while tax and other matters relating to those vehicles are concluded. We will keep investors apprised of developments in respect of the remaining assets.

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

On behalf of the Board, I would like to thank our longstanding shareholders for your support of our Company. We look forward to updating you further on investment realisations throughout the remainder of the year.

John Hallam

Chairman

24 August 2023

Investment Manager's Report

Ordinary Share Class

Summary

The NAV per share increased by 3.0 % for the period ended 30 June 2023. Public markets were volatile as investors monitored multiple themes that could impact global growth, including tightening fiscal and monetary conditions, persistently higher inflation, supply chain disruptions, a tight labour market, the ongoing Russian war in Ukraine, and recent bank failures. All could lead to elevated volatility over the next 12 months and beyond. Given these circumstances, the timing and quantum of any financial impact on the portfolio remains very difficult to predict. Despite the uncertainty, the Investment Manager is committed to realising the investments in a timely manner and winding down the share class as soon as practicable, but there is one asset we are working through which will determine the final distribution date. Currently we are in what we hope to be the final stages of harvesting a number of investments and we will keep investors informed as they occur. It is our intention to fully harvest NBDD during the next 12 months.

Portfolio Update

NBDD ended the period with a NAV per share of \$0.7959 compared to \$0.7730 at end of 2022. The rise in NAV was principally driven by an increase in the value of a packaging company investment. At 30 June 2023, 57% of NBDD's NAV was invested in distressed assets, and \$4m in US Government securities which represented a further 43% of NAV, with a minimal amount cash net of payables (see table below). Cash balances will continue to increase as assets are realised, subject to variations in collateral cash, but as noted previously cannot be distributed until the final liquidation of the share class. The portfolio consisted of 5 issuers across four sectors. The largest sector concentrations were in surface transportation, containers & packaging and financial intermediaries.

There were no notable events during 2023.

CASH ANALYSIS

Balance Sheet – Cash	\$4.3m
Collateral cash	(\$3.1m)
Other payables	(\$0.0m)
Total available cash	\$1.2m

Significant Price Movement during 2023 (more than 1% of NBDD NAV or approximately \$120,000)

INDUSTRY	INSTRUMENT	TOTAL RETURN (US DOLLARS MILLIONS)	COMMENT
Containers & packaging	Private Equity	0.4	Sponsor Equity Injection
Surface transport	Total Return Swap	0.3	Interest accruals

Exits

During the period, we had no exits. The total number of exits since inception in NBDD is 51, with a total return of \$35.4m.

Partial Realisations

The partial realisations have generated net realised gains of \$7.8m over the life of the fund. Detailed descriptions of the partial realisations are at the end of this report.

Distributions

To date, \$132.8m or 107% of original capital has been distributed to investors in the form of capital distributions via redemptions and income dividends. Total value to investors including NAV and all distributions paid is \$145.0m (116% of original capital). 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 of the outstanding shares of that class. The next distribution for NBDD will be the final distribution to shareholders and will wind down the share class which is expected to be in 2024, assuming supportive market conditions. We will continue to update investors as we gain clarity on the realisations.

Extended Life Share Class

Summary

The NAV per share increased by 5.5 % for the period ended 30 June 2023. Public markets were volatile as investors monitored multiple themes that could impact global growth, including tightening fiscal and monetary conditions, persistently higher inflation, supply chain disruptions, a tight labour market, the ongoing Russian war in Ukraine, and recent bank failures. All could lead to elevated volatility over the next 12 months and beyond. Given these circumstances, the timing and quantum of any financial impact on the portfolio remains very difficult to predict. Despite the uncertainty, the Investment Manager is committed to realising the investments in a timely manner and winding down the share class as soon as practicable. Currently we are in what we hope to be the final stages of harvesting a number of investments and we will keep investors informed as they occur. It is our intention to fully harvest NBDX during the next 12 months.

Portfolio Update

NBDX ended the period with a NAV per share of \$1.0267 compared to \$0.9728 at end of 2022. At 30 June 2023, 82% of NBDX's NAV was invested in distressed assets, and \$1.9m in US Government securities which represented a further 18% of NAV with a minimal amount of cash net of payables (see table below). Cash balances will continue to increase as assets are realised, subject to variations in collateral cash, but as noted previously not all can be distributed until the final liquidation of the share class. The NAV per share increase during the period was principally driven by a distribution received from a financial intermediary investment, an increase in value of a packaging investment, and the exit of two lodging & casinos investments. The NBDX portfolio consists of 8 issuers across 6 sectors. The largest sector concentrations were in surface transportation, financial intermediaries, oil & gas, containers & packaging.

CASH ANALYSIS

Balance Sheet – Cash	\$15.5m
Collateral cash	(\$8.7m)
Other payables	(\$0.1m)
Total available cash	\$6.6m

Notable events below describe activity in the investments during 2023:

- In March of 2023, a restructuring agreement for a lodging & casinos investment was executed which resulted in a paydown of the Secured Notes. Proceeds were received in April. NBDX received approximately \$6.4m.
- In May of 2023, we exited another lodging & casinos investment in the secondary market. NBDX received approximately \$2.0m.
- In June 2023, a financial intermediary investment made a distribution to its surplus note holders of approximately \$33.4m, of which NBDX received \$4.3m.

Significant Price Movements during 2023 (approximately 1% of NBDX NAV or \$490,000)

INDUSTRY	INSTRUMENT	TOTAL RETURN (USD MILLIONS)	COMMENT
Containers & Packaging	Private Equity	1.1	Sponsor Equity Injection
Surface Transport	Total Return Swap	0.7	Interest accruals

Exits

In 2023 we had two exits. The total number of exits since inception in NBDX to 71 with total return of \$70.9m.

Investment Manager's Report (continued)

Partial Realisations

The partial realisations generated net realised gains of \$20.0m over the life of the Company. Detailed descriptions of the partial realisations are at the end of this report.

Distributions

During 2023 NBDX made \$11.5m distributions. The total distributions to date (dividends, redemptions and buy-backs) amount to \$323.1m or 90% of original capital. Total value to investors including NAV and all distributions paid is \$372.3m or 104% of original capital. For regulatory reasons, the final 10% of total return in respect of any class of participating shares in NBDDIF will be returned to shareholders with the final compulsory redemption of all of the outstanding shares of that class. 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. Our current expectation is to wind down the share class in 2024, assuming supportive market conditions. We will continue to update investors as we gain clarity on the realisations.

New Global Share Class

Summary

The NAV per share decreased by 1.79% for the period ended 30 June 2023. Public markets were volatile as investors monitored multiple themes that could impact global growth, including tightening fiscal and monetary conditions, persistently higher inflation, supply chain disruptions, a tight labour market, the ongoing Russian war in Ukraine, and recent bank failures. All could lead to elevated volatility over the next 12 months and beyond. Given these circumstances, the timing and quantum of any financial impact on the portfolio remains very difficult to predict. Despite the uncertainty, the Investment Manager is committed to realising the investments in a timely manner and winding down the share class as soon as practicable. Currently we are in what we hope to be the final stages of harvesting a number of investments and we will keep investors informed as they occur. It is our intention to fully harvest NBDG during the next 12 months.

Portfolio Update

NBDG ended the period with a NAV per share of £0.6521 compared to £0.6640 at the end of 2022. At 30 June 2023, 97% of NBDG's NAV was invested in distressed assets and 3% of NAV with a minimal amount of cash net of payables (see table below). NAV per share decreased during the period principally due to a reduction in value of a lodging & casinos investment and the strengthening of the Pound Sterling. The portfolio consisted of 5 issuers across 5 sectors. The largest sector concentrations were in lodging & casinos, commercial mortgage, surface transportation and oil & gas.

CASH ANALYSIS

Balance Sheet – Cash	\$0.7m
Other payables	(\$0.1m)
Total available cash	\$0.6m

Notable events involving NBDG's investments during 2023 are below:

- In March of 2023, a restructuring agreement for a lodging & casinos investment was executed which resulted in a paydown of the Secured Notes. Proceeds were received in April. NBDG received approximately £2.6m.

Significant Price Movements during 2023 (approximately 1% of NBDG NAV or £180,000)

INDUSTRY	INSTRUMENT	TOTAL RETURN (USD MILLIONS)	COMMENT
Surface Transport	Bank Debt Investments	0.2	Lower Expected Value

Exits

During 2023 there was one exit. The total number of exits since inception is 32 with a total return of £2.7m. Detailed descriptions of the exits are at the end of this report.

Partial Realisations

There were no partial realisations in NBDG during 2023.

Distributions

During 2023, there were £2.2m of distributions. Total distributions to date (dividends, redemptions, and buy-backs) are £67.4m or 61% of original capital. Total value to investors including NAV and all distributions paid is £85.6m or 77% of original capital. For regulatory reasons, the final 10% of total return in respect of any class of participating shares in NBDDIF will be returned to shareholders with the final compulsory redemption of all the outstanding shares of that class. 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. Our current expectation is to wind down the share class in 2024, assuming supportive market conditions. We will continue to update investors as we gain clarity on the realisations.

Summary of Exits across all Share Classes

Exits experienced from inception to date were as follows:

NBDD 51 exits with a total return of \$35.4m, IRR of 10% and ROR of 19%

NBDX 71 exits with a total return of \$70.9m, IRR of 5% and ROR of 12%

NBDG 32 exits with a total return of £(2.2m), IRR of (4)% and ROR of (2)%

The annualised internal rate of return ("IRR") is computed based on the actual dates of the cash flows of the security (purchases, sales, interest and principal pay downs), calculated in the base currency of each portfolio. The Rate of Return ("ROR") represents the change in value of the security (capital appreciation, depreciation, and income) as a percentage of the purchase amount. The purchase amount can include multiple purchases. Total Return represents the inception to date gain/loss on an investment.

Exit A1 (Exit 32 for NBDG and Exit 70 for NBDX)

EXIT A1	EXIT	CASH INVESTED (MILLIONS)	CASH RECEIVED (MILLIONS)	TOTAL RETURN (MILLIONS)	IRR	ROR	MONTHS HELD
NBDX	70	\$7.8	\$13.0	\$5.3	8.9 %	67.8 %	101
NBDG	32	£2.5	£5.2	£2.7	12.9 %	109.9 %	101

Exit A2 (Exit 71 for NBDX)

EXIT A2	EXIT	CASH INVESTED (MILLIONS)	CASH RECEIVED (MILLIONS)	TOTAL RETURN (MILLIONS)	IRR	ROR	MONTHS HELD
NBDX	71	\$14.0	\$20.2	\$6.1	8.0%	43.7%	116

Investment Manager's Report (continued)

Summary of Partial Realisations across all Share Classes

All partial realisations currently in the portfolio are reported as at 30 June 2023 and it should be noted that their IRR and ROR are likely to be different at the time of the final exit. These were the following partial realisations:

Partial Realisation B: NBDD and NBDX

NBDD and NBDX invested \$7.1m to purchase first lien secured bank debt with attached private equity of an international packaging company. The debt was repaid in full shortly after the purchase with the receipt of \$5.8m and the Company retained the equity, receiving dividends of \$1.7m during the holding period. During the second quarter of 2017 the company's sale to a complementary packaging company was announced. NBDX and NBDD elected to receive sale proceeds in cash and newly created shares in the acquirer for a combined value of \$4.0m. In the third quarter of 2017, the Company received \$1.5m cash as part of the sale proceeds from the disposal completed at the end of the second quarter of 2017 and \$1.0m for partial redemption of new shares received in the acquirer. The company's operating performance declined due to raw material price increases. The current value of the private equity position is \$1.3m generating a total return of \$4.2m as of 30 June 2023. IRR was 25% and ROR was 59% with a holding period of 128 months at 30 June 2023.

B	EFFECTIVE PERIOD	CASH INVESTED (MILLIONS)	CASH RECEIVED TO DATE (MILLIONS)	VALUE OF RESIDUAL INVESTMENT (MILLIONS)	TOTAL RETURN (MILLIONS)	IRR	ROR	MONTHS HELD
NBDD	H1 2017	\$2.0	\$2.8	\$0.4	\$1.2	25%	59%	128
NBDX	H1 2017	\$5.1	\$7.2	\$1.0	\$3.0	25%	59%	128

Partial Realisation C: NBDD and NBDX

NBDD and NBDX invested \$9.2m in preferred equity certificates ("PECs") and private equity of a European packaging company. The PECs were retired in full in 2015 and the company paid dividends on the equity during the holding period. Cash received to date is \$23.2m. In the second quarter, the company announced it was purchasing another complementary packaging company (Partial Realisation B, above) and completing a recapitalisation to refinance existing debt, provide cash for the acquisition and pay a dividend to shareholders. The company's operating performance declined due to raw material price increases. The current value of the private equity position is \$9.6m, generating a total return of \$23.6m as at 30 June 2023. IRR was 52% and ROR was 256% with a holding period of 131 months at 30 June 2023.

C	EFFECTIVE PERIOD	CASH INVESTED (MILLIONS)	CASH RECEIVED TO DATE (MILLIONS)	VALUE OF RESIDUAL INVESTMENT (MILLIONS)	TOTAL RETURN (MILLIONS)	IRR	ROR	MONTHS HELD
NBDD	H1 2017	\$2.6	\$6.5	\$2.7	\$6.6	52%	256%	131
NBDX	H1 2017	\$6.6	\$16.7	\$6.9	\$17.0	52%	256%	131

Neuberger Berman Investment Advisers LLC

24 August 2023

Neuberger Berman Europe Limited

24 August 2023

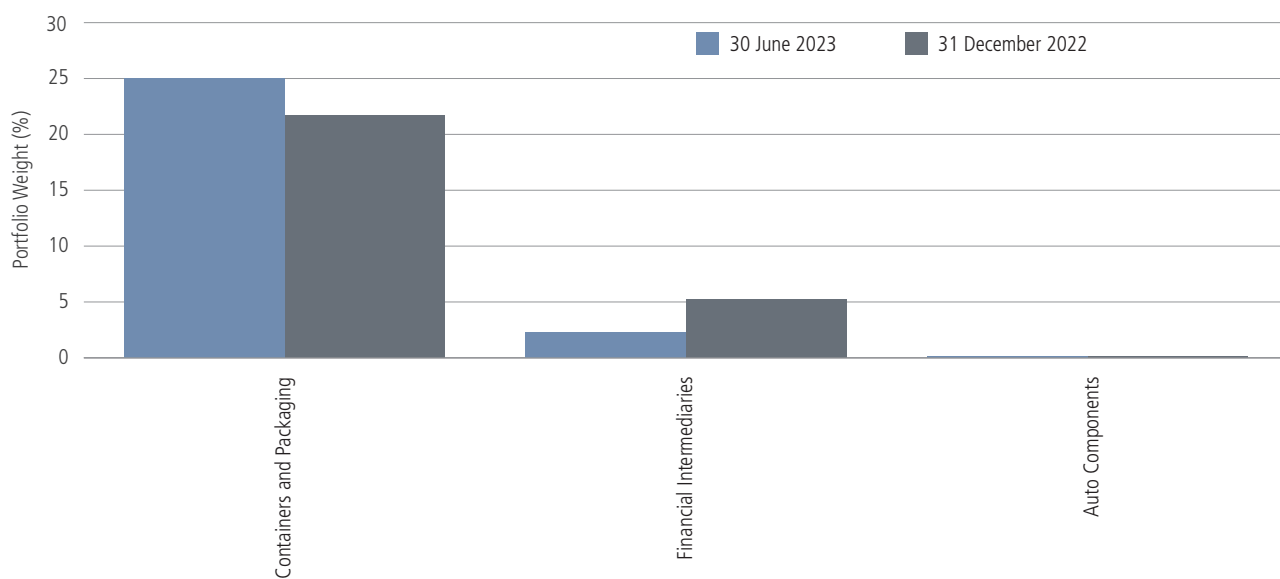
Portfolio Information

Ordinary Share Class

TOP 4¹ HOLDINGS AS AT 30 JUNE 2023

HOLDING	SECTOR	PURCHASED INSTRUMENT	STATUS	COUNTRY	% OF NAV	PRIMARY ASSET
1	Surface Transport ²	Trade Claim	Defaulted	Brazil	31%	Municipal Claim
2	Specialty Packaging	Post-Reorg Equity	Post-Reorg	Luxembourg	22%	Manufacturing Plant and Equipment
3	Financial Intermediaries	Secured Notes	Post-Reorg	US	3%	Cash & Securities
4	Specialty Packaging	Post-Reorg Equity	Post-Reorg	Luxembourg	3%	Manufacturing Plant and Equipment
Total					59%	

Sector Breakdown³



1 Ordinary Share Class holds four investments by issuer.

2 As at 30 June 2023 collateral pledged is included in the Surface Transport Market Value.

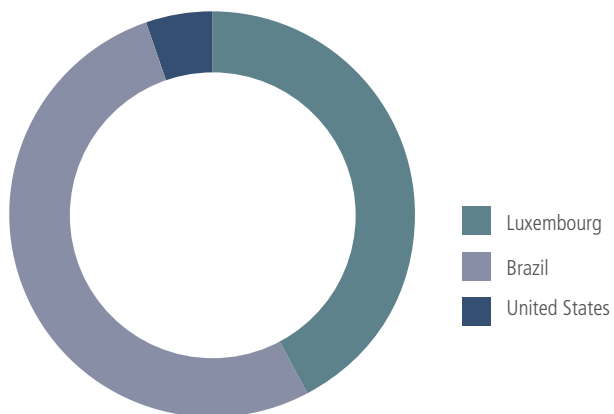
3 Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bank Global Fund Services (Guernsey) Limited/U.S. Bank Global Fund Services (Ireland) Limited as Administrator/Sub-Administrator to the Company.

Portfolio Information (continued)

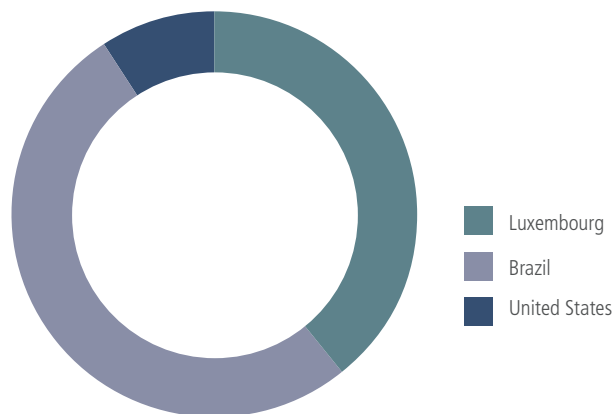
Ordinary Share Class (continued)

Country Breakdown^{4,5}

30 JUNE 2023



31 DECEMBER 2022



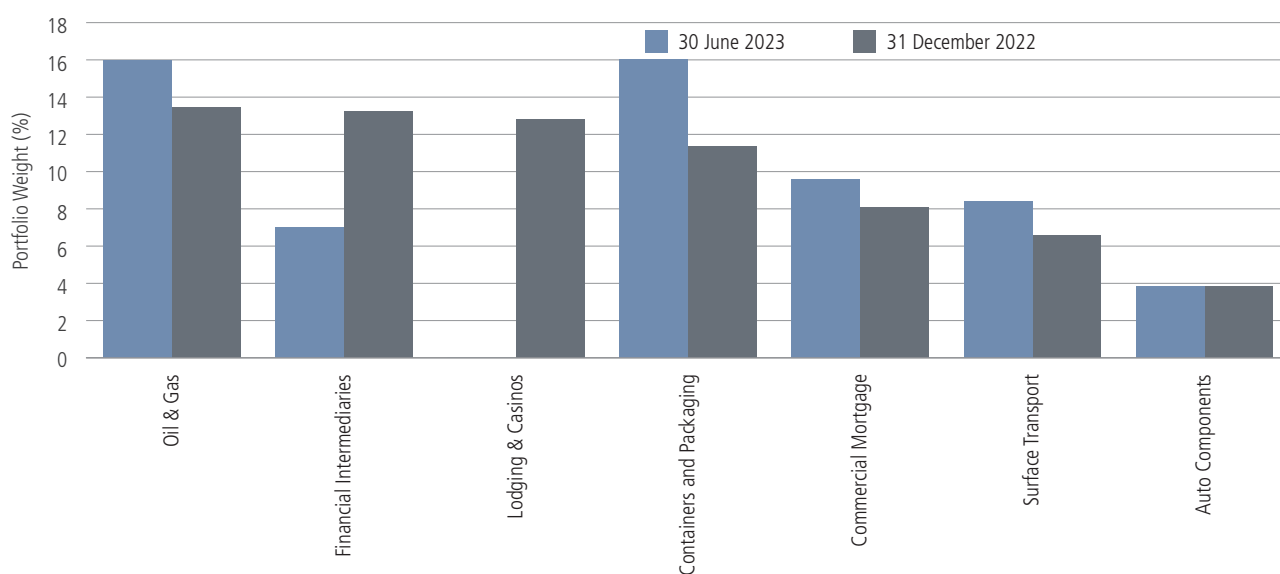
4 Categorisations determined by Neuberger Berman and percentages determined by the Administrator, as a percentage of the net asset values as at 30 June 2023 and 31 December 2022.

5 As at 30 June 2023 collateral pledged is included in the Brazil Market Value.

Extended Life Share Class

TOP 8¹ HOLDINGS AS AT 30 JUNE 2023

HOLDING	SECTOR	PURCHASED INSTRUMENT	STATUS	COUNTRY	% OF NAV	PRIMARY ASSET
1	Surface Transport ²	Trade Claim	Defaulted	Brazil	20%	Municipal Claim
2	Oil & Gas	Post-Reorg Equity	Post-Reorg	US	16%	Ethanol Plant
3	Specialty Packaging	Post-Reorg Equity	Post-Reorg	Luxembourg	14%	Manufacturing Plant and Equipment
4	Commercial Mortgage	Secured Loan	Defaulted	Netherlands	10%	Commercial Real Estate
5	Surface Transport	Secured Loan	Defaulted	Spain	9%	Concession
6	Financial Intermediaries	Secured Notes	Defaulted	US	8%	Cash and Securities
7	Auto Components	Secured Loan	Post-Reorg	US	4%	Manufacturing Plant and Equipment
8	Specialty Packaging	Post-Reorg Equity	Post-Reorg	Luxembourg	2%	Manufacturing Plant and Equipment
Total					83%	

Sector Breakdown³

1 Extended Share Class holds eight investments by issuer.

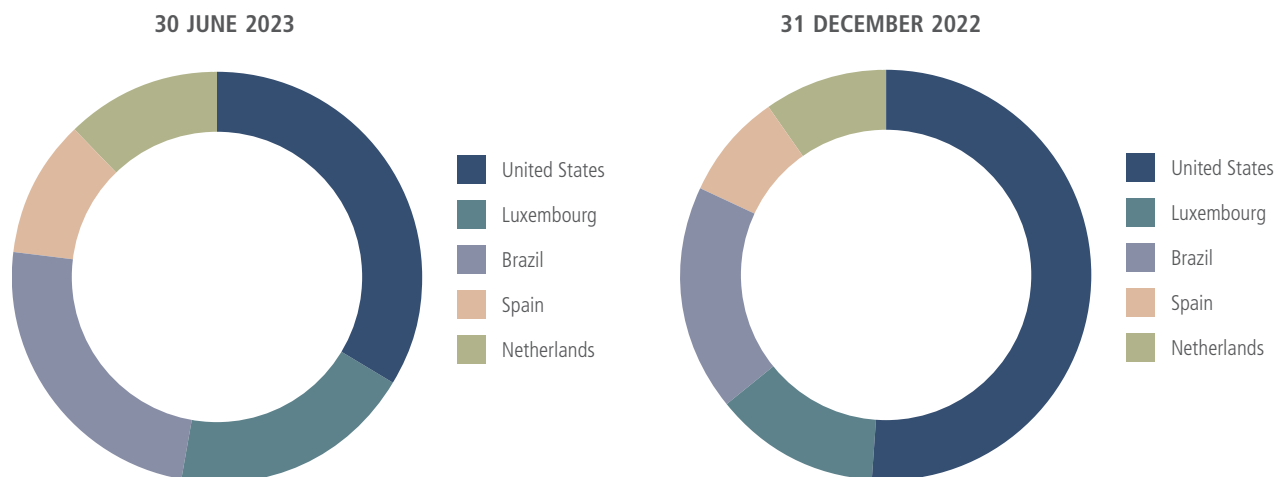
2 As at 30 June 2023 collateral pledged is included in the Surface Transport Market Value.

3 Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bank Global Fund Services (Guernsey) Limited/U.S. Bank Global Fund Services (Ireland) as Administrator/Sub-Administrator to the Company.

Portfolio Information (continued)

Extended Life Share Class (continued)

Country Breakdown^{4,5}



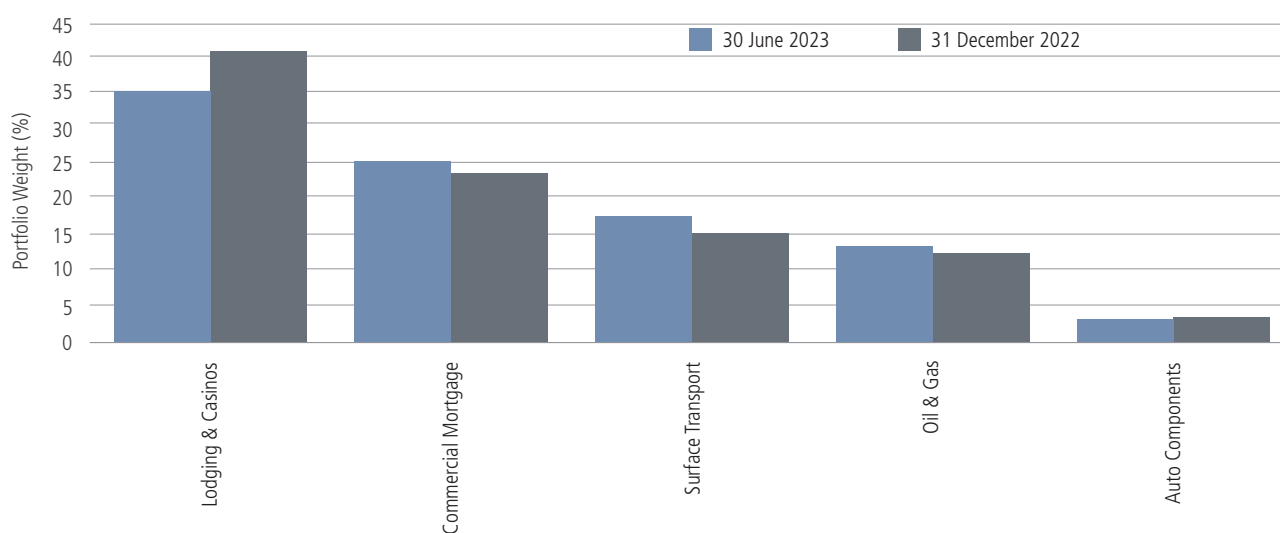
4 Categorisations determined by Neuberger Berman and percentages determined by the Administrator, as a percentage of the net asset values as at 30 June 2023 and 31 December 2022.

5 As at 31 December 2022 collateral pledged is included in the Brazil Market Value.

New Global Share Class

TOP 5¹ HOLDINGS AS AT 30 JUNE 2023

HOLDING	SECTOR	PURCHASED INSTRUMENT	STATUS	COUNTRY	% OF NAV	PRIMARY ASSET
1	Lodging & Casinos	Secured Loan/ Private Equity	Current	Spain	37%	Hotel/Casino
2	Commercial Mortgage	Secured Loan	Defaulted	Netherlands	26%	Commercial Real Estate
3	Surface Transportation	Secured Loan	Defaulted	Spain	18%	Legal Claim
4	Oil & Gas	Private Equity	Post-Reorg	US	14%	Ethanol Plant
5	Auto Components	Secured Loan	Post-Reorg	US	3%	Manufacturing Plant
Total					98%	

Sector Breakdown²

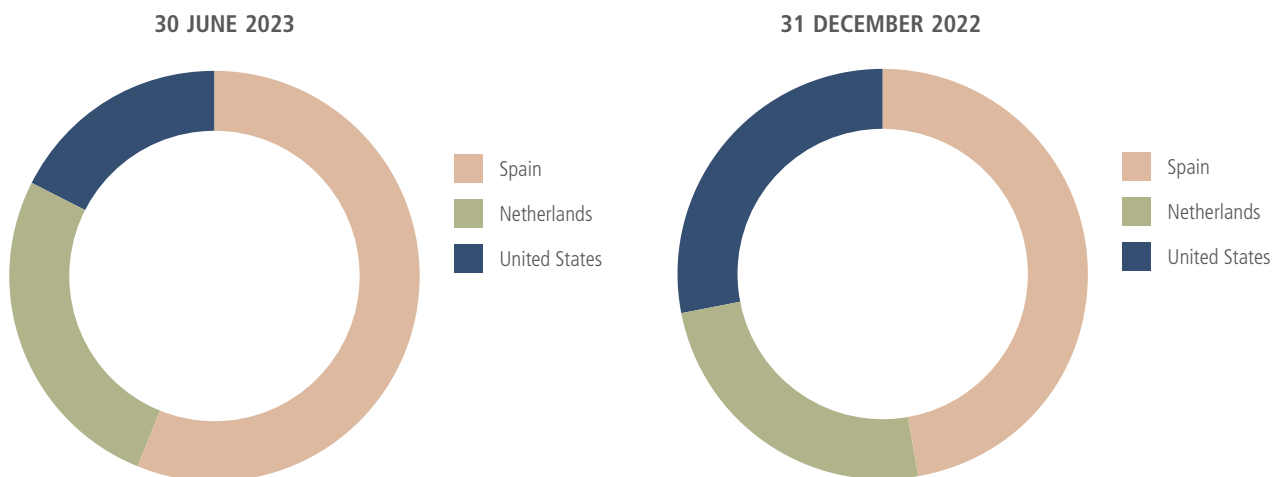
1 Global Share Class holds five investments by issuer.

2 Categorisations determined by Neuberger Berman; percentages determined by Neuberger Berman and U.S. Bank Global Fund Services (Guernsey) Limited/U.S. Bank Global Fund Services (Ireland) Limited as Administrator/Sub-Administrator to the Company.

Portfolio Information (continued)

New Global Share Class (continued)

Country Breakdown³



³ Categorisations determined by Neuberger Berman and percentages determined by the Administrator, as a percentage of the net asset values as at 30 June 2023 and 31 December 2022.

Interim Management Report and Directors' Responsibility Statement

Principal and Emerging Risks and Uncertainties

The principal and emerging risks of the Company are in the following areas:

- investment activity and performance;
- principal risks associated with harvest periods;
- level of premium or discount;
- market price risk;
- fair valuation of illiquid assets;
- accounting, legal and regulatory risk;
- operational risk;
- climate related risks; and
- issuance of new regulations;

These risks, and the way in which they are managed, are described in more detail in the Strategic Report on pages 24 to 25 of the Company's latest annual report and audited financial statements for the year ended 31 December 2022, which can be found on the Company's website at www.nbddif.com/pdf/nbddif_annual_report_2022_042923.pdf. The Board's view is that these risks remain appropriately identified for the remainder of 2023.

In addition to the Principal Risks, the invasion of Ukraine is of concern and the Company has considered its potential impact on asset values, and while no direct impact has been identified, values are affected by its impact on the global economy. To manage these risks further, the Investment Manager reviews time to realisation quarterly to ensure balance between timing and value. Moreover, while the risks associated with the COVID 19 pandemic have largely receded the Investment Manager continues to monitor the situation.

Going Concern

The financial position of the Company is set out on page 23. In addition, note 4 to the Unaudited Consolidated Interim Financial Statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management and its exposures to credit risk and liquidity risk.

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern including reviewing the on-going cash flows and the level of cash balances, the likely liquidity of investments and any income deriving from those investments as of the reporting date as well as taking into consideration the impact of emerging risks and have determined that the Company has adequate financial resources to meet its liabilities as they fall due.

Having reassessed the principal and emerging risks, the Directors consider it appropriate to prepare the Unaudited Consolidated Interim Financial Statements (the "Financial Statements") on a going concern basis.

Related Party Transactions

The contracts with the Investment Manager and Directors are the only related party transactions currently in place. Other than fees payable in the ordinary course of business, there have been no material transactions with related parties, which have affected the financial position or performance of the Company in the six month period ended 30 June 2023. Additional related party disclosures are given in Note 6 on pages 48 to 49.

Directors' Responsibilities Statement

The Board of Directors confirms that, to the best of its knowledge:

- The Financial Statements have been prepared in conformity with US generally accepted accounting principles ("US GAAP"), give a true and fair view of the assets, liabilities, financial position and the return of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R of the Disclosure Guidance and Transparency Rules ("DTR") of the UK's Financial Conduct Authority (the "UK FCA"); and

Interim Management Report and Directors' Responsibility Statement (continued)

- The combination of the Chairman's Statement, the Investment Manager's Report, this Interim Management Report and the notes to the Financial Statements meet the requirements of an interim management report, and include a fair view of the information required by:
 1. DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the set of financial statements together with a description of the principal risks and uncertainties for the remaining six months of the year; and
 2. DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website and for the preparation and dissemination of Financial Statements. Legislation in Guernsey governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

These Interim Report and Financial Statements have been reviewed by the Company's auditor and their report is set out on pages 21 to 22.

By order of the Board

John Hallam

Chairman

24 August 2023

Christopher Legge

Director

24 August 2023

Independent Review Report to NB Distressed Debt Investment Fund Limited

Conclusion

We have been engaged by NB Distressed Debt Investment Fund Limited (the “Company”) to review the consolidated financial statements (the “financial statements”) in the half-yearly financial report for the six months ended 30 June 2023 of the Company and its subsidiaries (together, the “Group”), which comprises the unaudited consolidated statement of assets and liabilities, the unaudited consolidated statement of operations, the unaudited consolidated statement of changes in net assets, the unaudited consolidated statement of cash flows, the unaudited consolidated condensed schedule of investments and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the half-yearly financial report for the six months ended 30 June 2023 do not give a true and fair view of the financial position of the Group as at 30 June 2023 and of its financial performance and its cash flows for the six month period then ended, in accordance with U.S. generally accepted accounting principles and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (“ISRE (UK) 2410”) issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Director’s responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

The financial statements included in this interim report have been prepared in accordance with U.S. generally accepted accounting principles.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless liquidation is imminent.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

Independent Review Report to NB Distressed Debt Investment Fund Limited (continued)

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Barry Ryan

For and on behalf of KPMG Channel Islands Limited

Chartered Accountants

Guernsey

24 August 2023

Unaudited Consolidated Statement of Assets and Liabilities

AS AT 30 JUNE 2023 AND 31 DECEMBER 2022 (EXPRESSED IN US DOLLARS EXCEPT WHERE STATED OTHERWISE)	30 JUNE 2023 (UNAUDITED)	31 DECEMBER 2022 (AUDITED)
Assets		
Investments at fair value (2023: cost of \$89,077,176; 2022: cost of \$103,009,846)	61,368,128	73,743,616
Forward currency contracts	137,116	12,018
Total Return Swaps (2023: cost of \$Nil, 2022: cost of \$Nil)	2,802,366	1,558,420
Cash and cash equivalents	8,617,196	8,733,589
Restricted Cash:		
Forward currency contracts Collateral	820,000	90,000
Total return swap Collateral	10,970,000	10,970,000
	84,714,806	95,107,643
Other assets		
Interest receivables	436,736	596,024
Receivables for investments sold	39,907	498,514
Other receivables and prepayments	29,863	72,304
Withholding tax receivable	445,762	445,762
Total assets	85,667,074	96,720,247
Liabilities		
Credit default swap (2023: cost of \$16,821; 2022: cost of \$16,821)	42,900	21,494
Forward currency contracts	911,324	1,269,365
Accrued expenses and other liabilities	252,270	282,649
Total liabilities	1,206,494	1,573,508
Net assets	84,460,580	95,146,739
Net assets attributable to Ordinary Shares (shares 2023: 15,382,770; 2022: 15,382,770)	12,243,896	11,890,321
Net asset value per Ordinary Share	0.7959	0.7730
Net assets attributable to Extended Life Shares (shares 2023: 47,875,446; 2022: 60,116,016)	49,152,033	58,477,990
Net asset value per Extended Life Share	1.0267	0.9728
Net assets attributable to New Global Shares (shares 2023: 27,821,698; 2022: 31,023,609)	£18,141,858	£20,598,909
Net asset value per New Global Share	£0.6521	£0.6640
Net assets attributable to New Global Shares (USD equivalent)	23,064,651	24,778,428
Net asset value per New Global Share (USD equivalent)	0.8290	0.7987

The Unaudited Consolidated Interim Financial Statements were approved and authorised for issue by the Board of Directors on 24 August 2023, and signed on its behalf by:

John Hallam
Chairman

Christopher Legge
Director

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Statement of Operations

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

(UNAUDITED)

(EXPRESSED IN US DOLLARS)

30 JUNE 2023
(UNAUDITED)

30 JUNE 2022
(UNAUDITED)

Income

Interest income	1,196,890	2,788,620
	1,196,890	2,788,620

Expenses

Professional and other expenses	418,980	494,094
Administration fee	43,636	49,412
Loan administration and custody fees	9,959	15,187
Directors' fees and expenses	96,725	97,900
	569,300	656,593

Net investment income

627,590 **2,132,027**

Realised and unrealised (loss)/gain from investments and foreign exchange

Net realised gain on investments, credit default swap, total return swap and forward currency transactions	1,836,516	546,562
Net change in unrealised gain on investments, credit default swap, total return swap and forward currency transactions	1,050,289	1,491,006

Realised and unrealised gain from investments and foreign exchange

2,886,805 **2,037,568**

Net increase in net assets resulting from operations

3,514,395 **4,169,595**

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Statement of Changes in Net Assets

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED) (EXPRESSED IN US DOLLARS)	30 JUNE 2023 ORDINARY SHARES	30 JUNE 2023 EXTENDED LIFE SHARES	30 JUNE 2023 NEW GLOBAL SHARES	30 JUNE 2023 AGGREGATED
Net assets at the beginning of the period	11,890,321	58,477,990	24,778,428	95,146,739
Net investment gain	11,102	188,164	428,324	627,590
Net realised gain/(loss) on investments, credit default swap and forward currency transactions	365,374	2,059,942	(588,800)	1,836,516
Net change in unrealised gain/(loss) on investments, credit default swap and forward currency transactions	(22,901)	(71,372)	1,144,562	1,050,289
Shares redeemed during the period	–	(11,502,691)	(2,697,863)	(14,200,554)
Net assets at the end of the period	12,243,896	49,152,033	23,064,651	84,460,580
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (EXPRESSED IN US DOLLARS)	30 JUNE 2022 ORDINARY SHARES	30 JUNE 2022 EXTENDED LIFE SHARES	30 JUNE 2022 NEW GLOBAL SHARES	30 JUNE 2022 AGGREGATED
Net assets at the beginning of the period	13,887,833	74,450,993	32,215,319	120,554,145
Net investment (loss)/gain	(44,404)	1,460,412	716,019	2,132,027
Net realised (loss)/gain on investments, credit default swap and forward currency transactions	(242,763)	736,512	52,813	546,562
Net change in unrealised (loss)/gain on investments, credit default swap and forward currency transactions	(1,046,046)	1,459,930	1,077,122	1,491,006
Dividends	–	(3,302,348)	(1,647,824)	(4,950,172)
Net assets at the end of the period	12,554,620	74,805,499	32,413,449	119,773,568

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Statement of Cash Flows

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022 (EXPRESSED IN US DOLLARS)	30 JUNE 2023 (UNAUDITED)	30 JUNE 2022 (UNAUDITED)
Cash flows from operating activities:		
Net increase in net assets resulting from operations	3,514,395	4,169,595
<i>Adjustment to reconcile net increase/(decrease) in net assets resulting from operations to net cash flow provided by operations:</i>		
Net realised gain on investments, credit default swap, total return swap and forward currency transactions	(1,836,516)	(546,562)
Net change in unrealised (gain) on investments, credit default swap, total return swap and forward currency transactions	(1,050,289)	(1,491,006)
Accretion of discount on loans and bonds	63,648	(91,835)
Changes in interest receivable	159,288	280,557
Changes in receivables for investments sold	458,607	37,783
Changes in other receivables and prepayments	42,441	51,447
Changes in withholding tax receivable	–	–
Changes in payables, accrued expenses and other liabilities	(30,379)	3,162
Cash received on settled forward currency contracts and spot currency contracts	(2,334,367)	(724,615)
Capitalised payment in kind	(1,101,998)	(2,054,670)
Sale of investments	16,897,272	10,548,892
Net cash provided by operating activities	14,782,102	10,182,748
Cash flows from financing activities:		
Shares redeemed during the period	(14,200,554)	–
Changes in movement in forward currency collateral payable	–	880,000
Net cash (used in)/from financing activities	(14,200,554)	880,000
Net increase in cash, cash equivalents and restricted cash	581,548	11,062,748
Cash and cash equivalents at the beginning of the period	8,733,589	4,370,854
Restricted cash at the beginning of the period	11,060,000	10,970,000
Effect of exchange rate changes on cash and cash equivalents	32,059	(17,816)
Cash and cash equivalents at the end of the period	8,617,196	15,415,786
Restricted cash at the end of the period	11,790,000	10,970,000

Supplemental cash flow information

There were no reorganisations requiring disclosure in the period to 30 June 2023 (30 June 2022: None).

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Condensed Schedule of Investments (by financial instrument)

AS AT 30 JUNE 2023 (UNAUDITED) (EXPRESSED IN US DOLLARS)	COST	FAIR VALUE	ORDINARY SHARES (%) ¹	EXTENDED LIFE SHARES (%) ¹	NEW GLOBAL SHARES (%) ¹	TOTAL COMPANY (%) ¹
Portfolio of Distressed Investments						
Bank Debt Investments	50,776,643	33,851,612	0.00	33.97	74.38	40.08
Private Equity	11,238,099	17,826,931	25.12	19.89	21.58	21.11
Private Note	19,707,684	3,717,786	2.25	7.00	–	4.40
Short term Investments						
US Treasury Bills	7,354,750	5,971,799	33.04	3.92	–	7.07
Total Investments	89,077,176	61,368,128	60.41	64.78	95.96	72.66
Ordinary Shares	7,010,194	7,396,782	60.41	–	–	8.76
Extended Life Shares	48,353,557	31,840,117	–	64.78	–	37.70
New Global Shares	33,713,425	22,131,229	–	–	95.96	26.20
	89,077,176	61,368,128	60.41	64.78	95.96	72.66
Credit Default Swap						
Ordinary Shares	(4,715)	(12,025)	(0.10)	–	–	(0.01)
Extended Life Shares	(12,106)	(30,875)	–	(0.06)	–	(0.04)
	(16,821)	(42,900)	(0.10)	(0.06)	–	(0.05)
Forward Currency Contracts						
Assets						
Ordinary Shares	–	22,697	0.19	–	–	0.03
Extended Life Shares	–	114,419	–	0.23	–	0.13
	–	137,116	0.19	0.23	–	0.16
Liabilities						
Ordinary Shares	–	(255,889)	(2.09)	–	–	(0.30)
Extended Life Shares	–	(655,435)	–	(1.33)	–	(0.78)
	–	(911,324)	(2.09)	(1.33)	–	(1.08)
Total Return Swap²						
Ordinary Shares	–	782,530	6.39	–	–	0.93
Extended Life Shares	–	2,019,836	–	4.10	–	2.39
	–	2,802,366	6.39	4.10	–	3.32

1 This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

2 The trade claim was structured through a fully funded total return swap with a major US financial institution. See Note 3.

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Condensed Schedule of Investments (by financial instrument) (continued)

AS AT 31 DECEMBER 2022 (AUDITED) (EXPRESSED IN US DOLLARS)	COST	FAIR VALUE	ORDINARY SHARES (%) ¹	EXTENDED LIFE SHARES (%) ¹	NEW GLOBAL SHARES (%) ¹	TOTAL COMPANY (%) ¹
Portfolio of Distressed Investments						
Bank Debt Investments	45,738,879	27,358,457	–	18.82	65.99	28.75
Private Equity	17,788,092	24,502,057	21.86	28.64	20.81	25.76
Private Note	32,100,083	15,923,291	5.21	21.86	10.17	16.74
Short term Investments						
US Treasury Bills	7,382,792	5,959,811	33.95	3.29	–	6.26
Total Investments	103,009,846	73,743,616	61.02	72.61	96.97	77.51
Ordinary Shares	7,085,668	7,255,206	61.02	–	–	7.63
Extended Life Shares	59,089,019	42,461,578	–	72.61	–	44.63
New Global Shares	36,835,159	24,026,832	–	–	96.97	25.25
	103,009,846	73,743,616	61.02	72.61	96.97	77.51
Credit Default Swap						
Ordinary Shares	(4,715)	(6,025)	(0.05)	–	–	(0.01)
Extended Life Shares	(12,106)	(15,469)	–	(0.03)	–	(0.02)
	(16,821)	(21,494)	(0.05)	(0.03)	–	(0.03)
Forward Currency Contracts						
Assets						
Ordinary Shares	–	3,953	0.03	–	–	–
Extended Life Shares	–	8,065	–	0.01	–	0.01
	–	12,018	0.03	0.01	–	0.01
Liabilities						
Ordinary Shares	–	(231,261)	(1.94)	–	–	(0.24)
Extended Life Shares	–	(1,038,104)	–	(1.78)	–	(1.09)
	–	(1,269,365)	(1.94)	(1.78)	–	(1.33)
Total Return Swap²						
Ordinary Shares	–	435,022	3.66	–	–	0.46
Extended Life Shares	–	1,123,398	–	1.91	–	1.18
	–	1,558,420	3.66	1.91	–	1.64

1 This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

2 The trade claim was structured through a fully funded total return swap with a major US financial institution. See Note 3.

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Condensed Schedule of Investments

Investments with the following issuers comprised greater than 5% of Total Company NAV

AS AT 30 JUNE 2023 (UNAUDITED) (EXPRESSED IN US DOLLARS)	COUNTRY	INDUSTRY	NOMINAL	COST	FAIR VALUE	ORDINARY SHARES (%)¹	EXTENDED LIFE SHARES (%)¹	NEW GLOBAL SHARES (%)¹	TOTAL COMPANY (%)¹	
Investments at fair value										
Package Holdings 1 (Private Note)	Luxembourg	Containers and Packaging	11,108,610	–	9,613,182	21.94	14.09	–	11.38	
Package Holdings 6 (Private Note)	Luxembourg	Containers and Packaging	2,948,481	1,893,980	1,333,039	3.05	1.95	–	1.58	
US Treasury N/B 1.500% 02/15/30 (US Treasury Bills)	United States	United States	6,975,000	7,354,750	5,971,799	33.04	3.92	–	7.07	
AB Zwolle T/L EUR 01/06/2020 (Bank Debt Investments)	Netherlands	Commercial Mortgage	19,650,713	14,291,794	10,633,708	–	9.59	25.67	12.59	
TP Ferro Concesionaria T/L 1L 31/03/2016 (Bank Debt Investments)	Spain	Surface Transport	18,787,735	18,531,522	4,099,484	–	4.18	8.86	4.85	
TP Ferro Concesionaria TP Ferro 1L TL-B EUR (First-Lien) EUR (Bank Debt Investments)	Spain	Surface Transport	524,835	593,161	572,595	–	0.58	1.24	0.68	
TP Ferro Concesionaria TP Ferro T/L-A (First-Lien) (Bank Debt Investments)	Spain	Surface Transport	2,606,681	2,606,681	2,606,681	–	2.65	5.65	3.09	
TP Ferro Concesionaria TP Ferro 1L T/L-C (First-Lien) (Bank Debt Investments)	Spain	Surface Transport	227,038	227,038	227,038	–	0.23	0.49	0.27	
TP Ferro PIK 5A 4/20 (Bank Debt Investments)	Spain	Surface Transport	462,230	462,230	462,230	–	0.47	1.00	0.55	
TP Ferro PIK 5B 7/22 (Bank Debt Investments)	Spain	Surface Transport	263,758	263,758	263,758	–	0.27	0.57	0.31	
White Energy Holding Company LLC (Private Equity)	United States	Oil & Gas	367	9,174,989	11,010,000	–	15.99	13.66	13.03	
Hotel Puerta America PIK T/L EUR (Bank Debt Investments)	Spain	Lodging & Casinos	3,901,657	4,293,218	4,256,708	–	–	18.46	5.04	
Hotel Puerta America PIK Addon EUR (Bank Debt Investments)	Spain	Lodging & Casinos	1,540,070	1,675,349	1,680,216	–	–	7.28	1.99	
Hotel Puerta America PIK PPL EUR (Bank Debt Investments)	Spain	Lodging & Casinos	1,090,003	1,281,898	1,189,193	–	–	5.16	1.41	
Hotel Puerta America (Private Equity)	Spain	Lodging & Casinos	934	3,013,332	1,072,685	–	–	4.65	1.27	
					65,663,700	54,992,316	58.03	53.93	92.69	65.11

1 This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

2 Floating Rate Note (FRN) – variable coupon rate during the period as per contract notice.

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Condensed Schedule of Investments (continued)

Investments with the following issuers comprised greater than 5% of Total Company NAV

31 DECEMBER 2022						ORDINARY	EXTENDED	NEW	TOTAL
(AUDITED)						FAIR	LIFE	GLOBAL	COMPANY
(EXPRESSED IN US DOLLARS)		COUNTRY	INDUSTRY	NOMINAL	COST	VALUE	SHARES	SHARES	(%)¹
							(%)¹	(%)¹	(%)¹
Investments at fair value									
Package Holdings 1 <i>(Private Note)</i>	Luxembourg	Containers and Packaging	11,108,610	–	8,103,345	19.04	9.99	–	8.52
Package Holdings 6 <i>(Private Note)</i>	Luxembourg	Containers and Packaging	2,948,481	1,893,980	1,123,710	2.64	1.38	–	1.18
AB Zwolle T/L EUR 05/31/2023 <i>(Bank Debt Investments)</i>	Netherlands	Commercial Mortgage	19,200,256	14,043,835	10,671,960	–	8.09	23.98	11.22
US Treasury N/B 1.500% 02/15/30 <i>(US Treasury Bills)</i>	United States	United States	6,975,000	7,382,792	5,959,811	33.95	3.29	–	6.26
Buffalo Thunder Dev Auth 11.00% 12/09/29 SR: Regs <i>(Private Note)</i>	United States	Lodging & Casinos	14,001,965	11,641,233	7,561,061	–	8.62	10.17	7.95
TP Ferro Concesionaria T/L 1L 31/03/2016 <i>(Bank Debt Investments)</i>	Spain	Surface Transport	18,787,735	18,531,522	4,010,242	–	3.44	8.06	4.21
TP Ferro Concesionaria TP Ferro T/L-A (First-Lien) <i>(Bank Debt Investments)</i>	Spain	Surface Transport	2,309,778	2,309,778	2,309,778	–	1.97	4.66	2.43
TP Ferro PIK 5B 7/22 <i>(Bank Debt Investments)</i>	Spain	Surface Transport	234,516	234,516	234,516	–	0.20	0.47	0.25
TP Ferro Concesionaria TP Ferro 1L T/L-B EUR (First-Lien) EUR <i>(Bank Debt Investments)</i>	Spain	Surface Transport	465,056	527,661	496,331	–	0.42	1.00	0.52
TP Ferro PIK 5A 4/20 <i>(Bank Debt Investments)</i>	Spain	Surface Transport	409,581	409,581	409,581	–	0.35	0.83	0.43
TP Ferro Concesionaria TP Ferro 1L T/L-C (First-Lien) <i>(Bank Debt Investments)</i>	Spain	Surface Transport	201,179	201,179	201,179	–	0.17	0.41	0.21
White Energy Holding Company LLC <i>(Private Equity)</i>	United States	Oil & Gas	367	9,174,989	11,010,000	–	13.44	12.71	11.57
ACA Fin Guaranty Corp 12-12/31/2025 Frn <i>(Private Note)</i>	United States	Financial Intermediaries	66,659,722	10,617,941	4,332,882	5.21	6.35	–	4.55
ACA Fin Gur Sur Non Vt 12-12/31/2025 Frn <i>(Private Note)</i>	United States	Financial Intermediaries	61,989,978	9,840,909	4,029,349	–	6.89	–	4.23
Hotel Puerta America PIK T/L EUR <i>(Bank Debt Investments)</i>	Spain	Lodging & Casinos	3,643,760	4,017,977	3,888,803	–	–	15.69	4.09
Hotel Puerta America <i>(Private Equity)</i>	Spain	Lodging & Casinos	934	3,013,332	1,110,956	–	–	4.48	1.18
Hotel Puerta America PIK PPL EUR <i>(Bank Debt Investments)</i>	Spain	Lodging & Casinos	1,090,003	1,281,898	1,163,306	–	–	4.69	1.22
Hotel Puerta America PIK Addon EUR <i>(Bank Debt Investments)</i>	Spain	Lodging & Casinos	1,438,272	1,566,706	1,534,996	–	–	6.19	1.61
			96,689,829	68,151,806	60.84	64.60	93.34	71.63	

1 This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

2 Floating Rate Note (FRN) – variable coupon rate during the period as per contract notice.

The accompanying notes on pages 35 to 51 are an integral part of the Unaudited Consolidated Interim Financial Statements.

Unaudited Consolidated Condensed Schedule of Investments (by geography)

AS AT 30 JUNE 2023 (UNAUDITED) (EXPRESSED IN US DOLLARS)	COST	FAIR VALUE	ORDINARY SHARES (%) ¹	EXTENDED LIFE SHARES (%) ¹	NEW GLOBAL SHARES (%) ¹	TOTAL COMPANY (%) ¹
Geographic diversity of Portfolios						
Portfolio of Distressed Investments						
Luxembourg	1,893,980	10,946,221	24.98	16.05	–	12.96
Netherlands	14,291,794	10,633,708	–	9.59	25.67	12.59
Spain	32,948,190	16,430,589	–	8.39	53.36	19.45
United States	32,588,462	17,385,811	2.39	26.83	16.93	20.59
Short term Investments (US Treasury Bills)						
United States	7,354,750	5,971,799	33.04	3.92	–	7.07
	89,077,176	61,368,128	60.41	64.78	95.96	72.66

¹ This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

Unaudited Consolidated Condensed Schedule of Investments (by geography) (continued)

AS AT 31 DECEMBER 2022 (AUDITED) (EXPRESSED IN US DOLLARS)	COST	FAIR VALUE	ORDINARY SHARES (%) ¹	EXTENDED LIFE SHARES (%) ¹	NEW GLOBAL SHARES (%) ¹	TOTAL COMPANY (%) ¹
Geographic diversity of Portfolios						
Portfolio of Distressed Investments						
Luxembourg	1,893,980	9,227,056	21.69	11.37	–	9.70
Netherlands	14,043,835	10,671,960	–	8.09	23.98	11.22
Spain	32,094,148	15,359,687	–	6.56	46.50	16.14
United States	47,595,091	32,525,102	5.38	43.30	26.49	34.19
Short term Investments (US Treasury Bills)						
United States	7,382,792	5,959,811	33.95	3.29	–	6.26
	103,009,846	73,743,616	61.02	72.61	96.97	77.51

¹ This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

Unaudited Consolidated Condensed Schedule of Investments (by sector)

AS AT 30 JUNE 2023 (UNAUDITED) (EXPRESSED IN US DOLLARS)	COST	FAIR VALUE	ORDINARY SHARES (%) ¹	EXTENDED LIFE SHARES (%) ¹	NEW GLOBAL SHARES (%) ¹	TOTAL COMPANY (%) ¹
Industry diversity of Portfolios						
Portfolio of Distressed Investments						
Auto Components	3,705,793	2,658,025	0.14	3.84	3.27	3.15
Commercial Mortgage	14,291,794	10,633,709	–	9.59	25.67	12.59
Containers and Packaging	1,893,980	10,946,222	24.98	16.05	–	12.96
Financial Intermediaries	19,707,682	3,717,786	2.25	7.00	–	4.40
Lodging & Casinos	10,263,797	8,198,801	–	–	35.55	9.71
Oil & Gas	9,174,989	11,010,000	–	15.99	13.66	13.03
Surface Transport	22,684,391	8,231,786	–	8.39	17.81	9.75
Short term Investments						
US Treasury Bills	7,354,750	5,971,799	33.04	3.92	–	7.07
	89,077,176	61,368,128	60.41	64.78	95.96	72.66

¹ This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

Unaudited Consolidated Condensed Schedule of Investments (by sector) (continued)

AS AT 31 DECEMBER 2022 (AUDITED) (EXPRESSED IN US DOLLARS)	COST	FAIR VALUE	ORDINARY SHARES (%)¹	EXTENDED LIFE SHARES (%)¹	NEW GLOBAL SHARES (%)¹	TOTAL COMPANY (%)¹
Industry diversity of Portfolios						
Portfolio of Distressed Investments						
Auto Components	3,705,793	3,154,044	0.17	3.83	3.61	3.31
Commercial Mortgage	14,043,835	10,671,960	–	8.09	23.98	11.22
Containers and Packaging	1,893,980	9,227,056	21.69	11.37	–	9.70
Financial Intermediaries	20,458,849	8,362,230	5.21	13.24	–	8.79
Lodging & Casinos	24,135,372	17,696,890	–	12.79	41.24	18.60
Oil & Gas	9,174,989	11,010,000	–	13.44	12.71	11.58
Surface Transport	22,214,236	7,661,625	–	6.56	15.43	8.05
Short term Investments						
US Treasury Bills	7,382,792	5,959,811	33.95	3.29	–	6.26
	103,009,846	73,743,616	61.02	72.61	96.97	77.51

¹ This is the Fair Value expressed as a percentage of total Company NAV, Ordinary Share NAV, Extended Life Share NAV and New Global Share NAV.

Notes to the Unaudited Consolidated Interim Financial Statements

NOTE 1 – ORGANISATION AND DESCRIPTION OF BUSINESS

NB Distressed Debt Investment Fund Limited (the “Company”) is a closed-ended investment company registered and incorporated in Guernsey under the provisions of the Companies (Guernsey) Law, 2008 (as amended) (the “Companies Law”) with registration number 51774. The Company’s shares are traded on the Specialist Fund Segment (“SFS”) of the London Stock Exchange (“LSE”). All share classes are in the harvest period.

The Company’s 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 by, amongst other things, focusing on senior and senior secured debt with both collateral and structural protection.

The Company’s share capital is denominated in US Dollars for Ordinary Shares and Extended Life Shares and Pounds Sterling for New Global Shares.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

(a) Basis of Preparation

The accompanying Unaudited Consolidated Interim Financial Statements (“Financial Statements”) give a true and fair view of the assets, liabilities, financial position and return and have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) and Companies Law and are expressed in US Dollars. All adjustments considered necessary for the fair presentation of the financial statements, for the period presented, have been included.

The Company is regarded as an Investment Company and follows the accounting and reporting guidance in FASB Accounting Standards Codification (“ASC”) Topic 946. Accordingly, the Company reflects its investments on the Unaudited Consolidated Statement of Assets and Liabilities at their estimated fair values, with unrealised gains and losses resulting from changes in fair value reflected in net change in unrealised gain/(loss) on investments, credit default swap, total return swap and forward currency transactions in the Unaudited Consolidated Statement of Operations.

The Board recognises that the Portfolios (the Ordinary Share Class; the Extended Life Share Class; and the New Global Share Class) are now in their harvest periods. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the twelve months from the date these accounts are signed and the foreseeable future. Thus, they continue to prepare the Financial Statements in accordance with U.S. generally accepted accounting principles, as liquidation is not imminent.

The Financial Statements include the results of the Company and its wholly-owned subsidiaries, whose accounting policies are consistent with those of the Company. The Financial Statements include full consolidation of any owned subsidiaries, except where the effect on the Company’s financial position and results of operations are immaterial. Transactions between the Company and the subsidiaries have been eliminated on consolidation.

Wholly-owned subsidiaries, London Lux Masterco 1 S.a.r.l., London Lux Debtco 1 S.a.r.l. and London Lux Propco 1 S.a.r.l. are incorporated in Luxembourg.

(b) Use of Estimates

The preparation of these Financial Statements in conformity with US GAAP requires that the Directors make estimates and assumptions (as mentioned in detail on note 2 (f) below) that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period.

Actual results could differ significantly from these estimates.

(c) Cash and Cash Equivalents and Restricted Cash

The Company holds cash and cash equivalents in US Dollar and non-US Dollar denominated currencies with original maturities of less than 90 days that are both readily convertible to known amounts of cash and so near maturity that they represent an insignificant risk of change in value to be cash equivalents. As at 30 June 2023, the Company has cash balances in various currencies equating to \$20,407,196 (Cost: \$20,395,283) (31 December 2022: \$19,793,589 (Cost: \$19,641,661) including cash and cash equivalents of \$8,617,196 (31 December 2022: \$8,733,589) as well as restricted cash of \$11,790,000 (31 December 2022: \$11,060,000). Restricted cash of \$10,970,000 (31 December 2022: \$10,970,000) is collateral for the total return swap positions and restricted cash of \$820,000 (31 December 2022: \$90,000) is collateral for forward currency contracts.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (continued)

(d) Payables/Receivables on Investments Purchased/Sold

At 30 June 2023, the amount payable/receivable on investments purchased/sold represents amounts due for investments purchased/sold that have been contracted for but not settled on the Unaudited Consolidated Statement of Assets and Liabilities date.

(e) Foreign Currency Translation

Assets and liabilities denominated in foreign currency are translated into US Dollars at the currency exchange rates on the date of valuation. On initial recognition, foreign currency sales and purchases transactions are recorded and translated at the spot exchange rate at the transaction date and for all other transactions, the average rate is applied. Non-monetary assets and liabilities are translated at the historic exchange rate.

The Company does not separate the changes relating to currency exchange rates from those relating to changes in fair value of the investments. These fluctuations are included in the net realised gain and net change in unrealised gain/(loss) on investments, credit default swap, total return swap and forward currency transactions in the Unaudited Consolidated Statements of Operations.

(f) Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities that qualify as financial instruments under FASB ASC 825, Financial Instruments, approximate the carrying amounts presented in the Unaudited Consolidated Statement of Assets and Liabilities.

Fair value prices are estimates made at a discrete point in time, based on relevant market data, information about the financial instruments, and other factors.

Fair value is determined using available market information and appropriate valuation methodologies. Estimates of fair value of financial instruments without quoted market prices are subjective in nature and involve various assumptions and estimates that are matters of judgement. Accordingly, fair values are not necessarily indicative of the amounts that will be realised on disposal of financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on estimated fair value amounts.

The following estimates and assumptions were used as at 30 June 2023 and 31 December 2022 to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents – The carrying value reasonably approximates fair value due to the short-term nature of these instruments.
- Receivables for investments sold – The carrying value reasonably approximates fair value as it reflects the value at which investments are sold to a willing buyer and the settlement period on their balances is short term.
- Interest receivables and other receivables and prepayments – The carrying value reasonably approximates fair value.
- Quoted investments are valued according to their bid price at the close of the relevant reporting date. Investments in private securities are priced at the bid price using a pricing service for private loans. If a price cannot be ascertained from the above sources, the Company will seek bid prices from third party broker/dealer quotes for the investments.
- In cases where no third-party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment (e.g. level 3 investments included overleaf), the Investment Manager determines the valuation based on its fair valuation policy. Further information on valuations is provided in Note 2 (g), "Investment transactions, investment income/expenses and valuation", on page 40.
- Forward currency contracts are revalued using the forward exchange rate prevailing at the Unaudited Consolidated Statement of Assets and Liabilities date.
- Total Return Swaps are priced using Mark to market prices provided by a third party broker.
- Credit Return Swaps are priced using a pricing service provided by Markit Partners.

The Company follows guidance in ASC 820, Fair Value Measurement ("ASC 820"), where fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are determined within a framework that establishes a three-tier hierarchy which maximises the use of observable market data and minimises the use of unobservable inputs to establish a classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as the risk inherent in a particular valuation technique used to measure fair value using a pricing model and/or the risk inherent in the inputs for the valuation technique. Inputs may be observable or unobservable.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the information available. The inputs or methodology used for valuing assets or liabilities may not be an indication of the risks associated with investing in those assets or liabilities.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (continued)

(f) Fair Value of Financial Instruments (continued)

ASC 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of the fair value require significant management judgement or estimation.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to each investment.

The following is a summary of the levels within the fair value hierarchy in which the Company invests:

FAIR VALUE OF FINANCIAL INSTRUMENTS AS AT 30 JUNE 2023 (UNAUDITED)

(EXPRESSED IN US DOLLARS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Bank Debt Investments	–	7,860,000	25,991,612	33,851,612
Private Equity	–	3,150,000	14,676,931	17,826,931
Private Note	–	–	3,717,786	3,717,786
US Treasury Bills	5,971,799	–	–	5,971,799
Investments at fair value	5,971,799	11,010,000	44,386,329	61,368,128
Credit Default Swap	–	(42,900)	–	(42,900)
Total Return Swap	–	–	2,802,366	2,802,366
Forward Currency Contracts – Assets	–	137,116	–	137,116
Forward Currency Contracts – Liabilities	–	(911,324)	–	(911,324)
Total investments that are accounted for at fair value	5,971,799	10,192,892	47,188,695	63,353,386

FAIR VALUE OF FINANCIAL INSTRUMENTS AT 31 DECEMBER 2022 (AUDITED)

(EXPRESSED IN US DOLLARS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Bank Debt Investments	–	–	27,358,457	27,358,457
Private Equity	–	11,010,000	13,492,057	24,502,057
Private Note	–	7,561,061	8,362,230	15,923,291
US Treasury Bills	5,959,811	–	–	5,959,811
Investments at fair value	5,959,811	18,571,061	49,212,744	73,743,616
Credit Default Swap	–	(21,494)	–	(21,494)
Total Return Swap	–	–	1,558,420	1,558,420
Forward Currency Contracts – Assets	–	12,018	–	12,018
Forward Currency Contracts – Liabilities	–	(1,269,365)	–	(1,269,365)
Total investments that are accounted for at fair value	5,959,811	17,292,220	50,771,164	74,023,195

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (continued)

(f) Fair Value of Financial Instruments (continued)

The following table summarises the significant unobservable inputs the Company used to value its investments categorised within Level 3 as at 30 June 2023. The table is not intended to be all-inclusive but instead captures the significant unobservable inputs relevant to our determination of fair values.

TYPE	SECTOR	FAIR VALUE (\$)	PRIMARY VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE INPUT
Bank Debt Investments	Commercial Mortgage	10,633,708	Market Comparatives	Discount Rate	10%
Bank Debt Investments	Lodging & Casinos	7,126,117	Market Comparatives	Discount Rate	15%
Bank Debt Investments	Surface Transport	8,231,787	Market Information	Unadjusted Broker Quote	N/A
Private Equity	Auto Components	2,658,025	Market Information	EBITDA Multiple	4-5X
Private Equity	Containers and Packaging	10,946,221	Market Comparatives	EBITDA Multiple	10.25X
Private Equity	Lodging & Casinos	1,072,685	Market Comparatives	Discount Rate	15%
Private Note	Financial Intermediaries	3,717,786	Market Information	Unadjusted Broker Quote	N/A
Total Return Swap	Surface Transport	2,802,366	Market Information	Unadjusted Broker Quote	N/A
Total		47,188,695			

The following table summarises the significant unobservable inputs the Company used to value its investments categorised within Level 3 as at 31 December 2022. The table is not intended to be all-inclusive but instead captures the significant unobservable inputs relevant to our determination of fair values.

TYPE	SECTOR	FAIR VALUE (\$)	PRIMARY VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE INPUT
Bank Debt Investments	Commercial Mortgage	10,671,960	Market Comparatives	Discount Rate	10%
Bank Debt Investments	Lodging & Casinos	6,587,107	Market Comparatives	Discount Rate	15%
Bank Debt Investments	Lodging & Casinos	2,437,766	Market Information	Unadjusted Broker Quote	N/A
Bank Debt Investments	Surface Transport	7,661,625	Market Information	Unadjusted Broker Quote	N/A
Private Equity	Auto Components	3,154,044	Market Information	EBITDA Multiple	4-5X
Private Equity	Containers and Packaging	9,227,056	Market Comparatives	EBITDA Multiple	11X
Private Equity	Lodging & Casinos	1,110,956	Market Comparatives	Discount Rate	15%
Private Note	Financial Intermediaries	8,362,230	Market Comparatives	Discount Rate	25%
Total Return Swap	Surface Transport	1,558,420	Market Information	Unadjusted Broker Quote	N/A
Total		50,771,164			

Changes in any of the above inputs may positively or adversely impact the fair value of the relevant investments.

Level 3 assets are valued using single bid-side broker quotes or by good faith methods of the Investment Manager. For single broker quotes the Investment Manager uses unobservable inputs to assess the reasonableness of the broker quote. For good faith valuations, the Investment Manager directly uses unobservable inputs to produce valuations. The significant unobservable inputs used in Level 3 assets as at 30 June 2023 and 31 December 2022 are outlined in the tables above.

These inputs vary by asset class. For example, real estate asset valuations may utilise discounted cash flow models using an average value per square foot and appropriate discount rate. Other assets may be valued based on analysis of the liquidation of the underlying assets. In general, increases/(decreases) to per unit valuation inputs such as value per square foot, will result in increases/(decreases) to investment value.

Similarly, increases/(decreases) of asset realisation inputs (liquidation estimate, letter of intent, etc.) will also result in increases/(decreases) in value. In situations where discounted cash flow models are used, increasing/(decreasing) discount rates or increasing/(decreasing) weighted average life, in isolation, will generally result in (decreased)/increased valuations.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (continued)

(f) Fair Value of Financial Instruments (continued)

The following is a reconciliation of opening and closing balances of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs:

FOR THE PERIOD ENDED 30 JUNE 2023 (UNAUDITED) (EXPRESSED IN US DOLLARS)	BANK DEBT INVESTMENTS	PRIVATE EQUITY	TRADE CLAIM	PRIVATE NOTE	TOTAL
Balance, 31 December 2022	27,358,457	13,492,057	1,558,420	8,362,230	50,771,164
Purchases (includes purchases-in-kind)	1,101,996	–	–	–	1,101,996
Sales and distributions	(2,723,833)	–	–	(4,723,503)	(7,447,336)
Realised gain on sale of investments	145,216	–	–	3,972,336	4,117,552
Unrealised (loss)/gain on investments	109,776	1,184,874	1,243,946	(3,893,277)	(1,354,681)
Transfers from Level 2 into Level 3	–	–	–	–	–
Balance, 30 June 2023	25,991,612	14,676,931	2,802,366	3,717,786	47,188,695
Change in unrealised (loss)/gain on investments included in Unaudited Consolidated Statement of Operation for Level 3 investments held as at 30 June 2023	109,776	1,184,874	1,243,946	(3,893,277)	(1,354,681)

The Company's policy is to recognise transfers into and out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer. During the period the Company had no transfers out of Level 3 into Level 2 of fair value amounting to \$Nil. The Company had no transfer out of Level 2 into Level 3 of fair value amounting to \$Nil.

The following is a reconciliation of opening and closing balances of assets and liabilities measured at fair value on a recurring basis using Level 3 inputs:

FOR THE YEAR ENDED 31 DECEMBER 2022 (EXPRESSED IN US DOLLARS)	BANK DEBT INVESTMENTS	PRIVATE EQUITY	TRADE CLAIM	PRIVATE NOTE	TOTAL
Balance, 31 December 2021	47,181,981	21,836,374	(875,121)	6,641,858	74,785,092
Purchases (includes purchases-in-kind)	4,240,602	–	–	–	4,240,602
Sales and distributions	(28,047,566)	–	–	(4,187,464)	(32,235,030)
Realised (loss)/gain on sale of investments	(2,239,259)	(1,003,803)	–	3,521,541	278,479
Unrealised gain/(loss) on investments	3,766,473	(7,340,514)	2,433,541	2,386,295	1,245,795
Transfers from Level 2 into Level 3	2,456,226	–	–	–	2,456,226
Balance, 31 December 2022	27,358,457	13,492,057	1,558,420	8,362,230	50,771,164
Change in unrealised (loss)/gain on investments included in Audited Consolidated Statement of Operation for Level 3 investments held as at 31 December 2022	(867,184)	(8,344,317)	2,433,541	2,386,295	(4,391,665)

The Company's policy is to recognise transfers into and out of Level 3 as of the actual date of the event or change in circumstances that caused the transfer. During the year the Company had no transfers out of Level 3 into Level 2 of fair value amounting to \$Nil. The Company had one transfer out of Level 2 into Level 3 of fair value amounting to \$2,456,226 on 28 December 2022, due to a lack of observable inputs into the valuation.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (continued)

(g) Investment transactions, investment income/expenses and valuation

Investment transactions are accounted for on a trade-date basis. Upon sale or maturity, the difference between the consideration received and the cost of the investment is recognised as a realised gain or loss. The cost is determined based on the average cost method. All transactions relating to the restructuring of current investments are recorded at the date of such restructuring. The difference between the fair value of the new consideration received and the cost of the original investment is recognised as a realised gain or loss. Unrealised gains and losses on an investment are the difference between the cost if purchased during the period or fair value at the previous year end and the fair value at the current period end. Unrealised gains and losses are included in the Unaudited Consolidated Statement of Operations.

Operating expenses are recognised on an accruals basis. Operating expenses include amounts directly or indirectly incurred by the Company as part of its operations. Each share class will bear its respective pro-rata share based on its respective NAVs of the ongoing costs and expenses of the Company. Each share class will also bear all costs and expenses of the Company determined by the Directors to be attributable solely to it. Any costs incurred by a share buyback are charged to that share class.

For the period ended 30 June 2023, \$63,648 (30 June 2022: \$91,835) was recorded to reflect accretion of discount on loans and bonds during the period.

Interest earned on debt instruments is accounted for, net of applicable withholding taxes and it is recognised as income over the terms of the loans and bonds. Discounts received or premiums paid in connection with the acquisition of loans and bonds are amortised into interest income using the effective interest method over the contractual life of the related loan and bond. If a loan is repaid prior to maturity, the recognition of the fees and costs is accelerated as appropriate. The Company raises a provision when the collection of interest is deemed doubtful. Dividend income is recognised on the ex-dividend date net of withholding tax.

Capitalised payment-in-kind (“PIK”) interest is computed at the contractual rate specified in the loan agreement for any portion of the interest which may be added to the principal balance of a loan rather than paid in cash by the obligator on the scheduled interest payment date. PIK interest is periodically added to the principal balance of the loan and recorded as interest income. The Investment Manager places a receivable on non-accrual status when the collection of principal or interest is deemed doubtful. The amount of interest income recorded, plus initial costs of underlying PIK interest is reviewed periodically to ensure that these do not exceed fair value of those assets.

The Company carries investments on its Unaudited Consolidated Statement of Assets and Liabilities at fair value in accordance with US GAAP, with changes in fair value recognised in the Unaudited Consolidated Statement of Operations in each reporting period. Fair value is defined as the price that would be received on the sale of an asset or paid to transfer a liability (i.e. the “exit price”) in an orderly transaction between market participants at the measurement date.

Quoted investments are valued according to their bid price at the close of the relevant reporting date. Investments in private securities are priced at the bid price using a pricing service for private loans.

If a price cannot be ascertained from the above sources the Company will seek bid prices from third party broker/dealer quotes for the investments. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company.

In cases where no third party price is available, or where the Investment Manager determines that the provided price is not an accurate representation of the fair value of the investment, the Administrator will value such investments with the input of the Investment Manager who will determine the valuation based on its fair valuation policy. As part of the investment fair valuation policy, the Investment Manager prepares a fair valuation memorandum for each such investment presenting the methodology and assumptions used to derive the price. This analysis is presented to the Investment Manager’s Valuation Committee for approval.

The following criteria are considered when applicable:

- The valuation of other securities by the same issuer for which market quotations are available;
- The reasons for absence of market quotations;
- The soundness of the security, its interest yield, the date of maturity, the credit standing of the issue and the current general interest rates;
- Any recent sales prices and/or bid and ask quotations for the security;
- The value of similar securities of issuers in the same or similar industries for which market quotations are available;
- The economic outlook of the industry;
- The issuer’s position in the industry;
- The financial statements of the issuer; and
- The nature and duration of any restriction on disposition of the security.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (continued)

(h) Derivative Contracts

The Company may, from time to time, hold derivative financial instruments for the purposes of managing foreign currency exposure and to provide a measure of protection against defaults of corporate or sovereign issuers. These derivatives are measured at fair value in conformity with US GAAP with changes in fair value recognised in the Unaudited Consolidated Statement of Operations in each reporting period.

As part of the Company's investment strategy, the Company enters into over-the-counter ("OTC") derivative contracts which may include forward currency contracts, credit default swaps and total return swaps.

Forward currency contracts are valued at the prevailing forward exchange rate of the underlying currencies on the reporting date and the value recorded in the financial statements represents net unrealised gain and loss on forwards as at 31 December. Forward contracts are generally categorised in Level 2 of the fair value hierarchy.

The credit default swap has been entered into on the OTC market. The fair value of the credit default swap contract is derived using a pricing service provided by Markit Partners. Markit Partners use a pricing model that is widely accepted by marketplace participants. Their pricing model takes into account multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, and current credit spreads obtained from swap counterparties and other market participants. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is mainly determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. If the underlying debt is liquid and the OTC market for the current spread is active, credit default swaps are categorised in Level 2 of the fair value hierarchy. If the underlying debt is illiquid and the OTC market for the current spread is not active, credit default swaps are categorised in Level 3 of the fair value hierarchy.

The total return swap is valued using a mark to market prices provided by a third-party broker.

(i) Taxation

The Company is not subject to income taxes in Guernsey; however, it may be subject to taxes imposed by other countries on income it derives from investments.

Such taxes are reflected in the Unaudited Consolidated Statement of Operations. In accordance with US GAAP, management is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognised is measured as the largest amount of benefit that is greater than fifty percent likely of being realised upon ultimate settlement. De-recognition of a tax benefit previously recognised could result in the Company recording a tax liability that would reduce net assets. US GAAP also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities.

There were no uncertain tax positions as at 30 June 2023 or 31 December 2022. The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and certain state, local, and foreign tax regulators. State, local and foreign tax returns, if applicable, are generally subject to audit according to varying limitations dependent upon the jurisdiction. As of 30 June 2023, the Company's U.S. federal income tax returns are subject to examination under the three-year statute of limitations.

During the period ended 30 June 2023, the Company recorded current income tax expense \$Nil (30 June 2022 income tax expense: \$Nil). Deferred taxes are recorded to reflect the tax consequences of future years' differences between the tax basis of assets and their financial reporting basis. The deferred tax benefit recorded for the period ended 30 June 2023 was \$Nil (30 June 2022 deferred tax benefit: \$Nil). The net total income tax benefit/expense from realised/unrealised gains/(losses) on investments for the period ended 30 June 2023 was \$Nil (30 June 2022 income tax expense: \$Nil).

NOTE 3 – DERIVATIVES

In the normal course of business, the Company uses derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of the derivative investment. The Company's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: foreign currency exchange rate, credit, and equity price. In addition to its primary underlying risks, the Company is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

Forward Currency Contracts

The Company enters into forwards for the purposes of managing foreign currency exposure.

NOTE 3 – DERIVATIVES (continued)

Credit Default Swap

The Company uses credit default swap agreements on corporate or sovereign issues to provide a measure of protection against defaults of the issuers (i.e., to reduce risk where a Company owns or has exposure to the referenced obligation) from time to time.

There was one credit default swap position (Brazilian Government) held as at 30 June 2023 (31 December 2022: one).

Total Return Swap

The Company entered into two fully funded total return swaps on 2 May 2011 and 18 April 2012. These swaps matured on 25 February 2020 and rolled over into a new swap agreement. New ISDA regulations enacted in 2019 require booking the total return swaps with cash collateral maintained vs fully funded swaps.

The new swap rolls on an annual basis. The swap was booked on 02 March 2022 and matured on 01 February 2023. A realised event occurred on the value of the swap as at 01 February 2023 \$2,075,537. The next maturity will occur on 01 February 2024. The value of the swap, exclusive of related cash collateral, as at 30 June 2023 is \$2,802,366 (31 December 2022: \$1,558,420) representing a change in market value of \$726,829 in the period since the 01 February 2023 maturity.

As at 30 June 2023 the net value of the swap and related cash collateral was \$13,772,366 (31 December 2022: \$12,528,420) (comprised of restricted cash collateral of \$10,970,000 (31 December 2022: \$10,970,000) and total return swap asset of \$2,802,366 (31 December 2022: swap asset of \$1,558,420), as reflected in the Unaudited Consolidated Statement of Assets and Liabilities. The underlying asset of the swaps is denominated in Brazilian Real and the foreign exchange exposure is hedged to offset any change in value in underlying asset due to the FX movements.

Derivative activity

For the period ended 30 June 2023 and for the year ended 31 December 2022 the volume of the Company's derivative activities based on their notional amounts and number of contracts, categorised by primary underlying risk, are as follows:

30 JUNE 2023 (UNAUDITED)	LONG EXPOSURE		SHORT EXPOSURE	
	NOTIONAL AMOUNTS	NUMBER OF CONTRACTS	NOTIONAL AMOUNTS	NUMBER OF CONTRACTS
PRIMARY UNDERLYING RISK				
Foreign exchange risk				
Forward currency contracts	\$61,790,242	27	\$62,804,635	28
Credit risk				
Credit default swap	\$9,971,000	1	–	–
Total return swap	–	–	\$10,960,348	2

31 DECEMBER 2022 (AUDITED)	LONG EXPOSURE		SHORT EXPOSURE	
	NOTIONAL AMOUNTS	NUMBER OF CONTRACTS	NOTIONAL AMOUNTS	NUMBER OF CONTRACTS
PRIMARY UNDERLYING RISK				
Foreign exchange risk				
Forward currency contracts	\$131,688,489	61	\$107,370,134	64
Credit risk				
Credit default swap	\$9,971,000	1	–	–
Total return swap	–	–	\$10,960,348	2

NOTE 3 – DERIVATIVES (continued)

Derivative activity (continued)

The following tables show, as at 30 June 2023 and 31 December 2022, the fair value amounts of derivative contracts included in the Unaudited Consolidated Statement of Assets and Liabilities, categorised by primary underlying risk. Balances are presented on a gross basis prior to application of the impact of counterparty and collateral netting. Total derivative assets and liabilities are adjusted on an aggregate basis to take into account the effects of master netting arrangements and, where applicable, have been adjusted by the application of cash collateral receivables and payables with its counterparties. The tables also identify, as at 30 June 2023 and 31 December 2022, the realised and unrealised gain and loss amounts included in the Unaudited Consolidated Statement of Operations, categorised by primary underlying risk:

30 JUNE 2023 (UNAUDITED) PRIMARY UNDERLYING RISK	DERIVATIVE ASSETS (\$)	DERIVATIVE LIABILITIES (\$)	REALISED GAIN (LOSS) (\$)	NET CHANGE IN UNREALISED GAIN (LOSS) (\$)
Foreign currency exchange rate				
Forward currency contracts	137,116	(911,324)	(2,334,366)	483,140
Credit				
Purchased protection				
Credit default swap	–	(42,900)	–	(21,405)
Total return swap	2,802,366	–	2,075,537	1,243,946

31 DECEMBER 2022 (AUDITED) PRIMARY UNDERLYING RISK	DERIVATIVE ASSETS (\$)	DERIVATIVE LIABILITIES (\$)	REALISED GAIN (LOSS) (\$)	NET CHANGE IN UNREALISED GAIN (LOSS) (\$)
Foreign currency exchange rate				
Forward currency contracts	12,018	(1,269,365)	1,963,445	(1,667,174)
Credit				
Purchased protection				
Credit default swap	–	(21,494)	37,783	(8,853)
Total return swap	1,558,420	–	(123,624)	2,433,541

Offsetting assets and liabilities

Amounts due from and to brokers are presented on a net basis, by counterparty, to the extent the Company has the legal right to offset the recognised amounts and intends to settle on a net basis.

The Company presents on a net basis the fair value amounts recognised for OTC derivatives executed with the same counterparty under the same master netting agreement.

The Company is required to disclose the impact of offsetting assets and liabilities presented in the Unaudited Consolidated Statement of Assets and Liabilities to enable users of the Financial Statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities.

These recognised assets and liabilities include financial instruments and derivative contracts that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set off criteria:

- each of the two parties owes the other determinable amounts;
- the Company has the right to set off the amounts owed with the amounts owed by the other party;
- the Company intends to set off; and
- the Company's right of set off is enforceable at law.

The Company is subject to enforceable master netting agreements with its counterparties of credit default swap, the total return swaps and foreign currency exchange contracts. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms and collateral posting arrangements at pre-arranged exposure levels.

NOTE 3 – DERIVATIVES (continued)

Derivative activity

The following tables, as at 30 June 2023 and 31 December 2022, show the gross and net derivatives assets and liabilities by contract type and amount for those derivatives contracts for which netting is permissible.

30 JUNE 2023 (UNAUDITED)

DESCRIPTION	NET AMOUNTS OF RECOGNISED ASSETS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES			AMOUNTS NOT OFFSET IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		NET AMOUNT
	GROSS AMOUNTS OF RECOGNISED ASSETS	GROSS AMOUNTS OFFSET IN THE CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES	GROSS AMOUNTS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES	FINANCIAL INSTRUMENTS (POLICY ELECTION)	FINANCIAL COLLATERAL RECEIVED ¹	
Forward currency contracts	137,116	–	137,116	(10,897)	–	126,219
Total return swaps	2,802,366	–	2,802,366	–	(2,802,366)	–
Total	2,939,482	–	2,939,482	(10,897)	(2,802,366)	126,219

DESCRIPTION	NET AMOUNTS OF RECOGNISED ASSETS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES			AMOUNTS NOT OFFSET IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		NET AMOUNT
	GROSS AMOUNTS OF RECOGNISED ASSETS	GROSS AMOUNTS OFFSET IN THE CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES	GROSS AMOUNTS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES	FINANCIAL INSTRUMENTS (POLICY ELECTION)	FINANCIAL COLLATERAL RECEIVED ¹	
Forward currency contracts	(911,324)	–	(911,324)	10,897	900,427	–
Credit default swap	(42,900)	–	(42,900)	–	42,900	–
Total	(954,224)	–	(954,224)	10,897	943,327	–

1 The amount netted off is a portion of the total collateral as per the Unaudited Consolidated Statement of Assets and Liabilities.

NOTE 3 – DERIVATIVES (continued)

Derivative activity (continued)

The following table, as at 31 December 2022, show the gross and net derivatives assets and liabilities by contract type and amount for those derivatives contracts for which netting is permissible.

31 DECEMBER 2022 (AUDITED)

(Expressed in US Dollars)

DESCRIPTION	GROSS AMOUNTS OF RECOGNISED ASSETS		NET AMOUNTS OF RECOGNISED ASSETS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		AMOUNTS NOT OFFSET IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		NET AMOUNT
	AMOUNTS OF RECOGNISED ASSETS	OFFSET IN THE CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES	AMOUNTS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES	AMOUNTS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES	FINANCIAL INSTRUMENTS (POLICY ELECTION)	FINANCIAL COLLATERAL RECEIVED ¹	
Forward currency contracts	12,018	–	12,018	–	(12,018)	–	–
Total return swaps	1,558,420	–	1,558,420	–	–	–	1,558,420
Total	1,570,438	–	1,570,438	–	(12,018)	–	1,558,420

DESCRIPTION	GROSS AMOUNTS OF RECOGNISED LIABILITIES		NET AMOUNTS OF RECOGNISED ASSETS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		AMOUNTS NOT OFFSET IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		NET AMOUNT
	AMOUNTS OF RECOGNISED LIABILITIES	OFFSET IN THE CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES	AMOUNTS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES	AMOUNTS PRESENTED IN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES	FINANCIAL INSTRUMENTS (POLICY ELECTION)	FINANCIAL COLLATERAL RECEIVED ¹	
Forward currency contracts	(1,269,365)	–	(1,269,365)	–	12,018	–	(1,257,347)
Credit default swap	(21,494)	–	(21,494)	–	–	–	(21,494)
Total	(1,290,859)	–	(1,290,859)	–	12,018	–	(1,278,841)

1 The amount netted off is a portion of the total collateral as per the Unaudited Consolidated Statement of Assets and Liabilities.

NOTE 4 – RISK FACTORS

The Company's investments are subject to various risk factors including market and credit risk, interest rate and foreign exchange risk, and the risks associated with investing in private securities. Investments in private securities and partnerships are illiquid, and there can be no assurances that the Company will be able to realise the value of such investments in a timely manner. Additionally, the Company's investments may be highly concentrated in certain industries. Non-U.S. dollar denominated investments may result in foreign exchange losses caused by devaluations and exchange rate fluctuations. In addition, consequences of political, social, economic, diplomatic changes or public health condition may have disruptive effects on market prices or fair valuations of foreign investments.

Market Risk

Market risk is the potential for changes in the value of investments. Categories of market risk include, but are not limited to, interest rates. Interest rate risks primarily result from exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates and credit spreads. Details of the Company's investment Portfolio as at 30 June 2023 and 31 December 2022 are disclosed in the Unaudited Consolidated Condensed Schedule of Investments. Each separate investment exceeding 5% of net assets is disclosed separately.

NOTE 4 – RISK FACTORS (continued)

Credit Risk

The Company may invest in a range of corporate and other bonds and other credit sensitive securities. Until such investments are sold or are paid in full at maturity, the Company is exposed to credit risk relating to whether the issuer will meet its obligations when the securities fall due. Distressed debt securities by nature are securities in companies which are in default or are heading into default and will expose the Company to a higher than normal amount of credit risk.

The Company may invest a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the Company's performance may be closely aligned with the market, currency or economic, political or regulatory conditions and developments in those countries or that region, and could be more volatile than the performance of more geographically diversified investments. Refer to the Unaudited Consolidated Condensed Schedules of Investments on pages 27 to 34 for concentration of credit risk.

The Company maintains positions in a variety of securities, derivative financial instruments and cash and cash equivalents in accordance with its investment strategy and guidelines. The Company's trading activities expose the Company to counterparty credit risk from brokers, dealers and other financial institutions (collectively, "counterparties") with which it transacts business. "Counterparty credit risk" is the risk that a counterparty to a trade will fail to meet an obligation that it has entered into with the Company, resulting in a financial loss to the Company. The Company's policy with respect to counterparty credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out by the Investment Manager.

All the Company's cash and investment assets other than derivative financial instruments are held by the Custodian. The Custodian segregates the assets of the Company from the Custodian's assets and other Custodian clients. Management believes the risk is low with respect to any losses as a result of this concentration. The Company conducts its trading activities with respect to non-derivative positions with a number of counterparties. Counterparty credit risk borne by these transactions is mitigated by trading with multiple counterparties.

In addition, the Company may trade in OTC derivative instruments and in derivative instruments which trade on exchanges with generally a limited number of counterparties and as a consequence the Company is subject to counterparty credit risk related to the potential inability of counterparties to these derivative transactions to perform their obligations to the Company. The Company's exposure to counterparty credit risk associated with counterparty non-performance is generally limited to the fair value (derivative assets and liabilities) of OTC derivatives reported as net assets, net of collateral received or paid, pursuant to agreements with each counterparty. The Investment Manager attempts to reduce the counterparty credit risk of the Company by establishing certain credit terms in its International Swaps and Derivatives Association (ISDA) Master Agreements (with netting terms) with counterparties, and through credit policies and monitoring procedures. Under ISDA Master Agreements in certain circumstances (e.g. when a credit event such as a default occurs) all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions. The Company receives and gives collateral in the form of cash and marketable securities and it is subject to the ISDA Master Agreement Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction. The terms also give each party the right to terminate the related transactions on the other party's failure to post collateral. Exchange-traded derivatives generally involve less counterparty exposure because of the margin requirements of the individual exchanges.

Generally, these contracts can be closed out at the discretion of the Investment Manager and are governed by the futures and options clearing agreements signed with the future commission merchants ("FCMs"). FCMs have capital requirements intended to assure that they have sufficient capital to protect their customers in the event of any inadequacy in customer funds arising from the default of one or more customers, adverse market conditions, or for any other reason. The credit risk relating to derivatives is detailed further in Note 3.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as and when these fall due.

Liquidity risk is managed by the Investment Manager so as to ensure that the Company maintains sufficient working capital in cash or near cash form so as to be able to meet the Company's ongoing requirements as these are budgeted for.

Other Risks

The invasion of Ukraine is of concern and the Company has considered its potential impact on asset values, and while no direct impact has been identified, values are affected by its impact on the global economy.

While the risks associated with the COVID 19 pandemic have largely receded the Investment Manager continues to monitor the situation.

Legal, tax and regulatory changes could occur during the term of the Company that may adversely affect the Company. The regulatory environment for alternative investment vehicles is evolving, and changes in the regulation of alternative investment vehicles may adversely affect the value of investments held by the Company or the ability of the Company to pursue its trading strategies.

The impact of these risks can have a substantial impact on the valuation and ultimately the realisation of assets.

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can potentially adversely affect the assets, and thus the performance, of the Company. The Board continues to monitor this situation.

NOTE 5 – SHARE CAPITAL

The Company's authorised share capital consists of:

10,000 Class A Shares authorised, of par value \$1 each (which carry no voting rights); and, an unlimited number of shares of no par value which may, upon issue, be designated as Ordinary Shares, Extended Life Shares or New Global Shares and Subscription Shares (each of which carry voting rights) or Capital Distribution Shares.

The issued share capital of the Company consists of Ordinary Shares, Class A Shares and Extended Life Shares, all denominated in US dollars, and New Global Shares denominated in Pounds Sterling. Shareholders of Ordinary Shares, Extended Life Shares and New Global Shares have the right to attend and vote at any general meeting of the Company. Class A shareholders do not have the right to attend and vote at a general meeting of the Company save where there are no other shares of the Company in issue.

The Class A Shares are held by Carey Trustees Limited (the "Trustee"), pursuant to a purpose trust established under Guernsey law. Under the terms of the NBDDIF Purpose Trust Deed, the Trustee holds the Class A Shares for the purpose of exercising the right to receive notice of general meetings of the Company but the Trustee shall only have the right to attend and vote at general meetings of the Company when there are no other shares of the Company in issue.

The original investment period expired on 10 June 2013 and a proposal was made to Ordinary Shareholders to extend the investment period by 21 months to 31 March 2015. A vote was held at a class meeting of shareholders on 8 April 2013 where the majority of shareholders voted in favour of the proposed extension.

Following this meeting and with the Ordinary Shareholders approval of the extension, a new class, the Extended Life Shares, was created and the Extended Life Shares were issued to 72% of initial Investors who elected to convert their Ordinary Shares to Extended Life Shares. The rest of investors remain invested on the basis of the existing investment period.

The New Global Share Class was created in March 2014 and its investment period ended on 31 March 2017.

As at 30 June 2023, the Company had the following number of shares in issue:

	30 JUNE 2023 (UNAUDITED)	31 DECEMBER 2022 (AUDITED)
Issued and fully paid up		
Class A Shares	2	2
Ordinary Share Class of no par value (Nil in treasury; 2022: Nil)	15,382,770	15,382,770
Extended Life Share Class of no par value (Nil in treasury; 2022: Nil)	47,875,446	60,116,016
New Global Share Class of no par value (Nil in treasury; 2022: Nil)	27,821,698	31,023,609

Reconciliation of the number of shares in issue in each class (excluding Class A) as at 30 June 2023:

	ORDINARY SHARES	EXTENDED LIFE SHARES	NEW GLOBAL SHARES	TOTAL
Balance as at 31 December 2022	15,382,770	60,116,016	31,023,609	106,522,395
Shares redeemed during the period	–	(12,240,570)	(3,201,911)	(15,442,481)
Buybacks (Shares repurchased)	–	–	–	–
Balance as at 30 June 2023 ¹	15,382,770	47,875,446	27,821,698	91,079,914

1 Balance of issued shares used to calculate NAV.

Reconciliation of the number of shares in issue in each class (excluding Class A) as at 31 December 2022:

	ORDINARY SHARES	EXTENDED LIFE SHARES	NEW GLOBAL SHARES	TOTAL
Balance as at 31 December 2021	15,382,770	80,545,074	41,116,617	137,044,461
Shares redeemed during the year	–	(20,429,058)	(10,093,008)	(30,522,066)
Buybacks (Shares repurchased)	–	–	–	–
Balance as at 31 December 2022 ¹	15,382,770	60,116,016	31,023,609	106,522,395

1 Balance of issued shares used to calculate NAV.

NOTE 5 – SHARE CAPITAL (continued)

Distributions

Set out below are details of the capital returns by way of compulsory partial redemptions approved during the period ended 30 June 2023 and the year ended 31 December 2022.

30 JUNE 2023 (UNAUDITED)	ORDINARY SHARE CLASS			EXTENDED LIFE SHARE CLASS			NEW GLOBAL SHARE CLASS		
	DISTRI- BUTION AMOUNT	NUMBER OF SHARES	PER SHARE AMOUNT	DISTRI- BUTION AMOUNT	NUMBER OF SHARES	PER SHARE AMOUNT	DISTRI- BUTION AMOUNT	NUMBER OF SHARES	PER SHARE AMOUNT
2 May 2023	–	–	–	\$8,149,711	8,487,514	\$0.9602	£2,165,132	3,201,911	£0.6762
29 June 2023	–	–	–	\$3,352,980	3,753,056	\$0.8934	–	–	–
	–	–	–	\$11,502,691	12,240,570	–	£2,165,132	3,201,911	–

31 DECEMBER 2022 (AUDITED)	ORDINARY SHARE CLASS			EXTENDED LIFE SHARE CLASS			NEW GLOBAL SHARE CLASS		
	DISTRI- BUTION AMOUNT	NUMBER OF SHARES	PER SHARE AMOUNT	DISTRI- BUTION AMOUNT	NUMBER OF SHARES	PER SHARE AMOUNT	DISTRI- BUTION AMOUNT	NUMBER OF SHARES	PER SHARE AMOUNT
21 November 2022	–	–	–	\$18,968,380	20,429,058	\$0.9285	£8,036,339	10,093,008	£0.7962
	–	–	–	\$18,968,380	20,429,058	–	£8,036,339	10,093,008	–

Buybacks No shares were repurchased by the Company during either the period ended 30 June 2023 or the year ended 31 December 2022.

NOTE 6 – MATERIAL AGREEMENTS AND RELATED PARTY TRANSACTIONS

Investment Management Agreement (“IMA”)

The Board is responsible for managing the business affairs of the Company but delegates certain functions to the Investment Manager under an IMA dated 9 June 2010 (as amended).

On 17 July 2014, the Company, the Manager and the AIFM made certain classificatory amendments to their contractual arrangements for the purposes of the AIFM Directive. The Sub-Investment Management Agreement was terminated on 17 July 2014 and Neuberger Berman Investment Advisers LLC (formerly Neuberger Berman Fixed Income LLC), which was the Sub-Investment Manager, was appointed as the AIFM per the amended and restated IMA dated 17 July 2014. Under this agreement, the AIFM is responsible for risk management and day-to-day discretionary management of the Company’s Portfolios (including uninvested cash). The risk management and discretionary portfolio management functions are performed independently of each other within the AIFM structure. The AIFM is not required to, and generally will not, submit individual investment decisions for approval by the Board. The Manager, Neuberger Berman Europe Limited, was appointed under the same IMA to provide, amongst other things, certain administrative services to the Company. On 31 December 2017 the Company entered into an Amendment Agreement amending the IMA. On the 30 January 2023 the Company entered into an Amendment Agreement amending the IMA for data protection purposes to note the obligation on the recipient UK investment manager to comply with the new SCCs in transferring personal data to the US AIFM.

Per the IMA and in relation to the Ordinary Shares and Extended Life Shares, the Manager was entitled to a management fee, which shall accrued daily, and was payable monthly in arrears, at a rate of 0.125% per month of the respective NAVs of the Ordinary Share and Extended Life Share classes. Soft commissions were not used.

Per the IMA and in relation to the New Global Shares, the Manager was entitled to a management fee, which accrued daily, and was payable monthly in arrears, at a rate of 0.125% per month of the NAV of the New Global Share Class (excluding, until such time as the New Global Share Class had become 85% invested, any cash balances (or cash equivalents)). The 85% threshold was crossed on 16 June 2015 and from such date the Company was charged 0.125% per month on the NAV of the New Global Share Class.

Effective 18 March 2021, the Investment Manager had waived its entitlement to all fees from the Company. Accordingly, there was no management fees expensed in the period or the preceding financial year nor were any fees outstanding at either 30 June 2023 or 31 December 2022.

NOTE 6 – MATERIAL AGREEMENTS AND RELATED PARTY TRANSACTIONS (continued)

Performance Fee

Effective 18 March 2021, the Investment Manager had waived its entitlement to a performance fee. The performance fee for Ordinary Shares, Extended Life Shares and New Global Shares (collectively the “Shares”) only became payable once the Company had made aggregate distributions in cash to the shareholders of the Shares (which included the aggregate price of all Shares repurchased or redeemed by the Company) equal to the aggregate gross proceeds from issuing Shares (the “Contributed Capital”) plus such amounts as resulted in the shareholders having received a realised (cash-paid) IRR in respect of the Contributed Capital equal to Preferred Return, following which there would be a 100% catch up payable to the Manager until the Manager had received 20% of all amounts in excess of Contributed Capital distributed to the shareholders and paid to the Manager as a performance fee with, thereafter, all amounts distributed by the Company 20:80 between the Manager’s performance fee and the cash distributed to shareholders.

The preferred rate of return for Ordinary Shares was an annualised 6%, for Extended Life Shares was an annualised 6% from 2010 to April 2013 and was 8% from April 2013 to date and for New Global Shares was an annualised 8%. For the purposes of financial reporting, the performance fee was recognised on an accrual basis.

Accordingly no performance fees were paid or payable in respect of any of the classes for the period ended 30 June 2023 or the year ended 31 December 2022, nor would any be paid if the Company were to realise all of its assets at their carrying values at the period end.

Soft commissions are not used to pay for services used by the Investment Manager.

Administration, Company Secretarial and Custody Agreements

Effective 1 March 2015, the Company entered into an Administration and Sub-Administration Agreement with U.S. Bank Global Fund Services (Guernsey) Limited and U.S. Bank Global Fund Services (Ireland) Limited, a wholly-owned subsidiary of U.S. Bancorp (the “Administration Agreement”). Under the terms of the Administration Agreement, Sub-Administration services are delegated to U.S. Bank Global Fund Services (Ireland) Limited (the “Sub-Administrator”). The Sub-Administration Service Level Agreement was amended and approved on 21 February 2018.

The Sub-Administrator is responsible for the day-to-day administration of the Company (including but not limited to the calculation and publication of the estimated daily NAV).

Under the terms of the Administration Agreement, the Sub-Administrator is entitled to a fee of 0.09% for the first \$500m of net asset value, 0.08% for the next \$500m and 0.07% for any remaining balance, accrued daily and paid monthly in arrears and subject to an annual minimum of \$100,000.

Effective 28 February 2015, the Company entered into a Custody Agreement with U.S. Bank National Association (the “Custodian”) to provide loan administration and custody services to the Company. Under the terms of the Custody Agreement the Custodian is entitled to an annual fee of 0.025% of net asset value with a minimum annual fee of \$25,000.

Effective 20 June 2017, Carey Commercial Limited was appointed the Company Secretary. The Company Secretary is entitled to an annual fee of £73,000 plus fees for ad-hoc board meetings and additional services.

For the period ended 30 June 2023, the administration fee expense was \$43,636 (30 June 2022: \$49,412), the secretarial fee was \$53,092¹ of which \$Nil¹ was in relation to the administration of the ongoing buyback programme, (30 June 2022: \$55,241) and the loan administration and custody fee expense was \$9,959 (30 June 2022: \$15,187). At 30 June 2023, the administration fee payable is \$6,046² (31 December 2022: \$5,955²), the secretarial fee payable is \$19,263² (31 December 2022: \$24,559²) and the loan administration and custody fee payable is \$665² (31 December 2022: \$3,344²).

1 Amount is included under Professional and other expenses in the Unaudited Consolidated Statement of Operations.

2 Amounts are included under Accrued expenses and other liabilities in the Unaudited Consolidated Statement of Assets and Liabilities and Unaudited Consolidated Statement of Operations.

Directors’ Remuneration and Other Interests

The Directors are related parties and are remunerated for their services at a fee of \$45,000 plus £10,000 each per annum (\$60,000 plus £10,000 for the Chairman, \$50,000 plus £10,000 for the Chairman of the Audit Committee). For the period ended 30 June 2023, the Directors’ fees and travel expenses amounted to \$96,725 (30 June 2022: \$97,900). Michael J. Holmberg, the non-independent Director, has waived the fees for his services as a Director. There were no other related interests for the period ended 30 June 2023.

The Company has not set any requirements or guidelines for Directors to own shares in the Company. The beneficial interests of the Directors and their connected persons in the Company’s shares as at 30 June 2023 are shown in the table below:

DIRECTOR	NO. OF ORDINARY SHARES	NO. OF EXTENDED LIFE SHARES	NO. OF NEW GLOBAL SHARES	TOTAL NO. OF SHARES
John Hallam	–	43,840	33,462	77,302
Michael Holmberg	–	19,356	34,982	54,338
Christopher Legge	–	–	–	–
Stephen Vakil	–	–	18,253	18,253

NOTE 7 – FINANCIAL HIGHLIGHTS

	ORDINARY SHARES (\$)	EXTENDED LIFE SHARES (\$)	NEW GLOBAL SHARES (£)	ORDINARY SHARES (\$)	EXTENDED LIFE SHARES (\$)	NEW GLOBAL SHARES (£)
PER SHARE OPERATING PERFORMANCE	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)
Net asset value per share at beginning of the period/year	0.7730	0.9728	0.6640	0.9028	0.9243	0.5785
Impact of share redemptions	–	0.0065	0.0001	–	–	–
Impact of dividend distribution	–	–	–	–	0.0025	(0.0052)
Income/(loss) from investment operations¹						
Net investment income	0.0007	0.0033	0.0112	0.0015	0.0605	0.0531
Net realised and unrealised gain/(loss) from investments and foreign exchange	0.0222	0.0441	(0.0232)	(0.1313)	(0.0145)	0.0376
Gain/(loss) from investment operations	0.0229	0.0474	(0.0120)	(0.1298)	0.0459	0.0897
Net asset value per share at end of the period/year²	0.7959	1.0267	0.6521	0.7730	0.9728	0.6640

1 Weighted average number of shares outstanding was used for calculation.

2 Each share classes net assets includes the underlying assets and liabilities directly attributable to the respective share class.

	ORDINARY SHARES (\$)	EXTENDED LIFE SHARES (\$)	NEW GLOBAL SHARES (£)	ORDINARY SHARES (\$)	EXTENDED LIFE SHARES (\$)	NEW GLOBAL SHARES (£)
NAV TOTAL RETURN ^{2,3}	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)
NAV Total Return before performance fee	2.96%	5.54%	(1.79%)	(14.38%)	5.25%	14.78%
NAV Total Return after performance fee including an income distribution by way of dividend	2.96%	5.54%	(1.79%)	(14.38%)	5.25%	14.78%

2 NAV Total Return is calculated for the Ordinary Shares, Extended Life Shares and New Global Shares only and is calculated based on movement in the NAV and does not reflect any movement in the market value of the shares. A shareholder's return may vary from these returns based on participation in new issues, the timing of capital transactions etc. It assumes that all income distributions of the Company, paid by way of dividend, were reinvested, without transaction costs. Class A shares are not presented as they are not profit participating shares.

3 An individual shareholder's return may vary from these returns based on the timing of the shareholder's subscriptions.

NOTE 7 – FINANCIAL HIGHLIGHTS (continued)

	ORDINARY SHARES (\$)	EXTENDED LIFE SHARES (\$)	NEW GLOBAL SHARES (£)	ORDINARY SHARES (\$)	EXTENDED LIFE SHARES (\$)	NEW GLOBAL SHARES (£)
RATIOS TO AVERAGE NET ASSETS	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	PERIOD ENDED 30 JUNE 2023 (UNAUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)	YEAR ENDED 31 DECEMBER 2022 (AUDITED)
Net investment income before and after performance fees	0.19%	0.69%	3.51%	0.17%	6.46%	8.36%
Total expenses and performance fee	(1.08%)	(1.18%)	(1.53%)	(0.97%)	(0.99%)	(1.33%)

NOTE 8 – RECONCILIATION OF NET ASSET VALUE TO PUBLISHED NAV

In preparing the Financial Statements, there were adjustments relating to investment valuations. The impact of these adjustments on the NAV per Ordinary Share, Extended Life Share and New Global Share is detailed below:

	ORDINARY SHARE CLASS NET ASSETS (\$)	ORDINARY SHARE CLASS NAV PER SHARE (\$)	EXTENDED LIFE SHARE CLASS NET ASSETS (\$)	EXTENDED LIFE SHARE CLASS NAV PER SHARE (\$)	NEW GLOBAL SHARE CLASS NET ASSETS (£)	NEW GLOBAL SHARE CLASS NAV PER SHARE (£)
Published net assets as at 30 June 2023	11,997,036	0.7799	48,514,859	1.0134	18,141,858	0.6521
Valuation adjustments	246,860	0.0160	637,174	0.0133	–	–
Net assets per Unaudited Consolidated Interim Financial Statements	12,243,896	0.7959	49,152,033	1.0267	18,141,858	0.6521

	ORDINARY SHARE CLASS NET ASSETS (\$)	ORDINARY SHARE CLASS NAV PER SHARE (\$)	EXTENDED LIFE SHARE CLASS NET ASSETS (\$)	EXTENDED LIFE SHARE CLASS NAV PER SHARE (\$)	NEW GLOBAL SHARE CLASS NET ASSETS (£)	NEW GLOBAL SHARE CLASS NAV PER SHARE (£)
Published net assets as at 31 December 2022	11,930,152	0.7756	58,517,599	0.9734	20,524,544	0.6616
Valuation adjustments	(39,831)	(0.0026)	(39,609)	(0.0006)	74,365	0.0024
Net assets per Audited Consolidated Financial Statements	11,890,321	0.7730	58,477,990	0.9728	20,598,909	0.6640

NOTE 9 – SUBSEQUENT EVENTS

The Directors have evaluated subsequent events up to 24 August 2023, which is the date that the Financial Statements were available to be issued. On 24 August 2023, the Board approved a capital distribution by way of partial redemption for the holders of NBDX shares of \$3.76m payable 25 September 2023.

There are no further items that require disclosure or adjustment to Financial Statements.

Contact Details

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Michael Holmberg

Christopher Legge

Stephen Vakil

All c/o the Company's registered office.

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Company Secretary

Carey Commercial Limited

Alternative Investment Fund Manager

Neuberger Berman Investment Advisers LLC

Manager

Neuberger Berman Europe Limited

Custodian and Principal Bankers

US Bank National Association

Designated Administrator

U.S. Bank Global Fund Services (Guernsey) Limited

Independent Auditor

KPMG Channel Islands Limited

Sub-Administrator

U.S. Bank Global Fund Services (Ireland) Limited

Financial Adviser and Corporate Broker

Jefferies International Limited

Solicitors to the Company (as to English law and U.S. securities law)

Herbert Smith Freehills LLP

Advocates to the Company (as to Guernsey law)

Carey Olsen

Registrar

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Shareholders holding shares directly and not through a broker, saving scheme or ISA and have queries in relation to their shareholdings should contact the Registrar on +44 (0)371 664 0445. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9 a.m. to 5:30 p.m. (excluding bank holidays)). Shareholders can also access their details via the Registrar's website: www.signalshares.com.

Full contact details of the Company's advisers and Manager can be found on the Company's website.