

NN (L)

Société d'Investissement à Capital Variable de droit luxembourgeois
3, rue Jean Piret – L-2350 Luxembourg
R.C.S. n° B 44.873
(the "Company")

NOTICE TO SHAREHOLDERS

The board of directors of the Company (the "Board") would like to inform the shareholders of the Company (the "Shareholders") of certain amendments to be made to the prospectus of the Company (the "Prospectus"), mainly consisting in the following:

1. Creating a new definition in the glossary section of the Prospectus as follows:

"Benchmark Regulation: Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. According to the Benchmark Regulation, the Management Company has produced and maintains written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided. Those written plans may be obtained free of charge at the Company's registered office. An overview of indices of the Company's Sub-Funds, including confirmation whether the administrators of the indices are registered or intend to get themselves registered by 1st January 2020 at the latest with the competent authority under the Benchmark Regulation, is available in the Appendix II of the Company's Prospectus."

2. Amending the provisions of the paragraph regarding the "Taxation of the Company in Luxembourg" in "Part I: Essential information regarding the Company", Chapter "IV. Fees, expenses and taxation", item "C. Taxation" of the Prospectus, by removing the reference to the fixed service fee payable on the incorporation of the Company.
3. Amending "Part I: Essential information regarding the Company", to update the title of Benoît de Belder to Non-Executive Director effective as from 30 April 2018 and his address as he left NN Investment Partners on 27 April 2018.
4. Amending the conversion fee levels applicable to the I and Z Share-Classes from "3% in Belgium and 1% elsewhere" to "0%" in the factsheet of the Sub-Fund "NN (L) AAA ABS" in "Part II: Sub-Fund factsheet" of the Prospectus.
5. Amending the index for the Sub-Fund "NN (L) Greater China Equity" from "MSCI Golden Dragon (Net)" to "MSCI Golden Dragon 10/40 (NR)" in "Part II: Sub-Fund factsheets" of the Prospectus in order to avoid to breach the limit of 10% of investment in a single issuer.
6. Amending the index for the Sub-Fund "NN (L) Consumer Goods" from "MSCI World Consumer Discretionary (Net)" to "MSCI World Consumer Discretionary 10/40 (NR)" in "Part II: Sub-Fund factsheets" of the Prospectus in order to avoid to breach the limit of 10% of investment in a single issuer.
7. Amending the name of the Sub-Fund "NN (L) Euro Sustainable Credit (including financials)" to "NN (L) Euro Sustainable Credit" in each relevant part of the Prospectus so that this Sub-Fund includes all sectors.
8. Increasing the expected level of leverage applicable to the Sub-Fund "NN (L) Euro Fixed Income" in "Part III: Additional information", Chapter "IV. Techniques and instruments", section "A. General provisions" of the Prospectus as follows:

	Current	Amended	As further amended pursuant to the CSSF circular 11/512 and the CESR's guidelines 10-788
Expected level of leverage (Commitment)	175%	250%	150%
Expected level of leverage (Sum of notionals)	250%	350%	250%

9. Amending the section "Investment objective and policy" in each specific factsheet of the Sub-Funds "NN (L) Emerging Markets Corporate Debt", "NN (L) Emerging Markets Debt (Hard Currency)", "NN (L) Emerging Markets Debt Opportunities", "NN (L) Emerging Markets Debt (Local Currency)", "NN (L) Asian Debt (Hard Currency)", "NN (L) Asian High Yield", "NN (L) Frontier Markets Debt (Hard Currency)", "NN (L) Global Bond Opportunities" and "NN (L) Emerging Markets Debt Short Duration (Hard Currency)" in "Part II Sub-Fund factsheets" of the Prospectus to remove the following sentence for consistency reasons:

"Only investors capable of assessing the risks should consider investing in this Sub-Fund";

10. Introducing the possibility of taking net short exposure on duration and credit asset classes for the Sub-Fund "NN (L) First Class Yield Opportunities" as follows:
 - a) adding the following sentence in the section "Investment objective and policy" of the factsheet of "NN (L) First Class Yield Opportunities" in "Part II: Sub-Fund factsheets" of the Prospectus:

"The fund can take long and short positions (short positions via derivative instruments only) in order to achieve its objectives."
 - b) updating the expected level of leverage applicable to the Sub-Fund "NN (L) First Class Yield Opportunities" in "Part III: Additional information", Chapter "IV. Techniques and instruments", section "A. General provisions" of the Prospectus as follows:

	Current	Amended	As further amended pursuant to the CSSF circular 11/512 and the CESR's guidelines 10-788
Expected level of leverage (Commitment)	125%	160%	60%

Expected level of leverage (Sum of notionals)	300%	400%	300%
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11. Adding the following sentence in the section “Risk profile” of the factsheet of “NN (L) Emerging Markets Debt Short Duration (Hard Currency)” in “Part II: Sub-Fund factsheets” of the Prospectus for consistency reasons:

“Expected credit risk, the risk of failure of the issuers of underlying investments is high.”

12. Improving clarity, pursuant to the Statement of the European Securities and Markets Authority (ESMA) on the supervisory work on potential closet index tracking (ESMA/2016/165), to the sub-Fund NN (L) Health Care by adjusting the last paragraph of the investment objective and policy. The adjustments to this paragraph will read as follows :

“The Sub-Fund adopts an active management approach by taking overweight and underweight positions versus the index on certain elements (e.g. sub-sectors, individual companies and currencies) and to generate performance by combining fundamental research and quantitative analysis. Investors should be aware that the Sub-Fund’s investment universe is concentrated and, as a result, the Sub-Fund portfolio is concentrated. This will typically ~~may~~ result in a comparable composition and return profile of the Sub-fund and its index benchmark.”

13. Adjusting throughout the Prospectus and more specifically in “Part III: Additional information”, Chapter “IV. Techniques and instruments”, section “A. General provisions” of the Prospectus, (i) the base value for the leverage from “1” to “0” pursuant to the CSSF Circular 11/512 and the CESR’s Guidelines 10-788 and decreasing consequently the “Expected maximum level of leverage (Commitment)” and “Expected maximum level of leverage (Sum of notionals)” by -100% and (ii) the names of the reference portfolio to align them with the adjusted indices names.

14. Updating Chapter “XV. Liquidations, mergers and contribution of Sub-Funds or Share-Classes” in “Part III: Additional information” of the Prospectus, which will read as follows:

“XV – Liquidations, mergers and contributions of Sub-Funds and Share-Classes

The Board of Directors may decide each time (i) the value of the net assets of any Share-Class within a Sub-Fund has decreased to, or has not reached, minimum level for such Sub Fund, or such Share-Class, to operate in an economically efficient manner, or (ii) in case of a substantial modification in the political, economic or monetary situation, or (iii) as a matter of economic rationalization to:

- a) *redeem all the Shares of the relevant Share-Class or Share-Classes of the Sub-Fund at the net asset value per share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect,*
- b) *convert one or several Share-Class(es) at the net asset value per share calculated on the Valuation Day which such conversion shall take effect (the “Conversion Date”), into another Share-Class(es) within the same Sub-Fund or with another Sub-Fund. In such case the Shareholders will be informed in writing by the Company, by a notice sent to the holders of the relevant Share-Class(es) at least one (1) month before the proposed Conversion Date. The Shareholders will have at least one (1) month to redeem their Shares, free of charges. At the Conversion Date the Shareholders who didn’t redeem their Shares, will receive new Share-Classes types issued at the net asset value per share calculated on that Valuation Day.*

[...]

Under the same circumstances as specified in the first paragraph and subject to the provisions of the Law of 2010 as well as applicable Luxembourg regulations, the Board of Directors may decide to allocate/merge the assets and liabilities of any Share-Class or Sub-Fund (the “Merging Sub Fund/Share-Class”) (1) with another Share-Class or Sub-Fund within the Company or (2) with another Share-Class or Sub-Fund of another UCITS governed by the provisions of the UCITS Directive (the “Receiving Sub-Fund/Share-Class”) and to transfer the asset and liabilities of the Merging Sub-Fund/Share-Class into the new or existing Receiving Sub-Fund/Share-Class (following a split or consolidation, if necessary, and the payment of any amounts corresponding to fractional Shares to Shareholders). The Shareholders of the Merging Sub-Fund/Share-Class will be notified in accordance with the provisions of the laws and, notably, in conformity with the CSSF Regulation 10-5, as amended, at least one (1) month before the effective date of the merger, in order to enable Shareholders to request redemption of their Shares, free of charge, during such period, it being understood that the merger will take effect five (5) business days after the expiry of such notice period. Shareholders of the Merging Sub-Fund/Share-Class who have not requested redemption will be transferred as of right to the Receiving Sub-Fund/Share-Class.

A merger that has as a result that the Company ceases to exist needs to be decided at a general meeting of Shareholders. There will be no quorum requirements for such general meetings of Shareholders and resolutions may be passed by a simple majority vote of those present or represented and voting at such meetings.”

15. Adding the Sub-Funds “NN (L) Asia ex Japan Equity Opportunities” and “NN (L) Global Equity Absolute Return in “Appendix I: Assets subject to TRS and SFT – Table” of the Prospectus.
16. Amending the indices for the sub-funds “NN (L) Asian High Yield”, “NN (L) European High Yield”, “NN (L) US High Yield” further to the acquisition of Bank of America Merrill Lynch’s Global Research Index Platform by Intercontinental Exchange (ICE) in October 2017 and to comply with NNIP internal policies regarding naming convention of indices.
17. Adjusting the indices throughout the prospectus for all the relevant Sub-Funds in order to comply with NNIP internal policies regarding naming convention of indices.
18. Including an overview of the indices of all the Sub-Funds in Appendix II of the Prospectus instead of listing them in each respective factsheet of the Sub-Funds.

Shareholders are informed that all the changes aforementioned shall have no impact in terms of fees applicable to relevant Sub-Fund(s) and that they may redeem their shares free of charge (excluding contingent deferred sales charges which may be deducted on FIFO basis) until **August 31st, 2018** by submitting a redemption request to the Company in accordance with the procedures set out in the Prospectus.

The above changes will be reflected in the new version of the Prospectus to be dated September, 2018. The Prospectus and the relevant Key Investor Information Documents (KIIDs) will be available upon request free of charge at the registered office of the Company.

The board of directors of the Company