



## NN (L) Patrimonial

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Prospectus date

7<sup>th</sup> April 2015

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## Note

Subscriptions to the Company's shares are only valid if they are made in accordance with the provisions of the most recent prospectus accompanied by the most recent annual report available and, in addition, by the most recent semi-annual report if this was published after the most recent annual report. No parties are authorised to provide information other than that which appears in the prospectus or in the documents referred to in the prospectus as being available to the public for consultation.

**This prospectus details the general framework applicable to all the Sub-Funds and should be read in conjunction with the factsheets for each Sub-Fund. These factsheets are inserted each time a new Sub-Fund is created and form an integral part of the prospectus. Potential investors are requested to refer to these factsheets prior to making any investment.**

The prospectus will be regularly updated to include any significant modifications. Investors are advised to confirm with the Company that they are in possession of the most recent prospectus which can be obtained from the webpage [www.nnip.com](http://www.nnip.com). In addition, the Company will provide upon request, free of charge, the most recent version of the prospectus to any shareholder or potential investor.

The Company is established in Luxembourg and has obtained the approval of the competent Luxembourg authority. This approval should in no way be interpreted as an approval by the competent Luxembourg authority of either the contents of the prospectus or the quality of the shares of the Company or the quality of the investments that it holds. The Company's operations are subject to the prudential supervision of the competent Luxembourg authority.

The Company has not been registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The shares of the Company have not been registered under the United States Securities Act of 1933 as amended (the "Security Act") or under the securities laws of any state of the United States of America and such Shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws.

The Shares of the Company may not be offered or sold within the United States or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act.

Applicants may be required to declare that they are not US Persons and that they are neither acquiring Shares on behalf of US Persons nor acquiring Shares with the intent to sell to US Persons.

The Shares of the Company may, however, be offered to investors that qualify as US Persons as defined under the Foreign Account Tax Compliance Act ("FATCA"), under the condition that such investors do not qualify as US Persons according to Rule 902 of Regulation S under the Securities Act.

It is recommended that investors obtain information on the laws and regulations (in particular, those relating to taxation and exchange controls) applicable in their country of origin, residence or domicile as regards an investment in the Company and that they consult their own financial or legal advisor or accountant on any issue relating to the contents of this prospectus.

The Company confirms that it fulfils all the legal and regulatory requirements applicable to Luxembourg regarding the prevention of money laundering and the financing of terrorism.

The Board of Directors of the Company is responsible for the information contained in this prospectus on the date of its publication. Insofar as it can reasonably be aware, the Board of Directors of the Company certifies that the information

contained in the prospectus has been correctly and accurately represented and that no information has been omitted which, if it had been included, would have altered the significance of this document. The value of the Company's shares is subject to fluctuations in a large number of elements. Any return estimates given or indications of past performance are provided for information purposes only and in no way constitute a guarantee of future performance. The Board of Directors of the Company therefore warns that, under normal circumstances and taking into consideration the fluctuation in the prices of the securities held in the portfolio, the redemption price of shares may be higher or lower than the subscription price.

The official language of this prospectus is English. It may be translated into other languages. In the event of a discrepancy between the English version of the prospectus and versions written in other languages, the English version will take precedence, except in the event (and in this event alone) that the law of a jurisdiction where the shares are available to the public stipulates otherwise. In this case, the prospectus will nevertheless be interpreted according to Luxembourg law. Any settlement of disputes or disagreements with regard to investments in the Company shall also be subject to Luxembourg law.

**THIS PROSPECTUS IN NO WAY CONSTITUTES AN OFFER OR SOLICITATION TO THE PUBLIC IN JURISDICTIONS IN WHICH SUCH AN OFFER OR SOLICITATION TO THE PUBLIC IS ILLEGAL. THIS PROSPECTUS IN NO WAY CONSTITUTES AN OFFER OR SOLICITATION TO A PERSON TO WHOM IT WOULD BE ILLEGAL TO MAKE SUCH AN OFFER OR SOLICITATION.**

# Glossary

**Articles:** The Articles of Incorporation of the Company as amended from time to time.

**Benchmark:** The benchmark is a point of reference against which the performance of the Sub-Fund may be measured, unless otherwise stated. A Sub-Fund may have different Share Classes and corresponding benchmarks and these benchmarks may be amended from time to time. Additional information on the respective Share Classes is available for consultation on the website [www.nnip.com](http://www.nnip.com). The benchmark may also be a guide to market capitalization of the targeted underlying companies and where applicable, this will be stated in the Sub-Fund's investment objective and policy. The degree of correlation with the benchmark may vary from Sub-Fund to Sub-Fund, depending on factors such as the risk profile, investment objective and investment restrictions of the Sub-Fund, and the concentration of constituents in the benchmark.

**Business Day:** From Monday to Friday, except New Year's day (January 1<sup>st</sup>), Good Friday, Easter Monday, Christmas (December 25<sup>th</sup>) and Boxing Day (December 26<sup>th</sup>).

**CET:** Central European Time.

**Company:** NN (L) Patrimonial, including all existing and future Sub-Funds

**CSSF:** Commission de Surveillance du Secteur Financier is the regulatory and Supervisory Authority of the Company in Luxembourg.

**Custodian:** The assets of the Company are held under the custody and control of Brown Brothers Harriman (Luxembourg) S.C.A.

**Cut-off:** Cut-off time for receipt of subscription, redemption and conversion request: before 15.30 CET each Valuation Day, unless otherwise stated in the relevant Sub-Fund factsheet.

**Distributor:** Each Distributor appointed by the Company which distributes or arranges for the distribution of Shares.

**Dividend:** Distribution of part or the whole of the net income capital gain and/or capital attributable to a Share-Class of the Sub-Fund.

**Immobilised Bearer Shares:** Bearer Shares that have been immobilised in accordance with the Luxembourg law of 28 July 2014 relating to the immobilisation of bearer shares and units and the holding of the register of registered shares and of the register of immobilised bearer shares.

**Immobilised Bearer Shares Depositary:** Bearer Shares of the Company are immobilised with Banque Internationale à Luxembourg S.A..

**Historical Performance:** past performance information relating to each Sub-Fund is set out in the Key Investor Information Document. Past performance should not be seen as an indication of how a Sub-Fund will perform in the future and cannot in any way provide a guarantee of future returns.

**Institutional Investors:** An investor, within the meaning of Article 174 (II) of the Luxembourg Law of 17 December 2010, which currently includes insurance companies, pension funds,

credit establishments and other professionals in the financial sector investing either on their own behalf or on behalf of their clients who are also investors within the meaning of this definition or under discretionary management, Luxembourg and foreign collective investment schemes and qualified holding companies.

**Investment Manager:** Each of the Investment Managers appointed by the Company or the Management Company on behalf of the Company.

**Key Investor Information Document:** A standardized document, for each Share-Class of the Company, summarizing key information for Shareholders according to the Law of 17 December 2010.

**Management Company:** The Company acting as designated management company of the Company within the meaning of the law of 17 December 2010 and to which responsibility for investment management, administration and marketing has been delegated.

**Minimum Subscription and Holding Amount:** The minimum investment levels for initial investments as well as minimum holding levels.

**Member State:** A member state of the European Union.

**Money Market Instruments:** Instruments normally dealt on the money market that are liquid and whose value can be accurately determined at any time.

**Net Asset Value per Share:** In relation to any shares of any Share Class, the value per Share determined in accordance with the relevant provisions described under the Chapter XI "Net Asset Value" in "Part III: Additional information" of the Company's prospectus.

**Nominees:** Any Distributor which registers shares in their own name while holding them for the benefit of the rightful owner.

**OECD:** Organisation for Economic Co-operation and Development.

**Paying Agent:** Each Paying Agent appointed by the Company.

**Payment date of subscription, redemption and conversion requests:** Normally three Business Days after the applicable Valuation Day, unless otherwise stated in the relevant Sub-Fund factsheet. This period may be increased to up to 5 Business Days upon approval of the Management Company.

**Performance Fee:** The performance related fee payable by a Sub-Fund to the Investment Manager.

**Reference Currency:** The currency used for a Sub-Fund's performance measurement and accounting purposes.

**Registrar and Transfer Agent:** Each Registrar and Transfer Agent appointed by the Company.

**Regulated Market:** The market defined in item 14 of Article 4 of the European Parliament and the Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments, as well as any other market in an Eligible State which is regulated, operates regularly and is recognised and open to the public.



**Shares:** Shares of each Sub-Fund will be offered in registered form, unless otherwise decided by the Board of Directors of the Company. All shares must be fully paid for and fractions will be issued up to 3 decimal places.

**Share-Class:** One, some or all of the Share-Classes offered by a Sub-Fund, whose assets will be invested in common with those of other Share-Classes, but which may have its own fee structure, minimum subscription and holding amount, Dividend Policy, reference currency or other features.

**Shareholder:** Any person or entity owning shares of a Sub-Fund.

**Sub-Fund:** Umbrella funds are single legal entities comprising one or more Sub-Funds. Each Sub-Fund has its own investment objective and policy and consists of its own specific portfolio of assets and liabilities.

**Sub-Investment Manager:** Each of the Sub-Investment Manager to which the Investment Manager delegated the investment management of the respective portfolio in full or part.

**Supervisory Authority:** The Commission de Surveillance du Secteur Financier in Luxembourg or the relevant supervisory authority in the jurisdictions where the Company is registered for public offering.

**Transferable Securities:** Transferable Securities as defined in Art. 1 (34) of the Law of 17 December 2010.

**UCITS:** An undertaking for collective investment in transferable securities within the meaning of Directive 2009/65/EC of the European Parliament and of the Council.

**Valuation Day:** Each Business day, unless otherwise stated in the relevant Sub-Fund factsheet.

## PART I: ESSENTIAL INFORMATION REGARDING THE COMPANY

### I. Brief overview of the Company

#### Place, form and date of establishment

Established in Luxembourg, Grand Duchy of Luxembourg, as an open-ended investment company with variable share capital (Société d'investissement à capital variable ("SICAV")) with multiple Sub-Funds, on 9 June 1986 through the conversion of the Patrimonial "fonds commun de placement" (common fund) established in May 1960.

#### Registered office

3, rue Jean Piret – L-2350 Luxembourg

#### Trade and Companies Register

No. B 24.401

#### Supervisory Authority

Commission de Surveillance du Secteur Financier (CSSF)

#### Board of Directors of the Company

Chairman:

- **Mr Gerard Roelofs**  
*Head of Client Group International*  
NN Investment Partners (the "Group")  
65 Schenkade, 2595 AS, The Hague, The Netherlands

Directors:

- **Mr Dirk Buggenhout**  
*Chief Operating Officer*  
NN Investment Partners (the "Group")  
65 Schenkade, 2595 AS, The Hague, The Netherlands
- **Mr Benoît De Belder**  
*Head of Fund Risk and Risk Engineering*  
NN Investment Partners (the "Group")  
65 Schenkade, 2595 AS, The Hague, The Netherlands
- **Mr Johannes Stoter**  
*Chief Investment Officer*  
NN Investment Partners (the "Group")  
65 Schenkade, 2595 AS, The Hague, The Netherlands
- **Ms. Sophie Mosnier**  
*Independent Director*  
24, rue Beaumont, L-1219 Luxembourg

#### Independent Auditors

**Ernst & Young S.A.**

7, Rue Gabriel Lippmann, Parc d'Activité Syrdall 2, L-5365 Munsbach

#### Management Company

**NN Investment Partners Luxembourg S.A.**

3, rue Jean Piret – L-2350 Luxembourg

#### (Sub-) Investment Managers

- **NNIP Asset Management B.V.**  
65 Schenkade, 2595 AS, The Hague, The Netherlands

- **NN Investment Partners (Singapore) Ltd**  
MBFC Tower 2  
# 31-01, 10 Marina Boulevard  
018983 Singapore
- **NN Investment Partners North America LLC**  
230 Park Avenue, Suite 1800  
New York, NY 10169, United States

#### (non-exclusive) Global Distributor

**NNIP Asset Management B.V.**

65 Schenkade, The Hague 2595 AS, The Netherlands

#### Central Administrative Agent

**NN Investment Partners Luxembourg S.A.**

3, rue Jean Piret – L-2350 Luxembourg

#### Custodian, Registrar, Transfer and Paying Agent

**Brown Brothers Harriman (Luxembourg) S.C.A.**

2-8 avenue Charles de Gaulle, L-1653 Luxembourg

#### Depository for Immobilised Bearer Shares

**Banque Internationale à Luxembourg S.A.**

69, route d'Esch, L-2953 Luxembourg

#### Subscriptions, redemptions and conversions

Applications for subscriptions, redemptions and conversions may be submitted through the Management Company, the Registrar and Transfer Agent, the Distributors and the Paying Agents of the Company.

#### Financial year

From 1<sup>st</sup> October to 30<sup>th</sup> September

#### Date of the ordinary general meeting

The fourth Thursday of January at 11:15 am CET.

If this day is not a Business day the meeting will be held on the following Business day.

#### For additional information please contact:

NN Investment Partners  
P.O. Box 90470  
2509 LL The Hague  
The Netherlands  
Tel. +31 70 378 1800  
e-mail: [fundinfo@nnip.com](mailto:fundinfo@nnip.com)  
or [www.nnip.com](http://www.nnip.com)

#### In case of complaints please contact:

NN Investment Partners Luxembourg S.A.  
3, rue Jean Piret – L-2350 Luxembourg  
e-mail: [fundinfo@nnip.com](mailto:fundinfo@nnip.com) or [luxembourg@nnip.com](mailto:luxembourg@nnip.com)  
Further information can be found under [www.nnip.com](http://www.nnip.com)

## II. Information on investments

### General

The Company's sole object is to invest funds available to it in transferable securities and/or other liquid financial assets listed in Article 41 (1) of the Law of 17 December 2010, with a view to enabling its shareholders to benefit from the results of its portfolio management. The Company must comply with the investment limits as laid out in part I of the Law of 17 December 2010.

The Company constitutes a single legal entity. In the context of its objectives, the Company may offer a choice of several Sub-Funds, which are managed and administered separately. The investment objective and policy specific to each Sub-Fund are set out in the factsheets relating to each Sub-Fund. Each Sub-Fund is treated as a separate entity in relation to Shareholders. In derogation of Article 2093 of the Luxembourg Civil Code, the assets of the specific Sub-Fund only cover the debts and obligations of that Sub-Fund, even those existing in relation to third parties.

The Board of Directors of the Company may decide to issue one or more share classes for each Sub-Fund. The fee structures, the minimum subscription and holding amount, the reference currency in which the Net Asset Value is expressed, the hedging policy and the eligible investor categories may differ depending on the different Share-Classes. The various share classes may also be differentiated according to other elements as determined by the Board of Directors of the Company.

The Company applies the "Defence Policy" of the NN Group and, wherever legally possible and independently enforceable, aims not to invest in companies directly linked to the production and/or the distribution of controversial weapons. The "Defence Policy" of the NN Group is available for consultation on the website [www.nnip.com](http://www.nnip.com).

### Information particular to each Sub-Fund

The investment objectives and policies to be followed for each Sub-Fund are described in the factsheet of each Sub-Fund.

## III. Subscriptions, redemptions and conversions

Shares may be subscribed, redeemed and converted through the Management Company, the Registrar and Transfer Agent, the Distributor and the Paying Agents of the Company. Fees and expenses relating to subscriptions, redemptions and conversions are indicated in each Sub-Fund factsheet.

Shares will be issued in registered form, unless otherwise decided by the Board of Directors of the Company, and will be non-certificated. Shares may also be held and transferred through accounts maintained with clearing systems. Physical bearer share certificates in issue at the date of this prospectus will not be replaced if lost or damaged but will be replaced by immobilised Bearer Shares issued in accordance with the Luxembourg law of 28 July 2014 relating to the immobilisation of bearer shares and units and the holding of the register of registered shares and of the register of immobilised bearer shares, as described under Chapter X "Shares" within Part III "Additional Information" of this Prospectus.

The subscription, redemption or conversion price is subject to any taxes, levies and stamp duty payable by virtue of the subscription, redemption or conversion by the investor.

All subscriptions, redemptions and conversions will be handled on the basis that the Net Asset Value of the Sub-Fund or Share-Class will not be known or determined at the time of the subscription, redemption or conversion.

If in any country in which the shares are offered, local law or practice requires subscription, redemption and/or conversion orders and relevant money flows to be transmitted via local paying agents, additional transaction charges for any individual order, as well as for additional administrative services and for Share Certificates delivery, may be charged to the investors by such local paying agents.

In certain countries in which the shares are offered, Savings plans could be allowed. The characteristics (minimum amount, duration, etc.) and cost details about these Savings plans are available at the registered office of the Company upon request or in the legal offering documentation valid for the specific country in which the Saving plan is offered.

In the event of the suspension of the Net Asset Value calculation and/or the suspension of subscription, redemption and conversion requests, the requests received will be executed at the first applicable Net Asset Value upon the expiry of the suspension period.

The Company takes appropriate measures to avoid Late Trading, assuring that subscription, redemption and conversion requests will not be accepted after the time limit set for such requests in this Prospectus.

The Company does not authorise practices associated with Market Timing which is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts shares of the same Sub-Fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. The Company reserves the right to reject subscription, redemption and conversion requests from an investor that it suspects of employing such practices and, where applicable, to take the measures necessary to protect the interests of the Company and other investors.

### Subscriptions

The Company accepts subscription requests on each Valuation Day unless otherwise stated in the Sub-Fund factsheets and according to the order cut-off rules laid down in the glossary or in the Sub-Fund factsheets.

Shares are issued on the contractual settlement date. In case of subscriptions Shares are issued within three (3) Business Days after acceptance of the subscription request unless otherwise stated in the relevant Sub-Fund factsheet. This period may be extended up to five (5) Business Days upon approval of the Management Company.

The amount due may be subject to a subscription fee payable to the relevant Sub-Fund and/or the Distributor as more described in the Sub-Fund factsheets.

The subscription amount is payable in the reference currency of the relevant Share-Class. Shareholders requesting to make the payment in another currency must bear the cost of any foreign exchange charges. The foreign exchange will be processed before the cash being sent to the respective Sub-Fund. The subscription amount is payable, within the stated time limit for each Sub-Fund in the Glossary of the prospectus or in the Sub-Fund factsheets.

The Board of Directors of the Company will be entitled at any time to stop the issuance of shares. It may limit this measure to certain countries, Sub-Funds or share classes.

The Company may limit or prohibit the acquisition of its shares by any natural or legal person.

### Redemptions

Shareholders may at any time request the redemption of all or part of the Shares they hold in a Sub-Fund.

The Company accepts redemption requests on each Valuation Day unless otherwise stated in the Sub-Fund factsheets and according to

the order cut-off rules laid down in the Glossary or in the Sub-Fund factsheets.

The amount due may be subject to a redemption fee payable to the relevant Sub-Fund and/or the distributor as more described in the Sub-Fund factsheets.

Until 18 February 2016, when applying for the redemption, holders of bearer shares that have not been immobilised must supply, where applicable, the bearer Shares (physical certificates), together with all unmatured coupons, in the case of distribution Shares. After such date, bearer shares that have not been immobilised shall be cancelled and the proceeds related to such cancelled shares shall be deposited with the Caisse de Consignation.

The usual taxes, fees and administrative costs will be borne by the shareholder.

The redemption amount is payable in the reference currency of the relevant share class. Shareholders requesting the redemption amount to be paid in another currency must bear the cost of any foreign exchange charges. The foreign exchange will be processed before the cash being sent to the respective Shareholders.

Neither the Board of Directors of the Company nor the custodian may be responsible for any lack of payment resulting from the application of any exchange control or other circumstances beyond their control which may limit or prevent the transfer abroad of the proceeds of the redemption of the shares.

If redemption and conversion (with reference to their redemption proportion) applications exceed 10% of the total value of a Sub-Fund on a Valuation Day the Company's Board of Directors may suspend all of the redemption and conversion applications until adequate liquidity has been generated to serve these applications; such suspension not to exceed ten Valuation Days. On the Valuation Day following this period these redemption and conversion applications will be given priority and settled ahead of applications received during and/or after this period.

Redemptions requests, once received, may not be withdrawn, except when the calculation of the Net Asset Value is suspended and in the case of suspension of the redemption as provided for in the "Part III: Additional information" of the Company's prospectus. Chapter XII "Temporary suspension of the calculation of the Net Asset Value and resulting suspension of dealing" during such suspensions.

The Company may proceed with the compulsory redemption of all the shares if it appears that a person who is not authorised to hold shares in the Company, either alone or together with other persons, is the owner of shares in the Company, or proceed with the compulsory redemption of part of the shares, if it emerges that one or several persons own(s) a proportion of the shares in the Company to the extent that the Company may be subject to the tax laws of a jurisdiction other than Luxembourg.

### Conversions

Subject to compliance with any condition governing access to (including any minimum subscription and holding amount) the Share-Class into which conversion is to be effected, Shareholders may request conversion of their Shares into Shares of the same Share-Class type of another Sub-Fund or into a different Share-Class type of the same/ another Sub-Fund. Conversions will be made on basis of the price of the original Share-Class to be converted to the same day Net Asset Value of the other Share-Class.

The redemption and subscription costs connected with the conversion may be charged to the shareholder as indicated in each Sub-Fund's factsheet.

Until 18 February 2016, when applying for a conversion, holders of bearer Shares that have not been immobilised must supply, where applicable, the bearer shares (physical certificates) together with all unmatured coupons, in the case of distribution shares. After such date, bearer shares that have not been immobilised shall be cancelled and the proceeds related to such cancelled shares shall be deposited with the Caisse de Consignation.

Applications for the conversion of Shares, once received, may not be withdrawn, except when the calculation of the Net Asset Value is suspended. If the calculation of the Net Asset Value of the Shares to be acquired is suspended after the Shares to be converted have already been redeemed, only the acquisition component of the conversion can be revoked during this suspension.

### Subscriptions and redemptions in kind

The Company may, should a shareholder so request, agree to issue shares of the Company in exchange for a contribution in kind of eligible assets, subject to compliance with Luxembourg law and in particular the obligation to produce an independent auditor's evaluation report. The nature and type of eligible assets will be determined by the Board of Directors of the Company on a case by case basis, provided that the securities comply with the investment policy and objectives of the relevant Sub-Fund. Costs arising from such subscriptions in kind will be borne by the shareholders who apply to subscribe in this way.

The Company may, following a decision taken by the Board of Directors of the Company, make redemption payments in kind by allocating investments from the pool of assets with respect to the Share Class or classes concerned up to the limit of the value calculated on the Valuation Day on which the redemption price is calculated. Redemptions other than those made in cash will be the subject of a report drawn up by the Company's independent auditor. A redemption in kind is only possible provided that (i) equal treatment is afforded to shareholders, (ii) the shareholders concerned have so agreed and (iii) the nature and type of assets to be transferred are determined on a fair and reasonable basis and without harming the interests of the other shareholders of the relevant Share Class or classes. In this case, all costs arising from these redemptions in kind including, but not limited to, costs related to transactions and the report drawn up by the Company's independent auditor, will be borne by the Shareholder concerned.

## IV. Fees, expenses and taxation

### A. FEES PAYABLE BY THE COMPANY

The following fee structure will apply:

In remuneration for the management services it provides, the appointed Management Company, NN Investment Partners Luxembourg S.A., will receive a management fee as stipulated in each Sub-Fund factsheet and in the collective portfolio management agreement concluded between the Company and the Management Company. The maximum management fee level charged to the investor is indicated in each Sub-Fund factsheet. In the event of investment in UCITS and other target UCIs and where the Management Company or the Investment Manager is paid a fee for the management of one or several Sub-Funds charged directly to the assets of these UCITS and other UCIs, such payments shall be deducted from the remuneration payable to the Management Company or the Investment Manager.

Apart from the management fee, and performance fee, if applicable, each share class, unless otherwise stated in the relevant Sub-Fund's factsheet, will be charged a fixed service fee ("Fixed Service Fee") to cover the administration and safe-keeping of assets and other on-



going operating and administrative expenses, as set out in the relevant Sub-Fund factsheet.

1. The Fixed Service Fee is charged at the level of the Share Classes for each Sub-Fund. The Fixed Service Fee is accrued at each calculation of the Net Asset Value at the percentage specified in the relevant Sub-Fund factsheet and is paid monthly in arrears to the Management Company. This Fixed Service Fee is fixed in the sense that the Management Company will bear the excess in actual expenses to any such fixed service fee charged to the share class. Conversely, the Management Company will be entitled to retain any amount of service fee charged to the share class which exceeds the actual related expenses incurred by the respective Share Class over an extended period of time.
  - a. The Fixed Service Fee shall cover:
    - i. costs and expenses related to services rendered to the Company by service providers other than the Management Company to which the Management Company may have delegated functions related to the daily Net Asset Value calculation of the Sub-Funds, and other accounting and administrative services, registrar and transfer agency functions, costs related to the distribution of the Sub-Funds, and to the registration of the Sub-Funds for public offering in foreign jurisdictions including fees due to supervisory authorities in such countries;
    - ii. statements of fees and expenses related to other agents and service providers directly appointed by the Company including the custodian, the Depository for Immobilised Bearer Shares, principal or local paying agents, listing agent and stock exchange listing expenses, auditors and legal advisors, directors' fees and reasonable out of pocket expenses of the directors of the Company;
    - iii. other fees including formation expenses and costs related to the creation of new Sub-Funds, expenses incurred in the issue and redemption of shares and payment of dividends (if any) insurance, rating expenses as the case may be, share prices publication, costs of printing, reporting and publishing expenses including the cost of preparing, printing and distributing prospectuses, and other periodical reports or registration statements, and all other operating expenses, including postage, telephone, telex and telefax.
  - b. The Fixed Service Fee does not include:
    - i. the costs and expenses of buying and selling portfolio securities and financial instruments;
    - ii. brokerage charges;
    - iii. non-custody related transaction costs;
    - iv. interest and bank charges and other transaction related expenses;
    - v. extraordinary Expenses (as defined below); and
    - vi. the payment of the Luxembourg tax d'abonnement.

In case Sub-Funds of the Company invest in Shares issued by one or several other Sub-Funds of a UCITS or a UCI managed by the Management Company, the Fixed Service Fee may be

charged to the investing Sub-Fund as well as to the target Sub-Fund.

In setting the level of the Fixed Service Fee the overall competitiveness in terms of ongoing charges and/or total expense ratio is considered in comparison with similar investment products.

2. The Management Company may be entitled to receive a Performance Fee which is to be paid from the assets of the applicable Share-Class.

The factsheet of each Sub-Fund shows which Share-Classes may apply a Performance Fee, what the percentage of the Performance Fee is and the applicable Performance Target. If a Share-Class is denominated in another currency or applies special hedging techniques the Performance Target may be adjusted accordingly.

The Performance Fee of a particular Share-Class will be accrued on each Valuation Day ("t") and will either be crystallized and paid at the end of each financial year or if Shares are redeemed during the financial year Performance Fee will be crystallized however not paid until the end of each financial year, if the applicable Share-Class of the Sub-Fund exceeds the higher of the Performance Target and the relevant high water mark. Shares subscribed during the financial year will not contribute to the Performance Fee earned in the period preceding the subscription.

The Performance Fee is calculated based on the all time high water mark principle which means that a Performance Fee is calculated if the Net Asset Value per Share of the applicable Share-Class is higher compared to the Net Asset Value per Share at the end of previous financial years at which a Performance Fee was crystallized. In case no Performance Fee has been crystallized the high water mark is equal to the launch price of the applicable Share-Class or will remain unchanged if Performance Fee was crystallized in previous financial years.

Under no circumstances the applicable Share-Classes will accrue a negative Performance Fee to compensate a decrease in value or underperformance. The Company does not apply equalization on Shareholder level with regard to the calculation of the Performance Fee.

The Board of Directors of the Company may close for subscription a Share-Class which applies a Performance Fee while redemptions will continue to be allowed. In this case a new Share-Class with high watermark which equals the launch price of the applicable new Share-Class may be made available for new subscriptions.

#### **Calculation of the Performance Fee:**

The calculation of the Performance Fee is based on the following formula:

$$\rightarrow \text{Performance Fee} = \text{Shares}(t) \times \text{Rate}(t) \times [\text{Base NAV}(t) - \text{RR}(t)]$$

#### **Definitions:**

→ Shares(t): 'Shares' refers to the number of Shares outstanding on the Valuation Day (t) in the applicable share class.

→ Rate(t): The 'Rate' is the percentage of the Performance Fee applicable to the Share-Class as indicated in the fund factsheet.

→ Base NAV(t): The 'Base NAV' is the NAV per share of the relevant Share-Class after deduction of all fees and taxes (excluding performance fees) but prior to accrual of Performance Fee and any corporate actions such as dividend distributions on the Valuation Day (t).

→ RR(t): The 'Reference Return' of the applicable Share-Class on the Valuation Day (t) is the higher of the High Watermark or Performance Target.

→ High Water Mark (HWM): The 'High Water Mark' is the highest NAV per share since inception of the applicable Share-Class at which Performance Fee has been crystallised at the end of previous financial years; if no Performance Fee is crystallised the High Water Mark is equal to the launch price of the applicable Share-Class or will remain unchanged if Performance Fee was crystallized in previous financial years.

The HWM will be adjusted to reflect corporate actions such as dividends distributions.

→ Performance Target(t): The Performance Target is the Benchmark or hurdle rate as mentioned in the factsheet of the Sub-Fund, on the Valuation Day (t).

If a Share-Class is denominated in another currency or applies special hedging techniques the Performance Target will be adjusted accordingly.

The Performance Target is reset at the start of every financial year to the level of the NAV per share of the applicable Share-Class and will be adjusted to reflect corporate actions such as dividends distributions.

**Calculation Example:**

	Example 1	Example 2
<b>Performance Fee Rate</b>	20%	20%
<b>Base NAV</b>	USD 50	USD 40
<b>HWM</b>	USD 40	USD 40
<b>Performance Target</b>	USD 45	USD 45
<b>RR (higher of HWM and Performance Target)</b>	USD 45	USD 45
<b>Shares outstanding</b>	100	100
<b>Performance Fee Total</b>	USD 100	USD 0
<b>Performance Fee per Share</b>	USD 1	USD 0

The fees of the Company will be paid directly from the assets of the relevant Sub-Funds.

- Each of the Sub-Funds shall bear its own extraordinary expenses ("Extraordinary Expenses") including, without limitation to, litigation expenses and the full amount of any tax, other than the *taxe d'abonnement*, levy, duty or similar charge imposed on the Sub-Funds or their assets that would not be considered as ordinary expenses. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred and invoiced from the net assets of the relevant Sub-Fund to which they are attributable. The Extraordinary Expenses not attributable to a particular Sub-Fund will be allocated to all Sub-Funds to which they are attributable on an equitable basis, in proportion to their respective net assets.

**Other Fees**

- Subject to the principles of best execution, brokerage commissions on portfolio transactions for the Company may be paid by the Management Company and/ or the Investment Managers, as the case may be, as consideration for research related services provided to them as well as for services rendered in relation to the execution of orders. This may include the use of Commission Sharing

Arrangements. When using Commission Sharing Arrangements the Company agrees with the broker at forehand that costs associated with investment research are separated from costs associated with the execution of orders. The Company subsequently allows the broker to purchase investment research from certain indicated specialized research providers having specific expertise in investment research. The separation of the costs associated with investment research from the costs related to order execution allows the Company to select the broker with the best order execution ability whilst combining it with research from the best investment research providers.

- In line with Luxembourg law sales commissions and trail commissions may be paid to sales partners out of the Management Fee and reimbursements may be granted to investors.
- Inherent to the execution of the investment policy are buy and sell transaction of securities (or "turning over" the portfolio). Costs linked to those transactions will be incurred, including but not be limited to, broker commissions, registration costs and taxes. A higher portfolio turnover may indicate higher transaction costs. These costs may affect the Sub-Fund's performance and are not part of on-going charges and/ or total expense ratio. If a Sub-Fund has a turnover ratio which can be considered as high this will be disclosed in the relevant Sub-Fund factsheet under "additional information". The Portfolio Turnover Ratio can be found in the annual report of the Company.

**B. FEES AND EXPENSES PAYABLE BY INVESTORS**

Where applicable, depending on the particular information stipulated in the Sub-Fund factsheets, investors may be required to bear fees and expenses arising from subscriptions, redemptions or conversions. Those fees may be due to the Sub-Fund and/ or the distributor as stipulated in the Sub-Fund factsheet.

**C. TAXATION**

The following summary is based on the laws and customs currently applicable in Luxembourg and is subject to change. Investors are responsible for assessing their own tax position and are encouraged to seek advice from professionals on the applicable laws and regulations, in particular those laws and regulations applicable to the subscription, purchase, ownership (especially in case of corporate events including, but not be limited, to mergers or liquidations of Sub-Funds) and sale of Shares in their country of origin, residence or domicile.

- Taxation of the Company in Luxembourg

No stamp duty or other tax is payable in Luxembourg on the issue of Company Shares.

The Company is subject to a *taxe d'abonnement* (subscription tax), at an annual rate of 0.05% on the net assets attributed to each Share-Class, such tax being payable quarterly on the basis of the value of the net assets at the end of each calendar quarter. However, this tax is reduced to 0.01% per annum on the net assets of money market Sub-Funds and on the net assets of Sub-Funds and/or Share-Classes reserved for Institutional Investors as prescribed by Article 174 (II) of the Law of 17 December 2010. The tax is not applied to the portion of assets invested in other Luxembourg undertakings for collective investment that are already subject to such tax. Under certain conditions, some Sub-Funds and/or Share-Classes reserved for Institutional Investors may be totally exempt from the *taxe d'abonnement* where these Sub-Funds invest in money market instruments and in deposits with credit institutions.

The Company may be subject to withholding taxes at varying rates on dividends, interest and capital gains, in accordance

with the tax laws applicable in the countries of origin of such income. The Company may in certain cases benefit from reduced tax rates under double tax treaties which Luxembourg has concluded with other countries.

The Company qualifies as a taxable person for value added tax purposes.

## 2. Taxation of Shareholders in Luxembourg

Shareholders (with the exception of Shareholders who are resident or maintain a permanent establishment for tax purposes in Luxembourg) are generally not subject to any taxation in Luxembourg on their income, realised or unrealised capital gains, the transfer of Company Shares or the distribution of income in the event of dissolution.

Under the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, transposed into Luxembourg legislation by the Law of 21 June 2005, non-resident natural persons may be subject to exchange of information with the tax authorities of their country of residence. The list of Sub-Funds being in scope of the Council Directive 2003/48/EC may be obtained free of charge at the Company's registered office.

## 3. Foreign Account Tax Compliance Act ("FATCA")

Under this section, the term "holder of record" has to be understood as those persons and entities that appear as the registered shareholders in the register of Shareholders of the Company as maintained by the Transfer Agent. The Company complies with FATCA, associated Luxembourg legislation and rules in force if and as applicable. FATCA was enacted to minimize tax evasion by US Persons

Consequently, the Company or its delegates may need to:

- Perform a due diligence review of each holder of record to determine its FATCA status and, where required, to request additional data (such as the name, address, place of birth, place of incorporation, tax identification number, etc.) or documentation (such as forms W-8BEN, W-8IMY, W-9, etc.) with respect to such holders of record. The Company will be entitled to redeem the Shares held by the holders of record which do not provide the required documentation on time or which otherwise do not comply with FATCA. The Company may elect, at its sole discretion, to exclude from review certain holders of record whose holdings do not exceed \$50,000 (in case of individuals) or \$250,000 (in case of entities).
- Report data regarding holders of record that qualify as US Persons (as defined under FATCA) and certain other categories of investors either to the Luxembourg tax authorities, who may exchange such data with the US tax authorities, or directly to the US tax authorities.
- Withhold tax on certain payments by (or on behalf of) the Company to certain persons. The tax rate as of the date of this prospectus is set at 30%.

Investors should be reminded that there could be adverse tax consequences due to noncompliance with FATCA by intermediaries such as (Sub-) Custodians, Distributors, Nominees, Paying Agents, etc. which the Company has no control over. Investors not domiciled for tax purposes in Luxembourg or investors investing through non-Luxembourg intermediaries should also be aware that they may be subject to local FATCA requirements which may be different from the ones outlined above. Investors are therefore encouraged to check with such third parties as to their intention to comply with FATCA.

## V. Risk factors

Potential investors must be aware that the investments of each Sub-Fund are subject to normal and exceptional market fluctuations as well as other risks inherent in the investments described in each Sub-Fund factsheets. The value of investments and the income generated thereof may fall as well as rise and there is a possibility that investors may not recover their initial investment.

In particular, investors' attention is drawn to the fact that if the objective of the Sub-Fund is long-term capital growth, depending on the investment universe, elements such as exchange rates, investments in the emerging markets, the yield curve trend, changes in issuers' credit ratings, the use of derivatives, investments in companies or the investment sector may influence volatility in such a way that the overall risk may increase significantly and/or trigger a rise or fall in the value of the investments. A detailed description of the risks referred to in each Sub-Fund factsheet can be found in the prospectus.

It should also be noted that the Investment Manager may, in compliance with the applicable investment limits and restrictions imposed by Luxembourg law and in the best interest of shareholders, temporarily adopt a more defensive attitude by holding more liquid assets in the portfolio. This could be as a result of the prevailing market conditions or on account of liquidation, merger events or when the Sub-Fund approaches maturity. In such circumstances, the Sub-Fund concerned may prove to be incapable of pursuing its investment objective, which may affect its performance.

## VI. Information and documents available to the public

### 1. Information

The Company is incorporated under the laws of the Grand Duchy of Luxembourg. By applying for subscription of Shares of the Company, the relevant investor agrees to be bound by the terms and conditions of the subscription documents including but not be limited to the prospectus and the articles of incorporation of the Company. This contractual relationship is governed by Luxembourg laws. The Company, the Management Company and Shareholders will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Company or any related matter.

The Net Asset Value of the shares of each class is made available to the public at the Company's registered office, the custodian and other establishments responsible for financial services as of the first Business Day following the calculation of the aforementioned Net Asset Values. The Net Asset Value of the shares of each class is also made available on the website [www.nnip.com](http://www.nnip.com). The Board of Directors of the Company will also publish the Net Asset Value using all the means that it deems appropriate, at least twice a month and at the same frequency as its calculation, in the countries where the shares are offered to the public.

### 2. Documents

On request, before or after a subscription of shares of the Company, the articles of incorporation, the prospectus, the Key Investor Information Document, the annual and semi-annual report may be obtained free of charge at the office of the custodian bank and other establishments designated by it as well as at the Company's registered office.

## PART II: SUB-FUND FACTSHEETS

### Share-classes:

The Board of Directors of the Company may decide to create within each Sub-Fund different Share Classes whose assets will be invested in common pursuant to the specific investment objective and policy of the relevant Sub-Fund, but which may have any combination of the following features:

- Each Sub-Fund may contain C, D, I, N, P, S, X and Z Share Classes, which may differ in the minimum subscription amount, minimum holding amount, eligibility requirements, and the fees and expenses applicable to them as listed for each Sub-Fund.
- Each Share Class may be offered in the reference currency of the relevant Sub-Fund, or may be denominated in any currency, and such currency denomination will be represented as a suffix to the Share Class name.
- Each Share Class may be either hedged (see definition of "Currency Hedged Share Class" hereafter) or unhedged. Share Classes that are hedged will be identified with the suffix "(hedged)".
- Each Share Class may also have different dividend policies as described in the "Part III: Additional information" of the Company's Prospectus, Chapter XV. "Dividends". Distribution or Capitalisation Share Classes may be available. For Distribution Share Classes, the Board of Directors of the Company can decide to pay dividends on a monthly, quarterly, bi-annually or annually basis. As applicable to the respective Share-Class, dividends may be paid in cash or in stock.
- Each Share Class may be offered with or without Performance Fee provided that a performance fee level is mentioned in the factsheet of the respective Sub-Fund.

For the exhaustive list of existing classes of Shares available, please refer to the below website:

[https://api.nnip.com/DocumentsApi/v1/downloads/EXISTING\\_SHARE\\_CLASSES\\_XLS/download](https://api.nnip.com/DocumentsApi/v1/downloads/EXISTING_SHARE_CLASSES_XLS/download)

- "C": Share class dedicated to Slovak investors.
- "C Hedged": Share class dedicated to Czech investors.
- "D": Ordinary share class intended for individual investors in the Dutch market. Subscription and conversion fees are not applicable for this share class type.
- "I": Share class reserved for institutional investors. "I" share class will only be issued to subscribers who have completed their subscription form in compliance with the obligations, representations and guarantees to be provided regarding their status as an institutional investor, as provided for under Article 174 (II) of the Law of 17 December 2010. Any subscription application for Share Class "I" will be deferred until such time as the required documents and supporting information have been duly completed and provided.
- "N": Ordinary Share Class that does not pay any rebates and is intended for individual investors in the Dutch market. The maximum management fee for Share Class "N" is lower than the maximum management fee for Share Class "P", as per the maximum management fee levels mentioned in each Sub-Fund factsheet. The fixed service fee for Share Class "N" is

equal to the fixed service fee for Share Class "P", as per the fixed service fee levels mentioned in each Sub-Fund factsheet. Subscription and conversion fees are not applicable for this share class type.

- "P": Ordinary share class intended for individual investors.
- "S": Share class intended for corporate beneficial owners with a minimum subscription amount of EUR 1,000,000 subject to subscription tax of 0.05% per year on net assets.
- "X": Ordinary share class intended for individual investors yet differing from class "P" in that it attracts a higher management fee and is distributed in certain countries where market conditions require a higher fee structure.
- "Z": Share Class reserved for Institutional Investors that, at the discretion of the Management Company, have signed a special management agreement ("Special Agreement") with the Management Company in addition to their subscription agreement in relation to their investment in the Fund. For this share class, the management fee is not charged to the share class. Instead, a specific management fee will be levied and collected by the Management Company directly from the Shareholder as determined in the Special Agreement. Such specific management fee may vary among holders of this share class. Calculation method and payment frequency for the specific fees will be separately stipulated in each Special Agreement and are therefore only accessible for the respective parties to these agreements. This share class will be charged a service fee ("Service Fee") to cover the administration and safe-keeping of assets and other on-going operating and administrative expenses. The Service Fee covers and excludes the same elements as set out in this prospectus for the Fixed Service Fee. The Management Company will be entitled to retain any amount of Service Fee charged to the share class which exceeds the actual related expenses incurred by the respective share class. The investment in this Share Class requires a minimum subscription and holding amount of EUR 5,000,000 or the equivalent in another currency. If the investment has dropped below the minimum holding amount following the execution of a redemption, transfer or conversation request, the Management Company may require the relevant Shareholder to subscribe additional Shares in order to reach the set minimum holding amount. If the Shareholder does not respond to such request, the Management Company will be entitled to redeem all the shares held by the respective Shareholder.

### Currency Hedged Share Classes

Where a Share-Class is described as currency hedged (a "Currency Hedged Share-Class"), the intention will be to hedge full or part of the value of the net assets in the Reference Currency of the Sub-Fund or the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund into either the Reference Currency of the Currency Hedged Share-Class, or into an alternative currency.

It is generally intended to carry out such hedging through the use of various derivative financial instruments, including but not be

limited to Over The Counter (“OTC”) currency forward contracts and foreign exchange swap agreements. Profits and losses associated with such hedging transactions will be allocated to the applicable Currency Hedged Share-Class or Classes.

The techniques used for Share Class hedging may include:

- i. hedging transactions to reduce the effect of fluctuations in the exchange rate between the currency in which the Share Class is denominated and the Reference Currency of the relevant Sub-Fund (“Base Currency Hedging”);
- ii. hedging transactions to reduce the effect of fluctuations in the exchange rate between the currency exposure arising from the holdings of the relevant Sub-Fund and the currency in which the Share Class is denominated (“Portfolio Hedging at Share Class Level”);
- iii. hedging transactions to reduce the effect of fluctuations in the exchange rate between the currency exposure arising from the holdings of the relevant Benchmark and the currency in which the Share Class is denominated (“Benchmark Hedging at Share Class Level”);
- iv. hedging transactions to reduce the effect of fluctuations in the exchange rate based on correlations between currencies arising from the holdings of the relevant Sub-Fund and the currency in which the Share Class is denominated (“Proxy Hedging at Share Class Level”).

Investors should be aware that any currency hedging process may not give a precise hedge and may involve additional risks (as described in Part III: Additional Information, Chapter II. Risks linked to the investment universe: detailed description). There is no assurance or guarantee given that the hedging will be effectively achieved. Furthermore, investors invested in the Currency Hedged Share-Classes may have remaining exposure to currencies other than the currency against which assets are hedged.

Investors should note that the hedging at Share Class level is distinct from the various hedging strategies that the Investment Manager may use at portfolio level.

The list of available Currency Hedged Share Classes is available on [www.nnip.com](http://www.nnip.com).

### Minimum subscription and holding amounts

The Board of Directors of the Company has set, unless otherwise stated in each relevant fund factsheet, minimum subscription amounts and minimum holding amounts per Share-Class as listed below.

Share-Class	Minimum subscription amount	Minimum holding amount
C	-	-
D	-	-
P	-	-
X	-	-
I	EUR 250,000	EUR 250,000
N	-	-
S	EUR 1,000,000	EUR 1,000,000
Z	EUR 5,000,000	EUR 5,000,000

The Management Company has the discretion, from time to time, to waive or reduce any applicable minimum subscription and holding amounts.

The Management Company has the right to require an investor to make additional subscriptions in order to reach the required minimum holding only if, as a result of the execution of a redemption order, transfer or conversion of Shares requested by the investor, the holding of the said investor should fall under the requested minimum amount. In case the investor does not respond to this demand, the Management Company may decide to execute a total redemption of all the Shares owned by the investor. Under the same circumstances, the Management Company may switch Shares of one Share Class into Shares of another Share Class within the same Sub-Fund with higher charges and fee load.

### Typical Investor Profile

The Management Company has defined the following three categories - Defensive, Neutral and Dynamic - when describing the typical investor profile of each Sub-Fund.

Categories	Definitions
<b>Defensive</b>	Sub-Funds in the Defensive category are typically suitable for investors with a short investment horizon. These Sub-Funds are intended as a core investment where there is a low expectation of capital loss and where income levels are expected to be regular and stable.
<b>Neutral</b>	Sub-Funds in the Neutral category are typically suitable for investors with at least a medium investment horizon. These Sub-Funds are intended as a core investment where there is exposure to the fixed income securities markets as defined in the individual Sub-Fund’s investment policy and where investment is principally made in markets subject to moderate volatility.
<b>Dynamic</b>	Sub-Funds in the Dynamic category are typically suitable for investors with a long term investment horizon. These Sub-Funds are intended to provide additional exposure for more experienced investors where a high proportion of the assets may be invested in equity, or equity-related securities, or in bonds rated below Investment Grade in markets which may be subject to high volatility.

The descriptions defined in the above categories should be considered as indicative and do not provide any indication of likely returns. They should only be used for comparison purpose with other Sub-Funds of the Company.

The Profile of the Typical Investor for an individual Sub-Fund is indicated in each Sub-Fund factsheet under the section “Typical Investor Profile”.

Investors are encouraged to consult their financial advisor prior to investments in Sub-Funds of the Company.

## **NN (L) Patrimonial Aggressive**

### **Investment objective and policy**

This Sub-Fund is invested in long-term growth investments.

Measured over a period of several years this Sub-Fund aims to beat the performance of the Benchmark composed as follows: 75% MSCI World (Net), 25% Barclays Euro Aggregate.

#### **Eligible investments**

The Sub-Fund may invest in transferable securities (including warrants on transferable securities up to a maximum of 10% of the Sub-Fund's net assets), money market instruments, 144A securities, units of UCITS and other UCIs and deposits, as described in the prospectus in Part III, Chapter III "Investment Restrictions", Section A "Eligible investments".

Where the Sub-Fund invests in warrants on transferable securities, the Net Asset Value may fluctuate more than if the Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant.

With a view to achieving the investment objectives, the Sub-Fund may also use derivative financial instruments including, but not limited to, the following:

- options and futures on transferable securities or money market instruments
- index futures and options
- interest rate swaps, futures and options
- performance swaps
- credit default swaps
- forward currency contracts and currency options.

The risks linked to this use of derivative financial instruments for purposes other than hedging are described in the prospectus in Part III, Chapter II "Risks linked to the investment universe: detailed description".

### **Securities lending and repurchase agreements (opérations à réméré)**

The Sub-Fund may also engage in securities lending and repurchase agreements.

### **Risk profile of the Sub-Fund**

The overall market risk associated with the financial instruments used to reach investment objectives is considered high. These financial instruments are impacted by various factors. These include, but are not limited to, the development of the financial market, the economic development of issuers of these financial instruments who are themselves affected by the general world economic situation and the economic and political conditions in each country. Expected credit risk, the risk of failure of the issuers of underlying investments is medium. The Sub-Fund's liquidity risk is set to low. Liquidity risks may arise when a specific underlying investment is difficult to sell. Moreover, currency fluctuation may impact the Sub-Fund's performance. No guarantee is provided as to the recovery of the initial investment. The risk associated with derivative financial instruments is detailed in this prospectus in Part III, Chapter II "Risks linked to the investment universe: detailed description".

The global exposure of this Sub-Fund is determined using the commitment method.

### **Typical investor profile**

Dynamic.

### **Fund type**

Investments in mixed instruments.

### **Reference currency**

Euro (EUR)

### **Investment Manager**

NNIP Asset Management B.V.

### **Other**

The Sub-Fund is included in the swing pricing process as more described in "Part III: Additional information" of the Company's prospectus, Chapter XI "Net Asset Value".

**Share classes of the Sub-Fund NN (L) Patrimonial Aggressive**
**Information applicable to each Share-Class of the Sub-Fund**
**Additional Information**

All profits, losses and expenses associated with a currency hedging transaction entered into in relation to the Currency Hedged Share-Class will be allocated solely to the Currency Hedged Share-Class.

The list of available Share-Classes of this Sub-Fund is available on [www.nnip.com](http://www.nnip.com).

Share-Class	Maximum Management fee	Fixed Service Fee	Maximum Subscription Fee payable to the distributor(s)	Maximum Conversion Fee
P	1.20%	0.15%	3%	3% in Belgium and 1% elsewhere
X	2.00%	0.15%	5%	3% in Belgium and 1% elsewhere
I	0.60%	0.15%	2%	-

## **NN (L) Patrimonial Balanced**

### **Investment objective and policy**

The investments of this Sub-Fund are balanced between return and long term growth. This portfolio reflects the investment strategy of The Investment Manager adapted to “blue-chip” investors who wish to increase the value of their assets over the long term while maintaining a certain annual return.

Measured over a period of several years this Sub-Fund aims to beat the performance of the Benchmark composed as follows: 50% MSCI World (Net), 50% Barclays Euro Aggregate.

#### **Eligible investments**

The Sub-Fund may invest in transferable securities (including warrants on transferable securities up to a maximum of 10% of the Sub-Fund’s net assets), money market instruments, 144A securities, units of UCITS and other UCIs and deposits, as described in the prospectus, Part III, Chapter III “Investment Restrictions”, Section A “Eligible investments”.

Where the Sub-Fund invests in warrants on transferable securities, the Net Asset Value may fluctuate more than if the Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant.

With a view to achieving the investment objectives, the Sub-Fund may also use derivative financial instruments including, but not limited to, the following:

- options and futures on transferable securities or money market instruments
- index futures and options
- interest rate swaps, futures and options
- performance swaps
- credit default swaps
- forward currency contracts and currency options.

The risks linked to this use of derivative financial instruments for purposes other than hedging are described in the prospectus, Part III, Chapter II “Risks linked to the investment universe: detailed description”.

### **Securities lending and repurchase agreements (opérations à réméré)**

The Sub-Fund may also engage in securities lending and repurchase agreements.

### **Risk profile of the Sub-Fund**

The overall market risk associated with the financial instruments used to reach investment objectives is considered high. These financial instruments are impacted by various factors. These include, but are not limited to, the development of the financial market, the economic development of issuers of these financial instruments who are themselves affected by the general world economic situation and the economic and political conditions in each country. Expected credit risk, the risk of failure of the issuers of underlying investments is medium. The Sub-Fund’s liquidity risk is set to low. Liquidity risks may arise when a specific underlying investment is difficult to sell. Moreover, currency fluctuation may impact the Sub-Fund’s performance. No guarantee is provided as to the recovery of the initial investment. The risk associated with derivative financial instruments is detailed in this prospectus, Part III, Chapter II “Risks linked to the investment universe: detailed description”.

The global exposure of this Sub-Fund is determined using the commitment method.

### **Typical investor profile**

Dynamic.

### **Fund type**

Investments in mixed instruments.

### **Reference currency**

Euro (EUR)

### **Investment Manager**

NNIP Asset Management B.V.

### **Other**

The Sub-Fund is included in the swing pricing process as more described in “Part III: Additional information” of the Company’s prospectus, Chapter XI “Net Asset Value”.



**Share classes of the Sub-Fund NN (L) Patrimonial Balanced**
**Information applicable to each Share-Class of the Sub-Fund**
**Additional Information**

All profits, losses and expenses associated with a currency hedging transaction entered into in relation to the Currency Hedged Share-Class will be allocated solely to the Currency Hedged Share-Class.

The list of available Share-Classes of this Sub-Fund is available on [www.nnip.com](http://www.nnip.com).

Share-Class	Maximum Management fee	Fixed Service Fee	Maximum Subscription Fee payable to the distributor(s)	Maximum Conversion Fee
P	1.20%	0.15%	3%	3% in Belgium and 1% elsewhere
X	2.00%	0.15%	5%	3% in Belgium and 1% elsewhere
I	0.60%	0.15%	2%	-

## **NN (L) Patrimonial Defensive**

### **Investment objective and policy**

This Sub-Fund is invested in return-oriented investments.

Measured over a period of several years this Sub-Fund aims to beat the performance of the Benchmark composed as follows: 25% MSCI World (Net), 75% Barclays Euro Aggregate.

#### **Eligible investments**

The Sub-Fund may invest in transferable securities (including warrants on transferable securities up to a maximum of 10% of the Sub-Fund's net assets), money market instruments, 144A securities, units of UCITS and other UCIs and deposits, as described in the prospectus, Part III, Chapter III "Investment Restrictions" Section A "Eligible investments".

Where the Sub-Fund invests in warrants on transferable securities, the Net Asset Value may fluctuate more than if the Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant.

With a view to achieving the investment objectives, the Sub-Fund may also use derivative financial instruments including, but not limited to, the following:

- options and futures on transferable securities or money market instruments
- index futures and options
- interest rate swaps, futures and options
- performance swaps
- credit default swaps
- forward currency contracts and currency options.

The risks linked to this use of derivative financial instruments for purposes other than hedging are described in the prospectus, Part III, Chapter II "Risks linked to the investment universe: detailed description".

### **Securities lending and repurchase agreements (opérations à réméré)**

The Sub-Fund may also engage in securities lending and repurchase agreements.

### **Risk profile of the Sub-Fund**

The overall market risk associated with the financial instruments used to reach investment objectives is considered medium. These financial instruments are impacted by various factors. These include, but are not limited to, the development of the financial market, the economic development of issuers of these financial instruments who are themselves affected by the general world economic situation and the economic and political conditions in each country. Expected credit risk, the risk of failure of the issuers of underlying investments is medium. The Sub-Fund's liquidity risk is set to low. Liquidity risks may arise when a specific underlying investment is difficult to sell. Moreover, currency fluctuation may impact the Sub-Fund's performance. No guarantee is provided as to the recovery of the initial investment. The risk associated with derivative financial instruments is detailed in this prospectus, Part III, Chapter II "Risks linked to the investment universe: detailed description".

The global exposure of this Sub-Fund is determined using the commitment method.

### **Typical investor profile**

Neutral.

### **Fund type**

Investments in mixed instruments.

### **Reference currency**

Euro (EUR)

### **Investment Manager**

NNIP Asset Management B.V.

### **Other**

The Sub-Fund is included in the swing pricing process as more described in "Part III: Additional information" of the Company's prospectus, Chapter XI "Net Asset Value".



**Share classes of the Sub-Fund NN (L) Patrimonial Defensive**

**Information applicable to each Share-Class of the Sub-Fund**

**Additional Information**

All profits, losses and expenses associated with a currency hedging transaction entered into in relation to the Currency Hedged Share-Class will be allocated solely to the Currency Hedged Share-Class.  
The list of available Share-Classes of this Sub-Fund is available on [www.nnip.com](http://www.nnip.com).

<b>Share-Class</b>	<b>Maximum Management fee</b>	<b>Fixed Service Fee</b>	<b>Maximum Subscription Fee payable to the distributor(s)</b>	<b>Maximum Conversion Fee</b>
P	1.20%	0.15%	3%	3% in Belgium and 1% elsewhere
X	2.00%	0.15%	5%	3% in Belgium and 1% elsewhere

## NN (L) Patrimonial Emerging Markets Debt Opportunities

### Introduction

The Sub-Fund was launched on 9 June 2011.

### Investment objective and policy

This Sub-Fund is focused on emerging markets. The portfolio will mainly invest in emerging markets debt directly via transferable securities and/or indirectly via funds and/or Exchange Traded Funds ("ETF").

Measured over a period of several years, this Sub-Fund aims to beat the performance of the Benchmark composed as follows: 25% JP Morgan EMBI Global Diversified, 15% JP Morgan Corporate EMBI Diversified, 25% JP Morgan ELMI Plus, 35% JP Morgan GBI-EM Global Diversified.

Tactical asset allocation overlay is added to exploit short-term deviations from long-term asset allocation.

Emerging markets debt will be issued by government related bodies and/or by companies domiciled or having registered offices in an emerging market country and/or which carry out a preponderant part of their activity in emerging markets.

Emerging markets include South and Central America (including the Caribbean), Central Europe, Eastern Europe, Asia, Africa and the Middle East. The Sub-Fund may also invest, on an ancillary basis, in non-emerging markets asset classes.

This Sub-Fund is mainly invested in eligible worldwide investments as defined below.

#### Eligible investments

The Sub-Fund may invest in transferable securities (including warrants on transferable securities up to a maximum of 10% of the Sub-Fund's net assets), money market instruments, 144A securities, units of UCITS and other UCIs and deposits, as described in the prospectus in Part III, Chapter III "Investment Restrictions", Section A "Eligible investments".

Where the Sub-Fund invests in warrants on transferable securities, the Net Asset Value may fluctuate more than if the Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant.

The Sub-Fund may be exposed to various exchange risks linked to investments in securities denominated in currencies other than that of the Sub-Fund or in derivative instruments with underlying exchange rates or currencies.

By derogation to the provisions of Chapter IV "Techniques and Instruments" of Part III of the prospectus, the Sub-Fund may use derivative financial instruments for the purpose of hedging in order to ensure efficient portfolio management and to achieve the objectives of the Sub-Fund.

The Sub-Fund may also invest in any derivative financial instruments authorised in Luxembourg law, including, but not limited to, the following:

- Derivative financial instruments linked to market fluctuations such as call and put options, swaps and securities futures contracts, indices, commodity indices, baskets of securities or any other financial instruments and Total Return Swaps that are derivative financial instruments linked to a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains;
- Derivative financial instruments of all types linked to exchange rate or currency fluctuations, such as currency futures contracts or currency call and put options, currency

swaps, currency futures transactions and proxy hedging through which the Sub-Fund carries out a hedging transaction in its reference currency (index or reference currency) against exposure to a single currency by selling or buying another currency closely linked to its reference currency.

- Derivative financial instruments linked to interest rate risks, such as call and put options on interest rates, interest rate swaps, future rate agreements, interest rate futures transactions, swaptions –whereby a counterparty receives a fee in exchange for processing a future swap at a rate previously agreed should a certain contingent event arise, for example where future rates are set according to a reference index-, and caps and floors for which the seller, in exchange for a premium paid in advance, agrees to compensate the buyer if interest rates go above or below a strike price at certain pre-defined dates during the lifetime of the agreement;
- Derivative financial instruments linked to credit risks, namely credit derivatives, designed to isolate and transfer the credit risk associated with a given reference rate, such as credit spread derivatives credit default swaps, whereby the counterparty (the buyer of the protection) pays a periodic fee in exchange for a contingent payment by the seller of the protection after a reference issuer experiences a credit incident. The buyer of the protection must either sell certain bonds issued by the reference issuer at par value (or at another reference value or at a determined strike price) when a credit incident occurs, or receive payment in cash based on the difference between the market price and the reference price. A credit incident is commonly defined as a drop in the rating awarded by a rating agency, bankruptcy, insolvency, sequestration, debt restructuring or payment default. Credit default swaps may involve higher risk than direct investments in bonds. The credit default swap market may sometimes be less liquid than bond markets.

The risks linked to this use of derivative financial instruments for purposes other than hedging are described in the prospectus in Part III, Chapter II "Risks linked to the investment universe: detailed description".

### Securities lending and repurchase agreements (opérations à réméré)

The Sub-Fund may also engage in securities lending and repurchase agreements.

### Risk profile of the Sub-Fund

The overall market risk associated with the financial instruments used to reach investment objectives is considered high. These financial instruments are impacted by various factors. These include, but are not limited to, the development of the financial market, the economic development of issuers of these financial instruments who are themselves affected by the general world economic situation and the economic and political conditions in each country. Expected credit risk, the risk of failure of the issuers of underlying investments is high. The Sub-Fund's liquidity risk is set to medium. Liquidity risks may arise when a specific underlying investment is difficult to sell. Moreover, currency fluctuation may impact highly the Sub-Fund's performance. No guarantee is provided as to the recovery of the initial investment. The risk associated with derivative financial instruments is detailed in this prospectus in Part III, Chapter II "Risks linked to the investment universe: detailed description".

The global exposure of this Sub-Fund is determined using the VaR method.

**Typical investor profile**

Dynamic.

**Fund type**

Investments in fixed-income asset classes.

**Reference currency**

US Dollars (USD)

**Investment Manager**

NNIP Asset Management B.V.

**Sub-Investment Manager**

NNIP Asset Management B.V. has partially delegated investment management of the Asia-Pacific component of the portfolio to NN Investment Partners (Singapore) Ltd., acting as Sub-Investment Manager.

NNIP Asset Management B.V. has partially delegated the investment management to NN Investment Partners North America LLC., acting as Sub-Investment Manager. This delegation includes, but is not limited to, certain components of the investment management process as appropriate for time zone or local market purposes.

**Other**

The Sub-Fund is included in the swing pricing process as more described in “Part III: Additional information” of the Company’s prospectus, Chapter XI “Net Asset Value”.

**Share classes of the Sub-Fund NN (L) Patrimonial Emerging Markets Debt Opportunities**
**Information applicable to each Share-Class of the Sub-Fund**
**Additional Information**

All profits, losses and expenses associated with a currency hedging transaction entered into in relation to the Currency Hedged Share-Class will be allocated solely to the Currency Hedged Share-Class.

The list of available Share-Classes of this Sub-Fund is available on [www.nnip.com](http://www.nnip.com).

Share-Class	Maximum Management fee	Fixed Service Fee	Maximum Subscription Fee payable to the distributor(s)	Maximum Conversion Fee
P	1.20%	0.15%	3%	3% in Belgium and 1% elsewhere
X	1.50%	0.15%	5%	3% in Belgium and 1% elsewhere
I	0.72%	0.10%	2%	-
N	0.60%	0.15%	-	-
S	0.72%	0.10%	2%	-

## **NN (L) Patrimonial Balanced Euro**

### **Investment objective and policy**

This Sub-Fund is mainly invested (minimum 2/3) in eligible eurozone investments as defined below.

Measured over a period of several years this Sub-Fund aims to beat the performance of the Benchmark composed as follows: 50% MSCI EMU (Net), 50% Barclays Euro Aggregate.

It is stipulated that any liquid assets held in investments will not be taken into account for the calculation of the limit of 2/3 as specified above.

#### **Eligible investments**

The Sub-Fund may invest in transferable securities (including warrants on transferable securities up to a maximum of 10% of the Sub-Fund's net assets), money market instruments, 144A securities, units of UCITS and other UCIs and deposits, as described in the prospectus, Part III,

Chapter III "Investment Restrictions" Section A "Eligible investments".

Where the Sub-Fund invests in warrants on transferable securities, the Net Asset Value may fluctuate more than if the Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant.

With a view to achieving the investment objectives, the Sub-Fund may also use derivative financial instruments including, but not limited to, the following:

- options and futures on transferable securities or money market instruments
- index futures and options
- interest rate swaps, futures and options
- performance swaps
- credit default swaps
- forward currency contracts and currency options.

The risks linked to this use of derivative financial instruments for purposes other than hedging are described in the prospectus, Part III, Chapter II "Risks linked to the investment universe: detailed description".

### **Securities lending and repurchase agreements (opérations à réméré)**

The Sub-Fund may also engage in securities lending and repurchase agreements.

### **Risk profile of the Sub-Fund**

The overall market risk associated with the financial instruments used to reach investment objectives is considered high. These financial instruments are impacted by various factors. These include, but are not limited to, the development of the financial market, the economic development of issuers of these financial instruments who are themselves affected by the general world economic situation and the economic and political conditions in each country. Expected credit risk, the risk of failure of the issuers of underlying investments is medium. The Sub-Fund's liquidity risk is set to low. Liquidity risks may arise when a specific underlying investment is difficult to sell. No guarantee is provided as to the recovery of the initial investment. The risk associated with derivative financial instruments is detailed in this prospectus, Part III, Chapter II "Risks linked to the investment universe: detailed description".

The global exposure of this Sub-Fund is determined using the commitment method.

### **Typical investor profile**

Dynamic.

### **Fund type**

Investments in mixed instruments.

### **Reference currency**

Euro (EUR)

### **Investment Manager**

NNIP Asset Management B.V.

### **Other**

The Sub-Fund is included in the swing pricing process as more described in "Part III: Additional information" of the Company's prospectus, Chapter XI "Net Asset Value".



**Share classes of the Sub-Fund NN (L) Patrimonial Balanced Euro**

**Information applicable to each Share-Class of the Sub-Fund**

**Additional Information**

All profits, losses and expenses associated with a currency hedging transaction entered into in relation to the Currency Hedged Share-Class will be allocated solely to the Currency Hedged Share-Class.

The list of available Share-Classes of this Sub-Fund is available on [www.nnip.com](http://www.nnip.com).

<b>Share-Class</b>	<b>Maximum Management fee</b>	<b>Fixed Service Fee</b>	<b>Maximum Subscription Fee payable to the distributor(s)</b>	<b>Maximum Conversion Fee</b>
P	1.20%	0.15%	3%	3% in Belgium and 1% elsewhere
X	2.00%	0.15%	5%	3% in Belgium and 1% elsewhere



## NN (L) Patrimonial Multi Asset 5

### Introduction

This Sub-Fund is launched on 18 January 2010.

### Investment objective and policy

The objective of the Sub-Fund is to produce total return by investing across a broad set of asset classes. The portfolio composition in terms of asset classes and currencies is flexible. Measured over a period of several years this Sub-Fund aims to beat the performance of the EURIBOR 1 month benchmark.

The Sub-Fund will invest its assets in debt securities of all kinds, high yield, emerging markets debt hard currency, emerging markets debt local currency, equities, money market instruments, deposits, currencies, units of UCITS and other UCIs including Exchange Traded Funds and UCIs using non conventional or alternative strategies and/or derivative financial instruments. Investments in UCIs using non conventional or alternative investment strategies, known as Hedge Funds are limited to 10% of the Net Asset Value provided that they are regulated, submitted to equivalent supervision and that they comply with article 2 of Directive 2007/16/EC on eligible assets. Investments in asset-back securities will however be limited to 20% of its net assets.

The Sub-Fund will also invest its assets in listed real estate equities or in indices exposed to listed real estate equities.

The Sub-Fund may be exposed to various exchange risks linked to investments in currencies and securities denominated in currencies other than that of the Sub-Fund or in derivative instruments with underlying exchange rates or currencies.

By derogation to the provisions of Chapter IV "Techniques and Instruments" of Part III of the prospectus, the Sub-Fund may use derivative financial instruments for the purpose of hedging in order to ensure efficient portfolio management and to achieve the objectives of the Sub-Fund. The Sub-Fund may also invest in any derivative financial instruments authorised by Luxembourg law, including, but not limited to, the following:

- Derivative financial instruments linked to market fluctuations such as call and put options, swaps and securities futures contracts, indices, commodity indices, baskets of securities or any other financial instruments and Total Return Swaps that are derivative financial instruments linked to a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains;
- Derivative financial instruments of all types linked to exchange rate or currency fluctuations, such as currency futures contracts or currency call and put options, currency swaps, currency futures transactions and proxy hedging through which the Sub-Fund carries out a hedging transaction in its reference currency (index or reference currency) against exposure to a single currency by selling or buying another currency closely linked to its reference currency;
- Derivative financial instruments linked to interest rate risks, such as call and put options on interest rates, interest rate swaps, future rate agreements, interest rate futures transactions, swaptions – whereby a counterparty receives a fee in exchange for processing a future swap at a rate previously agreed should a certain contingent event arise, for example where future rates are set according to a reference index – , and caps and floors for which the seller, in exchange for a premium paid in advance, agrees to

compensate the buyer if interest rates go above or below a strike price at certain pre-defined dates during the lifetime of the agreement.

- Derivative financial instruments linked to credit risks, namely credit derivatives, designed to isolate and transfer the credit risk associated with a given reference rate, such as credit spread derivatives credit default swaps, whereby the counterparty (the buyer of the protection) pays a periodic fee in exchange for a contingent payment by the seller of the protection after a reference issuer experiences a credit incident. The buyer of the protection must either sell certain bonds issued by the reference issuer at par value (or at another reference value or at a determined strike price) when a credit incident occurs, or receive payment in cash based on the difference between the market price and the reference price. A credit incident is commonly defined as a drop in the rating awarded by a rating agency, bankruptcy, insolvency, sequestration, debt restructuring or payment default.

Credit default swaps may involve higher risk than direct investments in bonds. The credit default swap market may sometimes be less liquid than bond markets.

The risks linked to this use of derivative financial instruments for purposes other than hedging are described in the prospectus, Part III, Chapter II "Risks linked to the investment universe: detailed description".

### Securities lending and repurchase agreements

The Sub-Fund may also engage in securities lending and repurchase agreements.

### Risk profile of the Sub-Fund

The overall market risk associated to the financial instruments used to reach investment objectives is considered medium. These financial instruments are impacted by various factors. These include, but are not limited to, the development of the financial market, the economic development of issuers of these financial instruments who are themselves affected by the general world economic situation and the economic and political conditions in each country. Expected credit risk, the risk of failure of the issuers of underlying investments is high. The Sub-Fund's liquidity risk is set to medium. Liquidity risks may arise when a specific underlying investment is difficult to sell. Moreover, currency fluctuation may impact highly the Sub-Fund's performance. No guarantee is provided as to the recovery of the initial investment. The risk associated with derivative financial instruments is detailed in this prospectus in Part III, Chapter II "Risks linked to the investment universe: detailed description". The global exposure of this Sub-Fund is determined using the VaR method.

### Typical investor profile

Neutral.

### Fund type

Investments in mixed instruments.

### Reference currency

Euro (EUR)

### Investment Manager

NNIP Asset Management B.V.



**NN investment  
partners**

**Other**

The Sub-Fund is included in the swing pricing process as more described in "Part III: Additional information" of the Company's prospectus, Chapter XI "Net Asset Value".

**Share classes of the Sub-Fund NN (L) Patrimonial Multi Asset 5**
**Information applicable to each Share-Class of the Sub-Fund**
**Additional Information**

The commercial name of Share Classes C and C hedged is “NN Multifond Aktiv V5”.

Performance Fee:

The Management Company is entitled to receive a Performance Fee. The Performance Target is the performance of the EURIBOR 1 month benchmark plus 2.00%.

Hedging:

All profits, losses and expenses associated with a currency hedging transaction entered into in relation to the Currency Hedged Share-Class will be allocated solely to the Currency Hedged Share-Class.

The list of available Share-Classes of this Sub-Fund is available on [www.nnip.com](http://www.nnip.com).

Share-Class	Maximum Management fee	Fixed Service Fee	Maximum Subscription Fee payable to the distributor(s)	Maximum Conversion Fee	Performance fee
P	0.80%	0.15%	3%	3% in Belgium and 1% elsewhere	30%
X	1.00%	0.15%	5%	3% in Belgium and 1% elsewhere	30%
I	0.40%	0.10%	2%	-	20%
C	1.00%	0.15%	5%	-	-
S	0.40%	0.10%	2%	-	20%

## **PART III: ADDITIONAL INFORMATION**

### **I. The Company**

The Company is an umbrella fund and offers investors the opportunity to invest in a range of Sub-Funds. Each Sub-Fund has its own specific investment objective and policy and an independent portfolio of assets.

The Company is an open-ended investment company with a variable share capital established in Luxembourg as a SICAV and is subject to the provisions of the Luxembourg law related to commercial companies of 10 August 1915 and the Law of 17 December 2010.

The Company was set up on 9 June 1986 through the conversion of the Patrimonial “fonds commun de placement” (common fund) established in May 1960 under the Law of 30 March 1988 on undertakings for collective investment. The Articles of Association (the “Articles”) of the Company were amended for the last time as of 7 April 2015. The coordinated Articles were registered in the Luxembourg Trade and Companies Register, where they are available for inspection. Copies may be obtained free of charge upon request at the registered office of the Company.

The share capital of the Company will, at all times, be equal to the value of the net assets of the Sub-Funds. It is represented by bearer or registered shares, all fully paid up, without par value.

Share capital variations are fully legal and there are no provisions requiring publication and entry in the Trade and Companies Register as prescribed for increases and decreases in the share capital of public limited companies (sociétés anonymes).

The Company may issue additional shares at any time at a price set in compliance with the contents of Chapter X “Shares”, without any preference right being reserved for existing shareholders.

The minimum capital is laid down in the Luxembourg Law of 17 December 2010. In case where one or several Sub-Funds of the Company hold Shares that have been issued by one or several other Sub-Funds of the Company their value will not be taken into account for the calculation of the net assets of the Company for the determination of the above mentioned minimum capital.

The consolidation currency of the Company is the Euro.

### **II. Risks linked to the investment universe: detailed description**

#### **General remarks regarding risks**

Investments in the Company’s shares are exposed to risks, which may include or be linked to equity, bond, currency, interest rate, credit, volatility and political risks. Each of these risks may also occur in conjunction with other risks. Some of these risk factors are described briefly below. Investors must have experience in investing in instruments used in the context of the investment policy described.

Investors must also be fully aware of the risks linked to investments in the Company’s shares and ensure that they consult their legal, tax and financial adviser, auditor or other adviser in order to obtain complete information on (i) the appropriate nature of an investment in shares, depending on their personal financial and tax situation and on their particular circumstances, (ii) the information contained herein and (iii) the investment policy of the Sub-Fund (as described in the relevant

factsheet for each Sub-Fund), before making any investment decision.

Apart from potential stock exchange profit, it is important to note that an investment in the Company also involves the risk of incurring stock exchange losses. Company shares are securities whose value is determined on the basis of fluctuations in the price of the transferable securities held by the Company. The value of shares may therefore go up or down in relation to their initial value.

There is no guarantee that the aims of the investment policy will be achieved.

#### **Market risk**

This is a general risk which affects all types of investment. Price trends for transferable securities are determined mainly by financial market trends and by the economic development of the issuers, who are themselves affected by the overall situation of the global economy and by the economic and political conditions prevailing in each relevant country (market risk).

#### **Interest rate**

Investors must be aware that an investment in the shares of the Company may be exposed to interest rate risks. These risks occur when there are fluctuations in the interest rates of the main currencies of each transferable security or of the Company.

#### **Currency risk**

The value of investments may be affected by exchange rate fluctuations in the Sub-Funds where investments are allowed in a currency other than the Sub-Fund’s reference currency.

#### **Credit risk**

Investors must be fully aware that any such investment may involve credit risks. Bonds and debt securities effectively involve issuer credit risk, which can be calculated using the issuer’s solvency rating. Bonds and debt securities issued by entities with a low rating are generally considered to have higher credit risk and issuer default probability than those issued by issuers with a higher rating. If the issuer of bonds or debt securities runs into financial or economic difficulty, the value of the bonds or debt securities (which may become null and void) and the payments made on account of these bonds or debt securities (which may become null and void) may be affected. The use of OTC credit derivatives, if mentioned in the investment policy of the Sub-Fund, may involve taking credit risk.

#### **Risk of issuer default**

In parallel to the general trends prevailing on the financial markets, developments particular to each issuer can affect the value of an investment. Even a careful selection of transferable securities cannot, for example, eliminate the risk of losses caused by a decline in the assets of an issuer.

#### **Liquidity risk**

Liquidity risks arise when a particular security is difficult to sell. In principle, securities that can be sold at any time are added to a fund. Similarly, some transferable securities may be difficult to sell at the desired moment during particular periods or on particular segments of the stock exchange. Finally, there is a risk that securities traded in a narrow market segment are subject to high price volatility.

#### **Counterparty risk**

When OTC contracts are entered into, the Company may find itself exposed to risks arising from the solvency of its counterparts and from

their ability to respect the conditions of these contracts. The Company may thus enter into forwards, options and swap contracts, or use other derivative techniques, each of which involves the risk that the counterparty will fail to respect its commitments under the terms of each contract. The counterparty risk associated with any of the Share-Classes of the Sub-Fund is borne by the Sub-Fund as a whole.

### **Risks arising from Securities Lending and Repurchase Transactions**

Securities lending and repurchase transactions involve certain risks. There is no assurance that a Sub-Fund will achieve the objective for which it entered into a transaction. Securities loans may in the event of a counterparty default or an operational difficulty, be recovered late and only in part which might restrict the Sub-Fund's ability to complete the sale of securities or to meet redemption requests. The Sub-Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realize insufficient cash to settle the counterparty's debt to the Sub-Fund or to purchase replacements for the securities that were lent to the counterparty. In the event that the Sub-Fund reinvests cash collateral, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Sub-Fund's ability to recover its securities on loan, which might restrict the Sub-Fund's ability to complete the sale or to meet redemption requests.

### **Risk arising from 144A securities**

Rule 144A securities are not registered with the US Securities and Exchange Commission (SEC) in accordance with the stipulations of the Code of Federal Regulations, Title 17, Par. 230, 144A.

These Rule 144A securities are considered as newly issued transferable securities (see "Part III: Additional information" of the Company's prospectus, Chapter III "Investment restriction", Section A "Eligible investments", point 1.e) and may only be purchased by qualified professional investors.

### **Risk arising from investments in the emerging markets**

Suspension of payments from the developing countries can be due to various factors, such as political instability, poor economic management, a lack of currency reserves, capital flight, internal conflicts or a lack of political willingness to continue servicing the previously contracted debt.

The capacity of private sector issuers to meet their obligations may also be affected by these factors. Moreover, these issuers are subject to decrees, laws and regulations enacted by government authorities. Examples include modification of exchange controls and amendments to the legal and regulatory system, expropriations and nationalisations and the introduction of, or increase in, taxes, such as withholding tax.

Uncertainty with regard to an unclear legal environment or incapacity to establish definitive and legal ownership rights are another determining factor. Added to this are the lack of reliable sources of information in these countries, the non-compliance of accounting methods with international standards and the lack of financial or commercial controls.

### **Risk arising from investments in Russia**

Investors' attention is drawn to the fact that, at present, investments in Russia are subject to increased risk as regards the ownership and custody of transferable securities: market practice for the custody of bonds is such that these bonds are deposited with Russian institutions that do not always have adequate insurance to cover the risk of loss arising from the theft, destruction or disappearance of instruments on deposit.

### **Risk arising from investments in Asset-Backed Securities (ABS) and Mortgage-Backed Securities (MBS)**

Asset-backed securities may include asset pools in credit card loans, auto loans, residential and commercial mortgage loans collateralised mortgage obligations and collateralised debt obligations, agency mortgage pass-through securities and covered bonds. These securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as corporate issued bonds. ABS and MBS entitle the holders to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets.

ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities.

### **Derivatives**

The Company may use derivative financial instruments, including but not be limited to Total Return Swaps and other derivative financial instruments with the same characteristics, within the framework of the investment policy outlined in each Sub-Fund factsheet. In addition to being used for hedging purposes, these instruments may also form an integral part of the investment strategy in order to optimise returns. Only those counterparties which are subject to on-going supervision, are financially sound and have the necessary organizational structure appropriate to the services to be provided to the Sub-Fund can be selected and appointed. In case of Total Return Swaps and other derivative financial instruments with the same characteristics, information on the underlying strategy, composition of the underlying and counterparty(ies) is made available in the Annual Report which can be obtained free of charges from the registered office of the Company. Recourse to financial derivatives may be restricted by market conditions and applicable regulations and may involve risks and costs for the Sub-Fund to which it would not otherwise be exposed. Risks inherent in the use of options, foreign currency contracts, swaps, futures contracts and options on these contracts include: a) the fact that success depends on the ability of the Investment Manager(s) to accurately predict trends in interest rates, prices of transferable securities and/or money market instruments and currency markets; (b) the imperfect correlation between the price of options and futures contracts and options on these contracts and movements in the prices of the securities, money market instruments or currencies being hedged; (c) the fact that the skills needed to use these instruments are different from those needed to select portfolio securities; (d) the possibility of a non-liquid secondary market for a particular instrument at a given time; and (e) the risk that a Sub-Fund may not be able to purchase or sell a portfolio security during a favourable period, or the risk that a Sub-Fund may have to sell a portfolio security during an unfavourable period. When a Sub-Fund enters into a swap transaction, it is exposed to counterparty risk. The use of derivative financial instruments also involves leverage risk. Leverage occurs when a modest capital sum is invested in the purchase of derivatives in comparison with the cost of directly acquiring the underlying assets. The higher the leverage, the greater the variation in the price of the derivative in the event of a fluctuation in the price of the underlying asset (in comparison with the subscription price determined according to the conditions of the derivative). The potential and risks of derivatives thus increase in

parallel with an increase in the leverage effect. Finally, there is no guarantee that the objective sought through the use of these derivative financial instruments will be achieved.

Please refer to the relevant Sub-Fund factsheet for more information on the risk(s) relating to investments in a particular Sub-Fund.

The above list shows the most commonly encountered risks and is not an exhaustive list of all potential risks.

### Credit Default Swaps

The use of credit default swaps may carry a higher risk than direct investments in bonds. A credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a bond it holds (hedging the investment) or buy protection on a bond it doesn't physically own where the investment view is that the stream of coupon payments required will be less than the payments received due to the decline in credit quality. Conversely, where the investment view is that the payments due to decline in credit quality will be less than the coupon payments, protection will be sold by means of entering into a credit default swap. Accordingly, one party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer in the event that there is a "credit event" (a decline in credit quality, which will be pre-defined in the agreement). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. The market for credit default swaps may sometimes be more illiquid than bond markets. A Sub-Fund entering into credit default swaps must at all times be able to meet redemption requests. Credit default swaps are valued on a regular basis according to verifiable and transparent methods reviewed by the Company's auditor.

### Currency Hedged Share-Classes

Currency Hedged Share-Classes will make use of derivative financial instruments to achieve the stated objective of the specific Share-Class, and which can be distinguished by making reference to Currency Hedged Share-Classes. Investors in such Share-Classes may be exposed to additional risk such as market risk, compared with the main Share-Class of the respective Sub-Fund depending on the level of the hedge performed. Additionally, the changes in the Net Asset Value of these Share-Classes may not be correlated with the main Share-Class of the Sub-Fund.

### Risk on cross liabilities for all Share-Classes

The right of Shareholders of any Share-Class to participate in the assets of the Sub-Fund is limited to the assets of the relevant Sub-Fund and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of the Sub-Fund, regardless of the different amounts stated to be payable on the separate Share-Classes. Although the Company may enter into a derivative contract in respect of a specific Share-Class, any liability in respect of such derivative transaction will affect the Sub-Fund and its Shareholders as a whole, including Shareholders of non-Currency Hedged Share-Classes. Investors should be aware that this may lead the Sub-Fund to hold larger cash balances than would be the case in the absence of such active Share Classes.

### III. Investment restrictions

In the interests of shareholders and in order to ensure a wide diversification of the risks, the Company undertakes to comply with the following rules:

#### A. Eligible investments

1. The Company may invest the assets of each Sub-Fund in:
  - a. transferable securities and money market instruments admitted or dealt in on a regulated market within the meaning of Article 1 (13) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on the Markets in Financial Instruments;
  - b. transferable securities and money market instruments which are dealt in on another market of a Member State of the European Union which is regulated, operates regularly, is recognised and open to the public;
  - c. transferable securities and money market instruments admitted to official listing on a stock exchange in a country which is not a member of the EU or dealt in on another market of a country which is not a Member State and that is regulated, operates regularly, is recognised and open to the public, insofar as the stock exchange or market is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
  - d. newly issued transferable securities and money market instruments, provided that:
    - i. the issue conditions include an undertaking that an application will be made for official listing on a stock exchange or another regulated market that operates regularly, is recognised and open to the public and provided that it is located in a member state of the Organisation for Economic Cooperation and Development (OECD) or in any other country in Europe, North America, South America, Africa, Asia and Oceania;
    - ii. the listing is secured within one year of issue at the latest;
  - e. Rule 144A transferable securities, as described in the provisions of the US Code of Federal Regulations, Title 17, Par 230, 144A, provided that:
    - i. the Rule 144A transferable securities are traded before the exchange on the US OTC fixed income market;
    - ii. the securities include an exchange contract registered under the Securities Act of 1933 that foresees a right to exchange the 144A for similar registered securities that are traded on the US OTC fixed income market;
    - iii. where the exchange contract has not been asserted within one year after the acquisition of the securities, the securities will be subject to the limit described in point 2 (a) hereunder;
  - f. units of UCITS authorised according to the Directive 2009/65/EC and/or other collective investment undertakings within the meaning of Article 1 Par (2), lit. a) and b) of the Directive whether located in a Member State or otherwise, provided that:
    - i. these UCIs are authorised in accordance with the legislation requiring that such undertakings are subject to supervision which the Luxembourg Financial Supervisory Authority (Commission de Surveillance du Secteur Financier – CSSF) considers equivalent to that prescribed under EU legislation, and that cooperation between the authorities is sufficiently guaranteed;
    - ii. the level of protection for unitholders of these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on the segregation of assets, borrowing, lending and short sales



- of transferable securities and money market instruments are equivalent to the requirements of the Directive 2009/65/EC;
- iii. the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - iv. the proportion of assets of these UCITS or other UCIs in which units are to be acquired, which, in accordance with their Articles can be globally invested in units of other UCITS or UCIs, does not exceed 10%;
- g. deposits with credit institutions which are repayable on demand or which may be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is located in another country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
- h. derivative financial instruments, including equivalent instruments involving cash settlements, traded on a regulated market referred to in (a), (b) and (c) above and/or derivative financial instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- i. the underlying consists of instruments covered by this point 1, or financial indices, interest rates, foreign exchange rates or currencies, in which the UCITS may invest according to its investment objectives;
  - ii. the counterparties to OTC derivative transactions are first-class financial institutions specialised in these types of transactions provided that they are also subject to prudential supervision; and
  - iii. the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.
- i. money market instruments other than those dealt in on a regulated market, which are liquid and have a value that can be accurately determined at any time, provided that the issue or issuer of these instruments is subject to regulations intended to protect investors and their savings, and provided that these instruments are:
- i. issued or guaranteed by a central, regional or local government authority, by a central bank of a Member State of the European Union, the European Central Bank, the European Union or the European Investment Bank, a non-member State of the European Union or, in the case of a Federal State, by a member of the federation, or by an international public body to which one or more Member States of the European Union belong, or
  - ii. issued by a company whose securities are dealt in on the regulated markets referred to in (a), (b) and (c) above, or
  - iii. issued or guaranteed by an institution subject to prudential supervision, in accordance with criteria defined by European Community law, or by an institution which is subject to and complies with prudential rules which the CSSF considers to be at least as stringent as those prescribed by EU legislation, or
- iv. issued by other entities belonging to categories approved by the CSSF, provided that investments in such instruments are subject to rules for protecting investors which are equivalent to those stipulated above in bullets ( i, ii, iii) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, or is an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group, or is an entity which is dedicated to financing securitisation vehicles backed by bank financing.
- j. Shares issued by one or several other Sub-Funds of the Company provided that:
- i. the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
  - ii. no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested pursuant to its investment objectives in Shares of other target Sub-Funds of the Company;
  - iii. voting rights attached to the relevant Shares are suspended for as long as they are held by the investing Sub-Fund and without prejudice to the appropriate processing in the accounts and periodic reports;
  - iv. for as long as the target Sub-Fund's Shares are held by the investing Sub-Fund their value will not be taken into consideration for the calculation of the net assets of the Company for the purpose of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010;
  - v. there is no duplication of management, subscription or redemption fees between those at the level of the Sub-Fund having invested in the target Sub-Fund and this target Sub-Fund;
- k. units of a master UCITS or a master Sub-Fund of such UCITS.
2. In addition, the Company:
- a. may invest up to a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to under point 1 above;
  - b. may not acquire precious metals or certificates representing precious metals;
3. The Company may, on an ancillary basis, hold cash for each Sub-Fund.
- B. Investment limits**
1. The Company may not invest:
- a. more than 10% of the net assets of each Sub-Fund in transferable securities or money market instruments issued by the same entity;
  - b. more than 20% of the net assets of each Sub-Fund in deposits placed with the same entity.
2. The Company's counterparty risk in an OTC derivative transaction may not exceed 10% of the net assets of each Sub-Fund when the counterparty is a credit institution referred to in point 1 (g) of Section A "Eligible Investments" in "Part III: Additional information" of the Company's prospectus, Chapter III.



- “Investment restrictions”, or 5% of the net assets of the relevant Sub-Fund in other cases.
- 3.
- a. The total value of transferable securities and money market instruments of each issuer in which more than 5% of the net assets of a given Sub-Fund is invested may not exceed 40% of the value of these net assets; this restriction does not apply to deposits with credit institutions subject to prudential supervision and to OTC derivative transactions with these institutions;
  - b. Notwithstanding the individual limits laid down in points 1 and 2 above, the Company may not combine:
    - i. investments in transferable securities or money market instruments issued by a single entity,
    - ii. deposits made with a single entity, and/or
    - iii. risks arising from OTC derivative transactions undertaken with a single entity,that amount to more than 20% of the net assets of each Sub-Fund.
  - c. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local public authorities, by a non-member State or by an international public body to which one or more Member States belong.
  - d. The limit of 10% laid down in point 1 (a) above may be increased to a maximum of 25% for certain bonds if they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bondholders. In particular, the proceeds resulting from the issue of these bonds must be invested, in accordance with the Law, in assets which, during the entire validity of the bonds, sufficiently cover the liabilities arising there from and that in the event of the issuer's default are assigned with priority to the repayment of capital and the payment of accrued interest. Where the Company invests more than 5% of the net assets of a Sub-Fund in the bonds referred to in this paragraph and issued by a single issuer, the total value of said investments may not exceed 80% of the value of the net assets of the relevant Company Sub-Fund.
  - e. The transferable securities and money market instruments covered by point 3 (c) and (d) above are not taken into account in the 40% limit mentioned in point 3 (a);
  - f. The limits stipulated in points 1, 2 and 3 (a), (b), (c) and (d) above may not be combined; consequently, investments in transferable securities or money market instruments issued by a single entity, in deposits or derivative instruments with this entity in compliance with points 1, 2 and 3 (a), (b), (c) and (d) above may not in aggregate exceed 35% of the net assets of the relevant Company Sub-Fund.
4. Companies grouped for the purpose of consolidating their accounts, within the meaning of Directive 83/349/EEC of 13 June 1983 or in accordance with recognised international accounting rules, are treated as a single entity when calculating the limits specified above.
5. The Company is authorised for each of its Sub-Funds to make cumulative investments in transferable securities and money market instruments within the same group up to a limit of 20% of its net assets.
- 6.
- a. By derogation to the above limits, and without prejudice to the limits laid down in point 9 below, the limits set out in points 1 to 5 above are raised to a maximum of 20% for investments in equities and/or bonds issued by a single entity when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain equity or bond index which is recognised by the CSSF on the following basis:
    - i. the composition of the index is sufficiently diversified;
    - ii. the index constitutes a representative benchmark of the market to which it refers;
    - iii. it is published in an appropriate manner.
  - b. The limit set out above is raised to 35% when it proves to be justified by exceptional market conditions, particularly in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
7. **as an exception to the limits set out in points 1 to 5 above, the Company is authorised to invest, following the principle of risk diversification, up to 100% of the net assets of each Sub-Fund in transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or the Organisation for Economic Cooperation and Development (OECD), by local public authorities of a Member State of the European Union, or by international public bodies to which one or more Member States of the European Union belong, provided that the transferable securities and money market instruments foreseen hereunder are comprised of at least six different issues and that the transferable securities and money market instruments of any such single issue do not exceed 30% of the net assets of the relevant Sub-Fund.**
- 8.
- a. The Company may, for each Sub-Fund, acquire the units of UCITS and/or other UCIs referred to in Section A “Eligible Investments” in “Part III: Additional information” of the Company's prospectus, Chapter III. Investment restrictions, point 1 (f), provided that no more than 20% of its net assets are invested in a single UCITS or other UCI. For the purposes of applying this investment limit, each Sub-Fund of a UCI with multiple Sub-Funds is to be regarded as a separate issuer, provided that the principle of segregation of the liabilities of the different Sub-Funds in relation to third parties is ensured.
  - b. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of each Sub-Fund. Where the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in points 1, 2, 3, 4 and 5 above.
  - c. Where the Company invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked through common management or control, or through a substantial direct or indirect holding, the said management company or other company may not charge subscription or redemption fees on the Company's investment in the units of such other UCITS and/or UCIs.
9. For all the Sub-Funds, the Company may not acquire:





- a. shares with voting rights that would enable it to exert a significant influence on the management of an issuer;
- b. moreover, the Company may not acquire more than:
  - i. 10% of the non-voting shares of a single issuer;
  - ii. 10% of the bonds of a single issuer;
  - iii. 25% of the units of a single UCITS and/or other UCI;
  - iv. 10% of the money market instruments of any single issuer.  
The limits laid down above in bullets ( ii, iii, iv) may be disregarded at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The restrictions set out under letters a and b above do not apply to:

- i. transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local public authorities;
  - ii. transferable securities and money market instruments issued or guaranteed by a State that is not a member of the European Union;
  - iii. transferable securities and money market instruments issued by international public bodies of which one or more Member States of the European Union are members;
  - iv. shares held by the Company in the capital of a company of a non-member State of the European Union that primarily invests its assets in the securities of issuers of that State where, under the legislation of that State, such an investment constitutes the only way in which the Company can invest in the securities of issuers of that state. This derogation only applies, however, on condition that the investment policy of the company of the non-member of the European Union complies with the limits laid down in the provisions contained in Section B, with the exception of points 6 and 7. Should the limits set out in Section B be exceeded, with the exception of the limits set out in points 6, 7 and 9, Article 49 of the Law of 17 December 2010 will apply by analogy;
  - v. shares held by one or more investment companies in the capital of subsidiary companies carrying out, exclusively on their behalf, management, advisory and marketing activities in the country in which the subsidiary is located, in regard to the redemption of units at unitholders' request.
10. Regarding derivative transactions, the Company will comply with the limits and restrictions set out in "Part III: Additional information" of the Company's prospectus under Chapter IV "Techniques and instruments" hereafter.
- The Company need not comply with the investment limits set out above when exercising subscription rights attached to transferable securities or money market instruments which form part of the assets of its Sub-Funds.
- If the limits are exceeded for reasons beyond the Company's control or as a result of the exercise of subscription rights, the Company must, through its sales

transactions, have as its priority objective the regularisation of that situation, bearing shareholders' interests in mind.

Insofar as an issuer is a legal entity with multiple Sub-Funds in which the assets of a Sub-Fund are exclusively liable for the rights of investors in relation to this Sub-Fund and for those of creditors whose financial claim arises from the creation, operation or liquidation of this Sub-Fund, each Sub-Fund is to be considered as a separate issuing entity for the purposes of the application of the rules of risk spreading specified in this title B, with the exception of points 7 and 9.

**The above investment limits generally apply insofar as the Sub-Fund factsheets do not stipulate more stringent rules.**

In case more stringent rules are stipulated, these rules are not required to be adhered to in the last one month before the liquidation or merger of the Sub-Fund.

### **C. Borrowings, loans and guarantees**

1. The Company is not authorised to borrow. As an exception, the Company may borrow up to 10% of its net assets provided that such borrowings are of a temporary nature.
2. However, the Company may acquire foreign currency by means of a back-to-back loan for each Sub-Fund.
3. The Company may not enter into short sales of transferable securities, money market instruments or other financial instruments mentioned in "Part III: Additional information" of the Company's prospectus under Chapter III. Investment restrictions, Section A "Eligible Investments" point 1 (f), (g) and (h).
4. The Company may not grant credit or provide guarantees to third parties. This restriction will not prevent the relevant undertakings from acquiring transferable securities, money market instruments or other financial instruments as referred to in "Part III: Additional information" of the Company's prospectus under Chapter III "Investment restrictions", Section A "Eligible Investments" point 1 (f), (h) and (i) and which are not fully paid up.

## **IV. Techniques and instruments**

### **A. General provisions**

1. For the purpose of efficient portfolio management and/or to protect their assets and commitments, the Company, the Management Company or the Investment Manager, as the case may be, may arrange for the Sub-Funds to make use of techniques and instruments relating to transferable securities and money market instruments.
  - a. In the case of investments in financial derivatives, the overall risk for the underlying instruments may not exceed the investment limits set forth under the section entitled "Investment Limits" above. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth in the points 1, 2, 3, 4 and 5 in "Part III: Additional information" of the Company's Prospectus, the Chapter III "Investment restrictions", section B "Investment Limits".
  - b. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the rules set forth under this section.

The risks are calculated taking into account guidelines provided in the Law of 17 December 2010, and related regulations or circulars issued by the CSSF.

As for the global exposure relating to financial derivative instruments, it may be calculated through the Value at Risk ("VaR") methodology or the commitment approach.

2. The Management Company will calculate the global exposure of each Sub-Fund in accordance with the relevant laws and regulations. The Management Company will use for each Sub-Fund either the commitment approach, the relative Value-at-Risk approach or the absolute Value-at-Risk approach. For those Sub-Funds for which either the relative Value-at-Risk approach or the absolute Value-at-Risk approach is used the expected level of leverage is outlined below. For those Sub-Funds for which the relative Value-at-Risk approach is used, the respective reference portfolio is additionally outlined below.

The expected maximum level of leverage is expressed as the ratio between the market risk exposure of the Sub-Fund's positions and its net asset value. The ratio is expressed as a percentage calculated in accordance with the commitment method ("net approach") and the sum of notional method ("gross approach"). While the net approach takes into account netting and hedging arrangements, the gross approach does not take into account such arrangements, hence triggering results that are generally higher and not necessarily representative from an economic exposure point of view. Irrespective of

the approach used, the expected maximum level of leverage is an indicator and not a regulatory limit. A Sub-Fund's level of leverage may be higher than the expected maximum level as long as it remains in line with its risk profile and complies with its VaR limit. Depending on market movements, the expected maximum level of leverage may vary over time. In case no derivatives positions are included in the portfolio, the base value for the leverage is "1" (i.e. 100%).

The expected maximum leverage is a measure which aims to approximate the impact of the use of derivatives instruments on the overall market risk of a given Sub-Fund. For a complete picture of the risk profile associated to each Sub-Fund, please refer to the risk profile section disclosed in each Sub-Fund's Factsheet..

3. Under no circumstances will the use of transactions with respect to derivative instruments or other techniques and financial instruments cause the Company, the Management Company or the Investment Manager, as the case may be, to deviate from the investment policy set forth for each Sub-Fund in this prospectus.

Sub-Funds Name (using the VaR approach)	VaR Approach	Expected level of leverage (Commitment)	Expected level of leverage (Sum of notionals)	Reference Portfolio
NN (L) Patrimonial Emerging Markets Debt Opportunities	Absolute Value at Risk	125%	300%	N/A
NN (L) Patrimonial Multi Asset 5	Absolute Value at Risk	125%	300%	N/A

## B. Securities lending transactions

The Company, the Management Company or the Investment Manager, as the case may be and with respect to the assets of each Sub-Fund, may engage in securities lending transactions (including securities lending, sale with the right of repurchase transactions or repurchase and reverse repurchase agreements) provided that these transactions comply with the regulations set forth in Circular 08/356 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments and Circular 14/592 regarding the transposition of ESMA's guidelines on ETF's and other UCITS issues issued by the Commission de Surveillance du Secteur Financier (the "CSSF"), as amended from time to time. In case the Company, the Management Company or the Investment Manager are entering into securities lending transactions it has to be ensured that at any time the full amount of cash or any security that has been lend out can be recalled and any securities lending agreement entered into can be terminated.

Securities lending transactions might have a positive or negative impact on the performance of each Sub-Fund. The use of securities lending transactions shall result in additional income for the respective Sub-Fund by obtaining the lending fee from the respective counterparty. However, the use of securities lending transactions also imposes certain risks on the respective Sub-Fund which might also result in losses for the Sub-Fund, i.e. in case of a default of the counterparty of the securities lending transaction.

All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs / fees, are returned to the participating Sub-Fund. The operational

costs / fees include the compensation made to the Management Company for performing the oversight of the program and Goldman Sachs International Bank acting as the securities lending agent. Goldman Sachs International Bank is neither related to the Management Company nor related to the Custodian.

Each Sub-Fund may lend the securities included in its portfolio to a borrower either directly or through a standardised lending system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transactions. In all cases, the counterparty to the securities lending agreement (i.e. the borrower) must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.

## C. Repurchase transactions (opérations à réméré)

The Company may participate in repurchase agreements (*opérations à réméré*) which consist of the purchase and sale of securities, whereby the clauses of the agreement entitle the seller to repurchase the securities sold from the buyer at a price and date agreed between the two parties upon the conclusion of the agreement.

The Company may act either as buyer or seller in repurchase transactions. Their participation in such transactions is, however, subject to the following rules:

1. The Company may only purchase or sell securities under a repurchase agreement if the counterparties in these transactions are first-rate financial institutions specialising in such transactions.

2. During the term of a repurchase agreement the Company may not sell the securities covered by the agreement before the counterparty has exercised its right to repurchase the securities or before the repurchase term has expired.
3. Where the Company is open to redemptions, it shall limit the number of repurchase agreements in which it participates in order to ensure it can meet its redemption obligations at all times.

The Company may engage in repurchase agreements on a regular basis.

#### **D. Use of collateral**

In order to reduce counterparty risk faced by the Company's Sub-Funds, a guarantee ("collateral") system may be put in place for certain assets with the counterparty. The Company must proceed on a daily basis to the valuation of the guarantee received. The guarantee must normally take the form of:

1. liquid assets which include not only cash and short term bank certificates, but also money market instruments;
2. bonds issued or guaranteed by a highly rated country;
3. bonds issued or guaranteed by first class issuers offering an adequate liquidity, or
4. shares admitted to or dealt in on a regulated market of a highly rated country, on the condition that these shares are included in a main index.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realise the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

The Company will ensure that the following conditions are met:

1. assets offered as collateral will be at the market price. In order to minimize the risk of having the value of the collateral held by a Sub-Fund being less than the exposure to the counterparty, a prudent haircut policy is applied taking into account all relevant factors, including without limitation, the credit quality, liquidity and duration of the collateral. This haircut policy applies both to collateral received in the course of (i) OTC derivatives and (ii) securities lending and repurchase transactions;
2. Collateral required under OTC derivative transactions and efficient portfolio management techniques must be sufficiently liquid (e.g. first-class government bonds or cash) so that it can be sold quickly at a price that is close to its pre-sale valuation;
3. assets offered as collateral will be kept by a third-party custodian (i.e. a legal entity distinct from the counterparty or entity granting the collateral) that is legally protected from the consequences of the default of an associated party;
4. assets offered as collateral may be wholly mobilised by the Company at any time.

Cash received as Collateral may be reinvested in compliance with the diversification rules specified in "Part III: Additional

information" of the Company's prospectus under, Chapter III "Investment restrictions", exclusively in eligible risk free assets.

The Management Company has implemented a conservative haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset and intends to absorb the volatility in the collateral value between two margin calls or during the required time to liquidate the collateral. It embeds a liquidity element in terms of remaining time to maturity and a credit quality element in terms of the rating of the security. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and potential currency mismatches. Haircuts applied to cash typically range from 1 – 10%, haircuts applied to high-quality government bonds from 1 – 15%, haircuts applied to corporate bonds from 1-15% and haircuts applied to equities from 20 – 25%. In exceptional market conditions a different level of haircut may be applied. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is intended that any collateral received shall have a value, adjusted in the light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

## **V. Management of the Company**

### **A. Designation of a management company**

The Company has appointed NN Investment Partners Luxembourg S.A. to act as its Management Company according to the Law of 17 December 2010 which responsibilities include, but are not limited to, the day to day operations of the Company and collective portfolio management of the assets of the Company.

The Management Company has been incorporated in the form of a public limited company (société anonyme) in compliance with the Law of 10 August 1915 on commercial companies. The Management Company was established for an indefinite period by deed dated 4 February 2004 and published in the Mémorial C on 25 February 2004. Its registered office is situated at 3, rue Jean Piret, L-2350 Luxembourg. The Management Company was registered under number B 98 977 in the Trade and Companies Register of the District Court of Luxembourg. As at 31 December 2011 its subscribed capital amounted to EUR 6,500,000 with all shares being fully paid up.

The Board of Directors of the Management Company is composed as follows:

- **Mr Marten Nijkamp**  
Chairman  
*Head of Business Strategy*  
NN Investment Partners (the "Group")  
65 Schenkade, The Hague 2595 AS, The Netherlands
- **Mr Erno Berkhout**  
*Head of Finance*  
NN Investment Partners Luxembourg S.A.  
3, rue Jean Piret – L2350 Luxembourg
- **Mrs Corine Gerardy**  
*Chief Operating Officer*  
NN Investment Partners Luxembourg S.A.  
3, rue Jean Piret – L2350 Luxembourg
- **Mr Georges Wolff**  
*Country Manager*  
NN Investment Partners Luxembourg S.A.  
3, rue Jean Piret – L2350 Luxembourg
- **Mr Marc Vink**  
*Head of Legal & Compliance*  
NN Investment Partners (the "Group")  
65 Schenkade, The Hague 2595 AS, The Netherlands

The Board of Directors of the Management Company has appointed the following persons as conducting officers:

- **Mrs Corine Gerardy**  
*Chief Operating Officer*  
NN Investment Partners Luxembourg S.A.  
3, rue Jean Piret – L2350 Luxembourg
- **Mr Georges Wolff**  
*Country Manager*  
NN Investment Partners Luxembourg S.A.  
3, rue Jean Piret – L2350 Luxembourg

The corporate object of the Management Company is the collective portfolio management of Luxembourg and/or foreign UCITS approved in accordance with Directive 2009/65/EC, as amended, as well as other Luxembourg or foreign UCIs which do not fall within the scope of this directive, with the management of its own assets remaining an ancillary activity. The activities of collective portfolio management of UCITS and UCIs include in particular:

1. Portfolio management: in this respect, the Management Company may, on behalf of the UCITS and/or other UCIs under management, provide advice and recommendations regarding the investments to be made, enter into contracts, purchase, sell, exchange and deliver any transferable securities and any other assets, and may exercise the voting rights attached to the transferable securities constituting the assets of such UCITS and/or other UCIs on their behalf. This list is not exhaustive but rather indicative. In the context of exercising voting rights, the Management Company has adopted a voting policy which can be obtained free of charge upon request at the registered office of the Management Company or which can be consulted on the following website:  
[https://api.nnip.com/DocumentsApi/v1/downloads/RWS\\_P180008/download](https://api.nnip.com/DocumentsApi/v1/downloads/RWS_P180008/download)
2. Central administration of UCITS and UCIs: this consists in carrying out the tasks listed in annex II of the Law of 17 December 2010 on undertakings for collective investment, in particular, valuating the portfolio and determining the value of shares and/or units of UCITS and UCIs, the issue and redemption of shares and/or units of UCITS and UCIs, maintaining the register of UCITS and UCIs and keeping records of transactions. This list is not exhaustive but rather indicative.
3. Marketing shares/units of UCITS and UCIs in Luxembourg or abroad.

The Management Company is currently managing the following common fund (FCP):

- NN (L) Institutional.

In addition, the Management Company is also currently managing investment companies with variable share capital (SICAV).

In compliance with the legislation and regulations currently in force and with the approval of the Board of Directors of the Company, the Management Company is authorised to delegate all or part of its duties to other companies that it deems appropriate, on condition that NN Investment Partners Luxembourg S.A. remains responsible for the acts and omissions of these delegates as regards the tasks entrusted to it, as if these acts and omissions had been carried out by the Management Company itself. The present prospectus will be updated in the event of any such delegation. In the event of special delegation that is not specified in "Part III: Additional

information" of the prospectus, the respective Sub-Funds' factsheets will make specific reference to it.

## **B. Management fee/ fixed service fee**

1. In accordance with the terms and conditions of the nomination of the Management Company by the Company, the latter will pay the Management Company an annual management fee calculated on the average net assets of the Sub-Fund, as described in the factsheet relating to each Sub-Fund. This fee is payable monthly in arrears.
2. As set out above in "Part I: Essential information regarding the Company" of the Company's Prospectus under Chapter IV "Fees, expenses and taxation", Section A "Fees Payable by the Company", a fixed service fee structure has been put in place.

## **VI. (Sub-) Investment- Managers**

For the purpose of efficiency, the Management Company may delegate, at its own expense, while still retaining responsibility, control and coordination, the portfolio management activities of the different Company Sub-Funds' to third parties ("Investment Manager").

The role of an Investment Manager is to pursue the investment policy of the Sub-Funds in accordance with the respective Sub-Funds' investment objective and policy, to manage the day-to-day business of the portfolio (under the supervision, control and responsibility of the Management Company) and to provide other related services. Investment Managers are at all times subject to the investment objective and policy set out in the Prospectus for each Sub-Fund, the investment restrictions, the Company's Articles of Incorporation and any other applicable legal restrictions.

An Investment Manager has full investment discretion over the assets of a Sub-Fund. An Investment Manager may use and select brokers of its own choice to settle transactions and may, at its own expense and responsibility, consult or delegate duties to third parties. In principle, an Investment Manager bears all expenses it incurs in connection with the services it provides for a Sub-Fund.

In case portfolio management activities of a Sub-Fund are delegated or the Investment Manager has delegated his duties to one or more Sub-Investment Manager(s), the name(s) of the respective (Sub-) Investment Managers are indicated in the respective Sub-Fund's factsheet. The full name of the (Sub-) Investment Managers are listed in "Part I: Essential Information regarding the Company" of the Company's Prospectus.

## **VII. Custodian, Paying Agent, Registrar and Transfer Agent and Central Administrative Agent**

### **A. Custodian and Paying Agent**

Brown Brothers Harriman (Luxembourg) S.C.A. is a credit institution incorporated on 9 February 1989 for an unlimited duration in the form of a company limited by shares (société en commandite par actions), whose registered office is located at 2-8 avenue Charles de Gaulle, L-1653 Luxembourg.

Pursuant to the custodian agreement, Brown Brothers Harriman (Luxembourg) S.C.A. will receive a fee payable by each of the Company Sub-Funds as indicated in "Part I: Essential information regarding the Company" of the Company's Prospectus, Chapter IV "Fees, expenses and taxation" Section A "Fees payable by the Company".

As the custodian, Brown Brothers Harriman (Luxembourg) S.C.A. fulfils the customary obligations and duties regarding the deposit of cash, transferable securities and other Company assets. It also performs the tasks provided for in Article 33 of the Law of 17 December 2010 on undertakings for collective investment. The custodian may, under its

own responsibility, entrust all or part of the assets held on deposit to other banking institutions or financial intermediaries.

In particular, the custodian must ensure that:

1. the sale, issue, redemption and cancellation of shares effected by or on behalf of the Company are executed in compliance with the law and with its Articles of Association;
2. in transactions involving the Company's assets, the proceeds are remitted within the customary deadlines, and;
3. Company profits are allocated in accordance with the Articles of Association.

All assets and cash belonging to the Company are entrusted to the custodian.

In accordance with normal banking practice, the custodian may, under its responsibility, entrust part of the Company's assets to correspondents.

Any actions relating to the sale of the Company's assets will be performed by the custodian on the instructions of the Company.

As main Paying Agent, Brown Brothers Harriman (Luxembourg) S.C.A., is responsible for the distribution of income and dividends to the shareholders.

The investor acknowledges and agrees that its data will be shared on a cross-border basis and among various entities within Brown Brothers Harriman & Co. group for them to perform the required services. The investor's consent to process its data on a cross-border basis may include the processing of data to entities situated in countries outside of the European Economic Area which may not have the same data protection laws as the Grand Duchy of Luxembourg. The process of data to the aforementioned entities may transit via and/ or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area.

#### **B. Registrar and Transfer Agent**

Brown Brothers Harriman (Luxembourg) S.C.A., as registrar and transfer agent of the Company, is, in particular, responsible for the processing of the issue and sale of Company shares, maintaining the register of shareholders and the transfer of the Company's shares to shareholders, agents and third parties.

#### **C. Central Administrative Agent**

The Company has appointed the Management Company as its Central Administration Agent. In this capacity the Management Company is responsible for all administrative duties required by Luxembourg law, in particular for the registration of the Company, for the preparation of documentation, for drawing up distribution notifications, for processing and dispatching the Prospectus and the Key Investor Information Document, for preparing financial statements and other investor relations documents, for liaising with the administrative authorities, the investors and all other relevant parties. The responsibilities of the Management Company in that regard also include bookkeeping and calculation of the Net Asset Value of the Company's Shares, the processing of applications for subscription, redemption and conversion of Shares, accepting payments, the safekeeping of the Company's register of shareholders, and preparation and supervision of the mailing of statements, reports, notices and other documents to Shareholders.

In addition to its function as Custodian of the Company, the Management Company has outsourced to Brown Brothers Harriman (Luxembourg) S.C.A. also substantial functions of

central administration and other duties, particularly fund accounting, the calculation of the Net Asset Value as well as the subsequent monitoring of investment limits and restrictions.

#### **VIII. Distributors**

The Company may enter into agreements with Distributors to market and place Shares of each of the Sub-Fund's in different countries worldwide, with the exception of such countries where such activity is prohibited.

The Company and the Distributors will ensure that they fulfil all obligations imposed on them by laws, regulations and directives on combating money laundering and take steps, to the extent possible, that these obligations are adhered to.

#### **IX. Immobilised Bearer Shares Depository**

Banque Internationale à Luxembourg S.A. is a credit institution in the form of a société anonyme, whose registered office is located at 69, route d'Esch, L-2953 Luxembourg.

Pursuant to a depositary agreement entered into between the Company and Banque Internationale à Luxembourg S.A. for an unlimited duration, Banque Internationale à Luxembourg S.A. has been appointed as the depository for the Immobilised Bearer Shares of the Company. In particular, Banque Internationale à Luxembourg S.A. shall be in charge, inter alia, of the following:

- holding the deposited bearer shares on behalf of the shareholders;
- upon the request of the shareholders, issuing certificates evidencing the deposit of its Shares;
- keeping safely, maintaining and updating the register of the Immobilised Bearer Shares as further described in Chapter X "Shares" of this Part III "Additional Information".

Pursuant to such agreement, Banque Internationale à Luxembourg S.A. shall receive a fee as indicated in Part I, Chapter IV "Fees, expenses and taxation", Section A "Fees payable by the Company".

The appointment of Banque Internationale à Luxembourg S.A. as Immobilised Bearer Shares Depository was published in the Mémorial N. 363 on 11 February 2015.

#### **X. Shares**

The share capital of the Company is at all times equal to the assets represented by the outstanding shares of the different Company Sub-Funds.

Any natural person or legal entity may acquire Company shares in accordance with the provisions set forth in "Part I: Essential information regarding the Company" of the Company's prospectus, Chapter III "Subscriptions, redemptions and conversions".

The shares are issued without nominal value and must be fully paid up upon subscription. When new shares are issued, existing shareholders do not benefit from any preferential subscription rights.

The Board of Directors of the Company may issue one or more share classes for each Sub-Fund. These may be reserved for a particular group of investors, e.g. investors from a specific country or region or institutional investors.

The Share-Classes may differ from another one with regard to their cost structure, the initial investment amount, the reference currency in which the Net Asset Value is expressed or any other feature in accordance with the provisions of "Part II: Sub-Funds Factsheets", Chapter Share Classes. The Board of Directors of the Company may impose initial investment obligations with regard to investments in a certain Share-Class, a specific Sub-Fund or in the Company.

Other classes may be created by the Board of Directors of the Company which decides on their names and features. These other

classes are specified in each of the Sub-Fund factsheets containing these classes.

Reference currency is the reference currency of a Sub-Fund (or a share class thereof, if applicable) which, however does not necessarily correspond to the currency in which the Sub-Fund's net assets are invested at any point in time. Where currency is used in the name of the Sub-Fund, this merely refers to the reference currency of the Sub-Fund and does not indicate a currency bias within the portfolio. Individual share classes may have different currency denominations which denote the currency in which the Net Asset Value per share is expressed. These differ from Hedged Share Classes.

Whenever dividends on distribution shares are distributed, the portion of net assets of the share class to be allocated to distribution shares will subsequently be reduced by an amount equal to the amounts of the dividends distributed, thus leading to a decrease in the percentage of net assets allocated to distribution shares, whereas the portion of the net assets allocated to capitalisation shares will remain the same.

Any payment of dividends results in an increase in the ratio between the value of capitalisation shares and the value of distribution shares of the share class and Sub-Fund concerned. This ratio is known as parity.

Within a single Sub-Fund, all the shares have equal rights with regard to dividends as well as liquidation and redemption proceeds (subject to the respective rights of distribution and capitalisation shares, taking the parity at the time into account).

The Company may decide to issue fractional shares. These fractional shares do not confer any voting rights upon their holders, but do enable them to participate pro rata in the net assets of the Company. Only full shares, regardless of their value, carry a voting right.

The Company draws the Shareholders attention' to the fact that any Shareholder will only be able to fully exercise his shareholder's rights directly against the Company, notably the right to participate in the general meetings, if the investor is registered himself and in its own name in the Company's shareholder register. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the Shareholder to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

Shares will be issued in registered form. Shares for any Share-Class of the Company will no longer be issued in physical form. Shares may also be held and transferred through accounts maintained with clearing systems.

#### **A. Immobilisation of physical bearer shares**

In accordance with the Luxembourg law of 28 July 2014 relating to the immobilisation of bearer shares and units and the holding of the register of registered shares and of the register of immobilised bearer shares, as from 18 August 2014 physical bearer shares will only be issued by way of a registration in a share register held at the Immobilised Bearer Shares Depositary appointed for these purposes.

The Immobilised Bearer Shares Depositary maintains a register of Immobilised Bearer Shares containing:

- (i) the precise designation of every shareholder and an indication of the number of shares or coupons;
- (ii) the date of deposit; and
- (iii) the date of any share transfer or of the conversion into registered shares.

Every bearer shareholder has the right to solely inspect the information on the register that concerns such shareholder.

Ownership of bearer shares will be evidenced by the registration in the bearer share register. Upon written request by the Shareholder concerned, the Immobilised Bearer Shares Depositary will issue a certificate confirming the information registered for such Shareholder in the register of Immobilised Bearer Shares.

A transfer of ownership is valid vis-à-vis the Company and third parties by way of a transfer notice inscribed into the register of Immobilised Bearer Shares by the Immobilised Bearer Shares Depositary.

Rights attached to bearer shares may only be exercised in case of deposit of the bearer shares with the Immobilised Bearer Shares Depositary and in case of the registration in the bearer share register of the information referred to above.

Physical bearer shares existing prior to 18 August 2014 must be deposited with the Immobilised Bearer Shares Depositary at the latest on 18 February 2016, failing which they will be cancelled and the proceeds related to such cancellation will be deposited with the Caisse de Consignation.

The voting rights attached to physical bearer shares existing prior to 18 August 2014 that have not been deposited shall be automatically suspended until their deposit. The payment of dividends on such shares will be deferred until their deposit, without prejudice to statute of limitation and without interest on such distributions being due.

Bearer shares whose voting rights are suspended as described above will not be taken into account for the purposes of quorum and majority requirements at shareholder meetings. Holders of these bearer shares will not be admitted to such shareholder meetings.

## **XI. Net Asset Value**

The Net Asset Value of the shares of each share class for each Sub-Fund of the Company will be expressed in the currency decided upon by the Board of Directors of the Company. In principle, this Net Asset Value will be determined at least twice a month.

The Board of Directors of the Company will decide the Valuation Days and the methods used to publish the Net Asset Value, in accordance with the legislation in force.

The Company intends not to calculate the Net Asset Value of a Sub-Fund on days where a substantial part of the underlying assets of such Sub-Fund cannot be properly priced due to dealing restrictions or closure of one or several relevant markets. A list of non Valuation Days will be available from the Management Company on request,

1. The Company's assets include:

- a. all cash in hand or on deposit, including any interest accrued and outstanding;
- b. all bills and promissory notes receivable and receivables, including any outstanding proceeds of sales of securities;
- c. all securities, equities, bonds, term bills, preferred shares, options or subscription rights, warrants, money market instruments and any other investments and transferable securities held by the Company;
- d. all dividends and distributions payable to the Company either in cash or in the form of stocks and shares (the Company may, however, make adjustments to take account of any fluctuations in the market value of transferable securities caused by practices such as ex-dividend or ex-right trading);
- e. all interest accrued and to be received on any interest-bearing securities belonging to the Company, unless this interest is included in the principal amount of such securities;
- f. the Company's formation costs, to the extent that these have not yet been amortised;
- g. all other assets of whatever nature, including the proceeds of swap transactions and advance payments.



2. The Company's liabilities include:
- a. all borrowings, bills due and accounts payable;
  - b. all known liabilities, whether due or not, including all matured contractual liabilities payable either in cash or in the form of assets, including the amount of any dividends declared by the Company but not yet paid;
  - c. all provisions for capital gains tax and income tax up to the Valuation Day and any other provisions authorised or approved by the Board of Directors of the Company;
  - d. all of the Company's other liabilities regardless of their nature with the exception of those represented by shares of the Company. In order to determine the amount of such liabilities the Company will take into account all expenses payable by the Company which will include formation costs, fees payable to the management company, fees payable to Investment Managers or advisors, accountants, the custodian and correspondents, the central administrative agent, registrar, transfer agent and paying agents, distributors and permanent representatives based in the countries in which the Company is registered and any other agent employed by the Company, costs related to legal assistance and auditing services, promotion, printing, reporting and publishing expenses, including the cost of advertising, preparing and printing prospectuses, Key Investor Information Documents, explanatory memoranda, registration statements, annual and semi-annual reports, taxes or other levies, and all other operating expenses, including fees for buying and selling assets, interest, bank and brokerage charges, postage, telephone and telex charges, unless already covered under the Fixed Service Fee. The Company may calculate administrative fees and other expenses of a regular or recurring nature in advance on the basis of an estimated figure for one year or other periods and may fix, in advance, proportional fees for any such periods.
3. The value of assets will be determined as follows:
- a. any cash in hand or on deposit, lists of bills for discount, bills and sight bills, receivables, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received will be valued taking their full value into account, unless it is unlikely that such amount will be paid or received in full, in which case the value thereof will be determined by applying a discount that the Board of Directors of the Company deems appropriate in order to reflect the true value of the asset;
  - b. the valuation of Company assets will, for transferable securities and money market instruments or derivatives admitted to an official stock exchange or traded on any other regulated market, be based on the last available price on the principal market on which these securities, money market instruments or derivatives are traded, as provided by a recognised listing service approved by the Board of Directors of the Company. If such prices are not representative of the fair value, these securities, money market instruments or derivatives as well as other authorised assets will be valued on the basis of their foreseeable sale prices, as determined in good faith by the Board of Directors of the Company;
  - c. securities and money market instruments which are not listed or traded on any regulated market will be valued based on the last available price, unless such price is not representative of their true value; in this case, the valuation will be based on the foreseeable sale price of the security, as determined in good faith by the Board of Directors;
  - d. the amortised cost valuation method may be used for short-term transferable securities of certain Sub-Funds of the Company. This method involves valuing a security at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides a fair valuation, the value determined by amortised cost may sometimes be higher or lower than the price the Sub-Fund would receive if it were to sell the securities. For some short-term transferable securities, the return for a shareholder may differ somewhat from the return that could be obtained from a similar Sub-Fund which values its portfolio securities at their market value.
  - e. the value of investments in investment funds is calculated on the last available valuation. Generally, investments in investment funds will be valued in accordance with the methods laid down for such investment funds. These valuations are usually provided by the fund administrator or the agent in charge of valuations of this investment fund. To ensure consistency in the valuation of each Sub-Fund, if the time at which the valuation of an investment fund was calculated does not coincide with the Valuation Day of the Sub-Fund in question, and such valuation is determined to have changed substantially since its calculation, the Net Asset Value may be adjusted to reflect these changes as determined in good faith by the Board of Directors of the Company.
  - f. the valuation of swaps is based on their market value, which itself depends on various factors such as the level and volatility of the underlying indices, market interest rates or the residual duration of the swap. Any adjustments required as a result of issues and redemptions will be carried out by means of an increase or decrease in the swaps, traded at their market value.
  - g. the valuation of derivatives traded over-the-counter (OTC), such as futures, forwards or options not traded on a stock exchange or another regulated market, will be based on their net liquidation value determined in accordance with the policies established by the Board of Directors of the Company, in a manner consistently applied for each type of contract. The net liquidation value of a derivative position corresponds to the unrealised profit/loss with respect to the relevant position. This valuation is based on or controlled by the use of a model recognised and commonly practiced on the market.
  - h. the value of other assets will be determined prudently and in good faith by the Board of Directors of the Company in accordance with generally accepted valuation principles and procedures.
- The Board of Directors of the Company may, at its complete discretion, authorise an alternative valuation method to be used if it considers that such a valuation better reflects the fair value of any asset of the Company.
- The valuation of the Company's assets and liabilities expressed in foreign currencies will be converted into the reference currency of the Sub-Fund concerned, based on the last known exchange rate.
- All regulations will be interpreted and valuations carried out in accordance with generally accepted accounting principles.
- Adequate provisions will be established for each Sub-Fund for the expenses incurred by each Sub-Fund of the Company and any off-balance sheet liabilities shall be taken into account in accordance with fair and prudent criteria.

For each Sub-Fund and for each share class, the Net Asset Value per share will be determined in the calculation currency of the Net Asset Value of the relevant class, by a figure obtained by dividing, on the Valuation Day, the net assets of the Share Class concerned, comprising the assets of this share class less any liabilities attributable to it, by the number of shares issued and outstanding for the share class concerned.

If several Share-Classes are available for a Sub-Fund, the Net Asset Value per Share of a given Share-Class will at all times be equal to the amount obtained by dividing the portion of net assets attributable to this Share-Class by the total number of Shares of this Share-Class issued and outstanding.

Any share that is in the process of being redeemed pursuant to Chapter III "Subscriptions, redemptions and conversions" of "Part I: Essential information regarding the Company" of the Company's prospectus will be treated as an issued and existing share until the close of the Valuation Day applicable to the redemption of this share and until such time as the redemption is settled, it will be deemed a Company liability.

Any shares to be issued by the Company in accordance with subscription requests received shall be treated as being issued with effect from the close of the Valuation Day on which their issue price was determined, and this price will be treated as an amount payable to the Company until such time as it is received by the latter.

Insofar as possible, any purchases or sales of transferable securities contracted by the Company will be processed on the Valuation Day.

Transactions, including transactions in Kind, in or out of a Sub-Fund can create "dilution" of a Sub-Fund's assets because the price at which an investor subscribes or redeems Shares in a Sub-Fund may not entirely reflect the dealing and other costs that arise when the Investment Manager has to trade in securities to accommodate cash inflows and outflows. In order to mitigate this effect and enhance the protection of existing Shareholders, the mechanism known as "Swinging Single Pricing" ("SSP") may be applied at the discretion of the Board of Directors of the Company or the Management Company for each of the Sub-Funds of the Company. By applying the SSP mechanism, the Net Asset Value of the relevant Sub-Fund may be adjusted by an amount (the "Swing Factor") to compensate expected transaction costs resulting from the difference between capital inflows and outflows (the "Net Capital Flows"). In case of Net Capital Inflows, the Swing Factor may be added to the respective Sub-Fund's Net Asset Value to reflect subscriptions made whereas in case of Net Capital Outflows the Swing Factor may be deducted from the respective Sub-Fund's Net Asset Value to reflect redemptions requested. In both cases, the same Net Asset Value applies to all subscribing and redeeming investors on a particular date.

In principle, the Swing Factor will not exceed 1.50% of the respective Sub-Fund's Net Asset Value except for Sub-Funds investing in fixed income instruments which may apply a maximum Swing Factor of 3.00%.

Each Sub-Fund may apply a different Swing Factor subject to the maximum Swing Factor set out above and level of threshold. In case the Net Capital Flow exceeds a predefined percentage of a Sub-Fund's Net Asset Value (the "threshold") SSP will automatically be triggered. The level of thresholds, if and when applicable, will be decided on the basis of certain parameters which include, but are not limited to, the liquidity of the underlying market in which the respective Sub-Fund invests, the cash management of the respective Sub-Fund or the type of instruments that are used to manage Net Capital Inflows/Outflows. The Swing Factor is, amongst others, based on the estimated transaction costs of the financial instruments in

which the respective Sub-Fund may invest. The different levels of thresholds and Swing Factors are reviewed on a regular basis and may be adjusted. For an individual Sub-Fund an applicable threshold could mean SSP is not or rarely applied

The Company's net assets will be in principle equal to the sum of the net assets of all the Sub-Funds, where applicable converted into the Company's consolidation currency, on the basis of the last known exchange rates.

In the absence of bad faith, gross negligence or manifest error, any decision regarding the calculation of the Net Asset Value taken by the Board of Directors of the Company, or by any bank, company or other organisation appointed by the Board of Directors of the Company for the purpose of calculating the Net Asset Value, shall be final and bind the Company and present, former or future shareholders.

## **XII. Temporary Suspension of the calculation of the Net Asset Value and/or resulting suspension of dealing**

The Board of Directors of the Company is authorised to temporarily suspend the calculation of the Net Asset Value per share of one or several Sub-Funds and/or the issue, redemption and conversion of shares in the following cases:

1. in the event of the closure, during periods other than normal holidays, of a stock exchange or other regulated market that operates regularly, is recognised and open to the public and provides the listings for a significant portion of the assets of one or more Sub-Funds are closed, or in the event that transactions on such markets are suspended, subject to restrictions or impossible to execute in the required quantities;
2. where there is a breakdown in the methods of communication normally used to determine the value of investments of the Company or the current value on any investment exchange or when, for any reason whatsoever, the value of investments cannot be promptly and accurately ascertained;
3. where exchange or capital transfer restrictions prevent the execution of transactions on behalf of one or more Sub-Funds or where purchases and sales made on its behalf cannot be executed at normal exchange rates;
4. where factors relating inter alia to the political, economic, military or monetary situation, and which are beyond the control, responsibility and operational ability of the Company, prevent it from disposing of its assets and determining their Net Asset Value in a normal or reasonable way;
5. following any decision to dissolve one, several or all Sub-Funds of the Company;
6. where the market of a currency in which a significant portion of the assets of one or more Sub-Funds is expressed is closed for periods other than normal holidays, or where trading on such a market is either suspended or subject to restrictions;
7. to establish exchange parities in the context of a contribution of assets, split or any restructuring operation, within or by one or more Sub-Funds.
8. in case of a merger of a Sub-Fund with another Sub-Fund of the Company or of another UCITS or UCI (or a Sub-Fund thereof), provided such suspension is in the best interest of the Shareholders;
9. in case of a feeder Sub-Fund of the Company if the net asset calculation of the master Sub-Fund or the master UCITS is suspended.

Furthermore, in order to prevent Market Timing opportunities arising when a Net Asset Value is calculated on the basis of market prices which are no longer up-to-date, the Board of Directors of the





Company is authorised to temporarily suspend the issue, redemption and conversion of shares of one or several Sub-Funds.

In all the above cases, the requests received will be executed at the first Net Asset Value applicable upon the expiry of the suspension period.

In exceptional circumstances which may have an adverse effect on the interests of shareholders, in the event of large volumes of subscription, redemption or conversion requests or in the event of a lack of liquidity on the markets, the Board of Directors of the Company reserves the right to set the Net Asset Value of the Company shares only after carrying out the required purchases and sales of securities on behalf of the Company (for redemptions, "large volumes" shall mean that the total value of Shares in all redemption requests in one Valuation Day exceeds 10% of the total Net Asset Value of the Sub-Fund on the same Valuation Day). In this case, any subscriptions, redemptions and conversions simultaneously pending will be executed on the basis of a single Net Asset Value.

The temporary suspension of the calculation of the Net Asset Value and resulting suspension of dealing of one or more Sub-Funds will be announced by any appropriate means and more specifically by publication in the press, unless the Board of Directors of the Company feels that such a publication is not useful in view of the short duration of the suspension.

Such a suspension decision will be notified to any shareholders requesting the subscription, redemption or conversion of shares.

### **XIII. Periodic reports**

Annual reports, including accounting data, will be certified by the Independent Auditors. Annual and semi-annual reports will be made available to shareholders at the registered offices of the Company.

The annual reports will be published within four months of the end of the financial year.

Semi-annual reports will be published within two months of the end of the half year.

These periodic reports contain all the financial information relating to each of the Company Sub-Funds, the composition and evolution of their assets and the consolidated situation of all the Sub-Funds, expressed in Euro.

### **XIV. General meetings**

The annual general meeting of shareholders will be held in Luxembourg, either at the Company's registered office or at any other location in Luxembourg specified in the convening notice, at the fourth Thursday of January at 11.15 am CET each calendar year. In case this day is not a Business Day in Luxembourg the meeting will be held on the first following Business Day.

Other general meetings, for one or several Sub-Funds, may be held at the place and date specified in the convening notice.

Convening notices of ordinary and extraordinary general meetings will be communicated to the Shareholders as deemed appropriate by the Board of the Company. The convening notices will be published in countries in which the Shares are available to the public, provided such publication is legally required in these countries. In Luxembourg, in the case of ordinary meetings, the convening notices will be published in the *Mémorial* and in a Luxembourg daily newspaper and, in the case of extraordinary meetings, in the *Mémorial* and in a Luxembourg newspaper (first meeting) or in two Luxembourg newspapers (if the first meeting is not competent to pass resolutions). Letters will be sent to registered shareholders at

least eight days before the meeting, without having to prove that this formality has been fulfilled. When all the shares are registered shares, the meetings may be convened by registered letter alone.

Notices to attend any general meeting will contain the agenda.

In case a Sub-Fund of the Company invests in shares issued by one or several other Sub-Funds of the Company the voting rights attached to the relevant Shares are suspended for as long as they are held by the investing Sub-Fund without prejudice to the appropriate processing in the accounts and periodic reports.

The participation, quorum and majority required for any general meeting are those stipulated by Articles 67 and 67-1 of the Luxembourg Law of 10 August 1915 and in the Company's Articles.

The meeting may be held abroad if the Board of Directors of the Company considers that exceptional circumstances require it.

### **XV. Dividends**

The general meeting will set the amount of the dividend on the recommendation of the Board of Directors of the Company, within the framework of the legal limits and those of the Articles in this regard, it being understood that the Board of Directors of the Company may decide to distribute interim dividends.

It may be decided to distribute (1) realised capital gains and other income, (2) unrealised capital gains and (3) capital in accordance with Article 31 of the Law of 17 December 2010.

The payment of dividends to holders of Immobilised Bearer Shares shall be made to the Immobilised Bearer Shares Depository for the benefit of such shareholders. However, the payment of dividends related to physical bearer shares that have not been deposited shall be deferred until their deposit, without prejudice to statute of limitation and without interest on such distributions being due.

Under no circumstances distributions may be made if doing so would result in the net assets of all the Sub-Funds of the Company falling below EUR 1,250,000 which is the legally required minimum capital as specified in the Law of 17 December 2010. In accordance with the Law, the Board of Directors of the Company will determine the dates where the dividends will be paid and the manner in which their payment will be announced to shareholders.

Dividends not claimed within five years of the payment date shall be forfeited and will revert to the relevant Sub-Fund of the Company. No interest shall be paid on a dividend declared by the Company and kept by it at the disposal of its beneficiary.

### **XVI. Liquidations, mergers and contributions of Sub-Funds or share classes**

If the value of the assets of a Sub-Fund or any share class within a Sub-Fund has decreased to, or has not reached, an amount determined by the Board of Directors of the Company to be the minimum level needed for such a Sub-Fund or class to operate in an economically efficient manner, or in the event of a substantial change in the political, economic or monetary situation, or in the framework of an economic restructuring, the Board of Directors of the Company may decide to compulsory redeem all the shares of the relevant Sub-Fund or Share-Class at the Net Asset Value per share (taking into account the sale prices of investments and expenses relating thereto) calculated on the Valuation Day on which such decision takes effect. In any such event Shareholders will be notified by redemption notice in such newspapers determined by the Company's Board of Directors in accordance with Luxembourg Law and/ or in writing at least 15 days prior to compulsory redemption. Unless decided in the interest of, or in order to ensure equal treatment between Shareholders, the Shareholders of the Sub-Fund or the Share-Class or Classes concerned may continue to request the redemption or conversion of their Shares free of charge (but taking into account the costs of liquidation as well as the sale prices of investments and expenses relating thereto) prior the effective date of the compulsory redemption. The issue of Shares

will be suspended as soon as the decision is taken to liquidate a Sub-Fund or a Share-Class.

Notwithstanding the powers conferred on the Board of Directors of the Company by the preceding paragraph, the general meeting of shareholders of any one Share-class or all Shares-Classes issued in any Sub-Fund may, under all circumstances and upon proposal by the Board of Directors of the Company, redeem all the shares of the relevant class or classes issued in this Sub-Fund and refund to the shareholders the Net Asset Value of their shares (taking into account the sale prices of investments and expenses relating thereto) calculated on the Valuation Day on which such decision takes effect. 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.

Assets which could not be distributed to their beneficiaries due to, inter alia, non-availability of the shareholder at its registered address or incorrect bank details at the time of the redemption will be transferred to the Caisse de Consignation on behalf of the beneficiaries which will hold said sums at their disposal for the period contemplated by the law. After the expiry of this period, the balance will revert to the State of Luxembourg.

Under the same circumstances as specified in the first paragraph and subject to the provisions of the Law of 17 December 2010 as well as applicable Luxembourg regulations, the Board of Directors of the Company may decide to merge the assets of any Sub-Fund (the “merging Sub Fund”) (1) with another Sub-Fund within the Company or (2) with another undertaking for collective investment governed by the provisions of Council Directive 2009/65/EC, as amended, (the “receiving Sub-Fund”) and to re-designate the shares of the class or classes concerned as shares of the receiving Sub-Fund (following a split or consolidation, if necessary, and the payment of any amounts corresponding to fractional shares to shareholders). The Shareholders of the merging as well as the receiving Sub-Funds will be informed about the decision to merge as specified in the Law of 17 December 2010 and applicable Luxembourg regulations at least thirty days before the last date for requesting redemption, or as the case may be, conversion of Shares free of charge. Shareholders who have not requested the redemption of their shares will be legally transferred to the new Sub-Fund.

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.

## **XVII. Dissolution of the Company**

The Company may be dissolved by a decision taken at the general meeting ruling in the same manner as for the amendment of the Articles, as provided for under the law.

Any decision to dissolve the Company, together with the liquidation procedures, will be published in the *Mémorial* and in two newspapers with sufficiently wide distribution, at least one of which will be a Luxembourg daily newspaper.

As soon as the general meeting of shareholders has decided to dissolve the Company, the issue, redemption and conversion of shares will be prohibited, any such transactions being rendered void.

If the share capital falls to below two-thirds of the minimum capital required by law, a general meeting convened by the Board of Directors of the Company, which will propose the dissolution of the Company, will be held within forty days of this

fact coming to light. The meeting for which no quorum shall be required shall decide by simple majority of the votes of the shares represented.

If the share capital of the Company falls to below one fourth of the minimum capital, the Directors must propose the Company's dissolution to a general meeting within the same timeframe; in such an event the general meeting shall deliberate without any quorum requirement and the dissolution may be decided upon by the shareholders holding one-fourth of the votes of the shares represented at the meeting.

In the event of the dissolution of the Company, the liquidation shall be carried out by one or more liquidators, who may be natural persons or legal entities and who shall be appointed by the general meeting of shareholders. The latter will determine their powers and compensation.

The liquidation will take place in accordance with the Law of 17 December 2010 on undertakings for collective investment, specifying the distribution amongst the shareholders of the net liquidation proceeds after deduction of liquidation costs; the liquidation proceeds shall be distributed to shareholders in proportion to their rights, taking parities into due consideration.

On completion of the liquidation of the Company, the sums that have not been claimed by the shareholders will be paid into the Caisse des Consignations.

## **XVIII. Prevention of money laundering and the financing of terrorism**

Within the context of the fight against money laundering and the financing of terrorism, the Company and/or the Management Company will ensure that the relevant Luxembourg legislation is complied with and that the identification of subscribers will be carried out in Luxembourg in accordance with the regulations currently in force in the following cases:

1. in the event of direct subscription to the Company;
2. in the event of subscription through a financial sector professional residing in a country that is not subject to identification requirements equivalent to Luxembourg standards with regard to the fight against money laundering and the financing of terrorism;
3. in the event of subscription through a subsidiary or branch whose parent company is subject to identification requirements equivalent to those under Luxembourg law, if the law applicable to the parent company does not oblige it to ensure compliance with these provisions for its subsidiaries and branches.

Furthermore, the Company must identify the source of the funds in the event that the sources are financial establishments that are not subject to identification requirements equivalent to those required under Luxembourg law. Subscriptions may be temporarily blocked until the source of the funds has been identified.

It is generally accepted that financial sector professionals residing in countries that have adhered to the conclusions of the GAFI report (*Groupe d'Action Financière sur le blanchiment de capitaux* – Financial Action Task Force on Money Laundering) are deemed to have identification requirements equivalent to those required by Luxembourg law.

## **XIX. Conflicts of Interests**

The Management Company, the Investment Managers and any investment advisers, the custodian, the paying agent, the central administrative agent, the registrar and the transfer agent, together with their subsidiaries, directors, managers or shareholders (collectively the “Parties”) are, or may be, involved in other professional and financial activities that are liable to create a conflict of interests with the management and administration of the Company. This includes the management of other funds, the purchase and sale of securities, brokerage services, custody of securities and the fact of

acting as a director, manager, advisor or representative of other funds or companies in which the Company may invest.

Each Party respectively undertakes to ensure that the execution of their obligations vis-à-vis the Company is not compromised by such involvement. In the event that a conflict of interests becomes apparent, the Directors and the Party concerned undertake to resolve this in an equitable manner within a reasonable period of time and in the interests of the shareholders.

The Company applies the Conflicts of Interest Policy of the Management Company which is available for consultation on the website [www.nnip.com](http://www.nnip.com).

## **XX. Nominees**

If a Shareholder subscribes for Shares through a particular Distributor, the Distributor may open an account in its own name and have the Shares registered exclusively in its own name acting as Nominee or in the name of the investor. In case the Distributor acts as Nominee all subsequent applications for subscription, redemption or conversion and other instructions must then be made through the relevant Distributor. Certain Nominees may not offer their clients all the Sub-Funds or share classes or the option to make subscriptions or redemptions in all currencies. For more information on this, the clients concerned are invited to consult their Nominee.

Furthermore, the intervention of a Nominee is subject to compliance with the following conditions:

1. investors must have the possibility of investing directly in the Sub-Fund of their choice without using the Nominee as an intermediary;
2. contracts between the Nominee and investors must contain a termination clause that confers on the investor the right to claim, at any time, direct ownership of the securities subscribed through a Nominee.

It is understood that the conditions laid down in 1 and 2 above will not be applicable in the event that the use of the services of a Nominee is essential, and even mandatory, for legal, regulatory or restrictive practice reasons.

In the event that a Nominee is appointed, it must apply the procedures for fighting money laundering and the financing of terrorism as laid out in Chapter XVIII above.

Nominees are not authorised to delegate all or part of their duties and powers.

## **XXI. Stock Exchange Listing**

The Board of Directors of the Company may authorise the listing of Shares of any Sub-Fund of the Company on the Luxembourg Stock Exchange or on other exchanges for trading on organized markets. However, the Company is aware that – without its approval – Shares of Sub-Funds were being traded on certain markets at the time of the printing this Prospectus. It cannot be ruled out that such trading will be suspended in the short term or that Shares in Sub-Funds will be introduced to other markets or are already being traded there.

The market price of Shares traded on exchanges or on other markets is not determined exclusively by the value of the assets held by the Sub-Fund; the price is also determined by supply and demand. For this reason, the market price may deviate from the share price per Share determined for a Share-Class.



**NN investment  
partners**

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