



**NN (L)**

Société d'Investissement à Capital Variable  
80, route d'Esch, L-1470 Luxembourg  
R.C.S. n° B 44.873  
(the "Company")

**NOTICE TO SHAREHOLDERS**

The board of directors of the Company (the "Board of Directors") has decided the following amendments and clarifications to the Company's prospectus (the "Prospectus"), which will be dated 1<sup>st</sup> June 2019:

1. **To amend Part I "Essential information regarding the Company", chapter I. "Brief overview of the Company", section "Investment Managers" of the Prospectus in order to adjust it following the appointment of NN Investment Partners B.V. as management company and the sub-fund factsheets accordingly;**

2. **To amend the provision related to the offering and selling of the shares of the Company to US persons in the section "Note" of the Prospectus, as follows:**

*"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 "Securities 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 Securities Act and such state or other securities laws. The Shares of the Company may not be offered or sold to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act."*

3. **To amend the provisions within Part I "Essential information regarding the Company" of the Prospectus, chapter IV. "Fees, expenses and taxation", section A. "Fees payable by the Company" in order to update the paragraphs related to "Other Fees" as follows:**

*"1. Securities transactions are inherent to the execution of the investment objective and policy. Costs linked to these transactions including but not be limited to, broker commissions, registration costs and taxes, will be borne by the portfolio. Higher portfolio turnover may lead to higher costs borne by the portfolio, affecting the performance of the Sub-Fund. These costs of transactions are not part of the Sub-Fund's ongoing charges. In those cases where a high portfolio turnover ratio is inherent to the execution of the investment objective and policy of the Sub-Fund, such fact shall 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.*

*2. The Management Company and/or the Investment Manager(s) aim to unbundle the costs for financial research from other costs linked to transactions inherent to the execution of the investment objective and policy. In line with this and as a general rule, the costs for financial research are borne by the Investment Manager(s). Some Sub-Funds, however, are managed by third party Investment Manager(s) outside the European Union that are not in-scope for the purpose of MiFID II and will be subject to local laws and market practices governing financial research in the applicable jurisdiction of the relevant third party Investment Manager. The latter may have chosen or be required not to bear these costs and/or not allowed to pay (cash transactions) for research due to legal restrictions. This means that costs of financial research may continue to be met out of the assets of these Sub-Funds. When and where a third party manager of a Sub-Fund will indeed pay for the cost of research through the transactions of the Sub-Fund this shall be specifically mentioned in the factsheets of the relevant Sub-Funds. In those specific cases the Investment Manager(s) may receive compensation from the trading initiated by them on behalf of the Sub-Fund because of the business they do with the Counterparties (e.g., bank, broker, dealer, OTC counterparty, futures merchant, intermediary, etc.). Under certain circumstances and in line with the Management Company and/or Investment Managers' best execution policies, the Management Company and/or the Investment Manager(s) will be permitted to engage a Sub-Fund to pay higher transaction costs to a Counterparty comparing to another Counterparty because of the research they received. This can take the following forms: [...]*

*3. In an effort to optimise the performance of the Company and/or the relevant Sub-Funds, the Management Company may in certain circumstances pursue tax reclaim or relief opportunities that are not processed by the Depositary and that would otherwise be foregone. [...];*

4. **To amend, within Part II "Sub-Fund factsheets" of the Prospectus, section "Share-Classes" the definition of the "N" share-class as shown below. Shareholders' attention is drawn on the fact that some of them may no longer be eligible under that new definition. As a way of exception, these shareholders already invested in "N" share-class can remain in. However, after the updated wording becomes effective, the not authorized investors will be blocked for any further subscription.**

*"Ordinary Share-Class that does not pay any rebates and is intended for individual investors having their securities account in the Netherlands with a Dutch regulated financial institution. [...];"*

5. **To amend, within Part II "Sub-Fund factsheets" of the Prospectus, the delegation of the investment manager in the sub-funds "NN (L) Asia Income" and "NN (L) Greater China Equity" to replace "NN Investment Partners (Singapore) Ltd" by "Nomura Asset Management Taiwan Ltd";**

6. **To amend, within Part II "Sub-Fund factsheets" of the Prospectus, the delegation of the investment manager in the sub-fund "NN (L) Emerging Europe Equity" to replace "NN Investment Partners (Singapore) Ltd" by "NN Investment Partners Towarzystwo Funduszy Inwestycyjnych S.A.";**

7. **To amend, within Part II "Sub-Fund factsheets" of the Prospectus, the investment objective and policy of the sub-funds "NN (L) Emerging Markets Debt (Hard Currency)", "NN (L) Emerging Markets Debt Opportunities" and "NN (L) Frontier Markets Debt (Hard Currency)" in order to enlarge the investment possibility of the portfolio manager as follows:**

*"[...] The Sub-Fund may invest in [...] cash settled credit default swaps on loans up to a maximum of 10% of the Sub-Fund's net assets, [...];"*

8. **To amend, within Part II "Sub-Fund factsheets" of the Prospectus, the investment objective and policy of the sub-funds "NN (L) Energy", "NN (L) European Real Estate" and "NN (L) Information Technology" by adding the below provision:**

*“The Sub-Fund adopts an active management approach by taking overweight and underweight positions versus the index. Investors should be aware that the Sub-Fund’s investment universe is concentrated and, as a result, the Sub-Fund is concentrated. This will typically result in a comparable composition and return profile of the Sub-Fund and its index.”;*

9. **To amend, within Part II “Sub-Fund factsheets” of the Prospectus, the investment objective and policy of the sub-funds “NN (L) Euro Sustainable Credit”, “NN (L) Euro Sustainable Credit (excluding Financials)”, “NN (L) European Sustainable Equity”, “NN (L) Global Equity Impact Opportunities” and “NN (L) Global Sustainable Equity” in order to be more transparent on the sustainable strategy as follows:**

*NN (L) Euro Sustainable Credit:*

*“[...] To determine our eligible sustainable universe, companies are screened using exclusionary screening. These exclusion filters relate to both activities and behaviors. For example, no investments are made in companies that violate Global Compact principles such as human rights protection and environmental preservation. We also do not invest in companies that produce weapons or tobacco. [...]”;*

*NN (L) Euro Sustainable Credit (excluding Financials):*

*“[...] To determine our eligible sustainable universe, companies are screened using exclusionary screening. These exclusion filters relate to both activities and behaviors. For example, no investments are made in companies that violate Global Compact principles such as human rights protection and environmental preservation. We also do not invest in companies that produce weapons or tobacco. [...]”;*

*NN (L) European Sustainable Equity:*

*“The Sub-Fund essentially invests in a diversified portfolio comprised of equities and/or other Transferable Securities (warrants on Transferable Securities – up to a maximum of 10% of the net assets of the Sub-Fund – and convertible bonds) issued by selected companies. The selection process involves both traditional financial analysis and ESG (Environmental, Social and Governance) analysis. Exclusion filters are used for companies that are deemed to behave irresponsibly. These exclusion filters relate to both activities and behaviors. For example, no investments are made in companies that violate Global Compact principles such as human rights protection and environmental preservation. We also do not invest in companies that produce weapons or tobacco. In the selection process, the focus of the analysis is on companies that pursue a policy of sustainable development and that combine the respect of social principles and environmental principles with their focus on financial targets. The final selection of portfolio holdings is based on the companies that best fulfil the combination of these criteria, largely determined by a “best-in-class” approach. Within the Sub-Fund, we actively exercise voting rights and proactive engagement with companies in the portfolio. Measured over a period of several years this Sub-Fund aims to beat the performance of the index as listed in the Appendix II of the Company’s Prospectus.”;*

*NN (L) Global Equity Impact Opportunities:*

*“[...] The selection process involves impact assessment, traditional financial analysis and ESG (Environmental, Social and Governance) analysis. Exclusion filters are used for companies that are deemed to behave irresponsibly. These exclusion filters relate to both activities and behaviors. For example, no investments are made in companies that violate Global Compact principles such as human rights protection and environmental preservation. We also do not invest in companies that produce weapons or tobacco. [...]”;*

*NN (L) Global Sustainable Equity:*

*“The Sub-Fund invests predominantly in a diversified portfolio comprised of equities and/or other Transferable Securities (warrants on Transferable Securities – up to a maximum of 10% of the net assets of the Sub-Fund – and convertible bonds) issued by selected companies. The selection process involves both traditional financial analysis and ESG (Environmental, Social and Governance) analysis. Exclusion filters are used for companies that are deemed to behave irresponsibly. These exclusion filters relate to both activities and behaviors. For example, no investments are made in companies that violate Global Compact principles such as human rights protection and environmental preservation. We also do not invest in companies that produce weapons or tobacco. In the selection process, the focus of the analysis is on companies that pursue a policy of sustainable development and that combine the respect of social principles and environmental principles with their focus on financial targets. The final selection of portfolio holdings is based on the companies that best fulfil the combination of these criteria, largely determined by a “best-in-class” approach. Within the Sub-Fund, we actively exercise voting rights and proactive engagement with companies in the portfolio. Measured over a period of several years this Sub-Fund aims to beat the performance of the index as listed in the Appendix II of the Company’s Prospectus.”;*

10. **To decrease, within Part II “Sub-Fund factsheets” of the Prospectus, the maximum management fee of the share-class “I” of the sub-funds “NN (L) Global Convertible Income” from “0.72%” to “0.60%”;**
11. **To amend, within Part II “Sub-Fund factsheets” of the Prospectus, the respective investment objective and policy of the sub-funds “NN (L) Global High Yield” and “NN (L) US High Yield” in order to refer to “Rule 144A securities” as being part of main investments and not anymore as ancillary investment;**
12. **To amend, within Part II “Sub-Fund factsheets” of the Prospectus, the sub-funds of “NN (L) Japan Equity”, “NN (L) US Credit”, “NN (L) US Enhanced Core Concentrated Equity” and “NN (L) US Growth Equity” as regard information related to their investment manager as follows:**

*“This Sub-Fund has appointed an Investment Manager in a third-party country (i.e. outside the European Union) to perform portfolio management activities. This Investment Manager is not subject to MiFID II regulation but to the local laws and market practices governing the financing of external research in its own country. In this case costs of external research may be paid out of the assets of this Sub-Fund as described in the section “Other fees” of the Part I of the Prospectus. In line with the Investment Managers’ best execution policies, costs of external research borne by the funds shall, to the extent possible and in the best interests of shareholders, be limited to what is necessary for the management of the funds.”;*

13. **To amend, within Part II “Sub-Fund factsheets” of the Prospectus, (i) the denomination of the sub-fund “NN (L) Latin America Equity”, (ii) its investment objective and policy, (iii) its investment manager, (iv) the exposure of this sub-fund to TRS and SFT as well as (v) its Benchmark/Index name in Appendix II “Overview of Indices of the Company’s Sub-Funds – Table” as follows:**

(i) The sub-fund “NN (L) Latin America Equity” is renamed “NN (L) Emerging Markets Enhanced Index Sustainable Equity”;

(ii) The two first paragraphs of the investment objective and policy are replaced, a new provision on China A Shares and on active management are added and the aim of derivatives’ use is adjusted as follows:

*“The Sub-Fund aims for a risk and return profile in line with that of the Index (MSCI Emerging Markets (NR)) as listed in the Appendix II of the Company’s Prospectus by investing in equities of companies included in this Index. The Sub-Fund invests predominantly in a diversified portfolio comprised of equities and/or other Transferable Securities (including preference shares) issued by companies that are either established, listed or traded in any emerging country in Latin America (including the Caribbean), Asia (excluding Japan), Eastern Europe, the Middle East and Africa, or have a substantial portion of their revenues or profits coming from emerging markets. In addition, these companies pursue a policy of sustainable development and that combine the respect of social principles (such as human rights, non-discrimination, the fight against child labour) and environmental principles with their focus on financial targets. The selection of portfolio holdings is based on the companies that best fulfil the combination of these criteria, largely determined by a “best-in-class” approach.*

*Due to the exclusion of the shares of companies that do not qualify as a result of the sustainability policy, it is likely that there is a difference between the composition of the Sub-fund’s portfolio and the composition of the Index resulting in a risk-return profile deviating from the Index. The Investment Manager uses an optimisation methodology to construct the portfolio with an aim to achieve a risk and return profile in line with that of the Index. [...]*

*The Sub-Fund may invest up to 20% of its net assets in China A Shares issued by companies incorporated in the PRC via Stock Connect. The Sub-Fund may therefore be subject to PRC risks, including but not limited to, geographical concentration risk, risk of change in PRC political, social or economic policy, liquidity and volatility risk, RMB currency risk and risks relating to PRC taxation. The Sub-Fund is also subject to specific risks applicable to investing via Stock Connect such as quota limitations, suspension in trading, price fluctuations in China A-Shares when in particular Stock Connect is not trading but PRC market is open, and operational risk. Stock Connect is relatively new, hence some regulations are untested and subject to change, which may adversely affect the Sub-Fund. The risks associated to investments in A-Shares are detailed in Part III “Additional information”, Chapter II: “Risks linked to the investment universe: detailed description”.*

*With a view of efficient portfolio management, 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 futures, options and swaps*
- *performance swaps*
- *forward currency contracts and currency options. [...]*

*The Sub-Fund adopts an active management approach by taking overweight and underweight positions versus the index. Investors should be aware that since the Sub-Fund invests in a specific theme, its investment universe is more concentrated than investments in various themes. As a result, the Sub-Fund is concentrated. This will typically result in a comparable composition and risk and return profile of the Sub-Fund and its index.;*

(iii) The delegation of the Investment Manager is amended as follows:

New Investment Manager:

Irish Life Investment Managers Limited;

(iv) No exposure to TRS and SFT are provided for this sub-fund;

(v) The Benchmark/Index name changed from “MSCI Emerging Markets Latin America 10/40 (NR)” to “MSCI Emerging Markets (NR)”;

14. **To amend, within Part II “Sub-Fund factsheets” of the Prospectus, the sub-fund “NN (L) Latin America Equity” by (i) removing the section “Securities lending and repurchase agreements (operations à réméré)”, (ii) updating the section “Risk profile of the Sub-Fund” and (iii) adding the section “Warning” as follows:**

*“Risk profile of the Sub-Fund*

*The overall market risk associated with the equities and other 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. The Sub-Fund’s liquidity risk is set to high. Liquidity risks may arise when a specific underlying investment is difficult to sell. Moreover, currency fluctuation may impact highly the Sub-Fund’s performance. Investments in a specific theme are more concentrated than investments in various themes. No guarantee is provided as to the recovery of the initial investment. The risk associated with the financial derivative instruments is detailed in Part III “Additional information”, Chapter II: “Risks linked to the investment universe: detailed description”.”;*

*“Warning*

*Investors’ attention is drawn to the fact that an investment in the Shares of this Sub-Fund involves a higher level of risk than that generally found on the majority of markets in Western Europe, North America or other developed countries.*

*These risks include:*

- *political risk: i.e. the instability and volatility of the political environment and situation;*
- *economic risk: i.e. high inflation rates, risks linked to investments in recently privatised companies, monetary depreciation, little movement on the financial markets;*
- *legal risk: insecurity with respect to the law and general difficulty in getting laws recognised and/or passed;*
- *tax risk: in some of the aforementioned States, taxes may be very high and there is no guarantee whatsoever that the legislation will be interpreted in a uniform and consistent manner. The local authorities are often vested with a discretionary power to create new taxes, which may sometimes be applied retrospectively.*

*There is also the risk of loss due to the shortage of adequate systems in place for transfer, valuation, settlement and accounting as well as securities registration, the safekeeping of securities and the liquidation of transactions, with such risks being less common in Western Europe, North America and other developed countries. It should be noted that the correspondent bank or banks will not always be legally liable for or be in a position to pay damages resulting from the acts or omissions of its representatives or employees. As a result of the risks explained above, volatility and illiquidity are much higher for investments when the market capitalisation in these States is lower than that of developed markets.*

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

15. **To amend, within Part II “Sub-Fund factsheets” of the Prospectus the delegation of the investment manager in the sub-fund “NN (L) US High Dividend” to (i) replace “NNIP Advisors B.V.” by “American Century Investment Management Inc.” and to (ii) remove the sub-investment advisor “American Century Investment Management Inc.”;**
16. **To change, within (i) Part III “Additional Information”, chapter IV. “Techniques and instruments” of the Prospectus, the VaR approach of the sub-fund “NN (L) Emerging Markets Debt Opportunities” and (ii) Appendix II “Overview of Indices of the Company’s Sub-Funds – Table” of the Prospectus, the weighting of the composition of the composite benchmark as follows:**

(i) The VaR Approach is changed from “Absolute VaR” to “Relative VaR” and the Reference Portfolio was added: “JEMB Hard Currency/Local Currency 50-50”;

(ii) The weighting of the composition of the composite benchmark is changed from “35% J.P. Morgan Government Bond-Emerging Market (GBI-EM) Global Diversified, 25% J.P. Morgan Emerging Local Markets Plus (ELMI+), 25% J.P. Morgan Emerging Market Bond (EMBI) Global Diversified, 15% J.P. Morgan Corporate Emerging Market Bond (CEMBI) Diversified” to “JEMB Hard Currency/Local Currency 50-50”;

17. To amend, within Part III “Additional Information”, chapter IV. “Techniques and instruments”, section A. “General provisions” of the Prospectus the “Expected maximum level of leverage” of the sub-fund “NN (L) First Class Multi Asset”, in order to increase it from “200%” to “300%”;
18. To amend, within Part III “Additional Information”, chapter IV. “Techniques and instruments”, section B. “Restrictions on SFTs (including Securities Lending Transactions, Repurchase Transactions and Reverse Repurchase Transactions)” of the Prospectus in order to add “Goldman Sachs Bank USA” as securities lending agent”;
19. To amend, within Part III “Additional Information” of the Prospectus, chapter VII. “Depositary, Registrar and Transfer Agent, Paying Agent and Central Administrative Agent”, section B. “Registrar and Transfer Agent”, as follows:

*“[...] By signing the application form, The investor acknowledges and agrees that its data (i.e. name, given name, address details, nationality, account numbers, e-mail, phone number, etc.) collected through the application form will be shared on a cross-border basis, in accordance with the data protection law applicable in the Grand Duchy of Luxembourg and the GDPR, by the Management Company and among various entities within BBH group for them to perform the services contracted with the investor and required under applicable laws and regulations. The investor’s consent, given by signing the application form, to process its data on a cross-border basis may include the processing of personal data to entities situated in countries outside of the European Union and/or the European Economic Area which may not have the same data protection laws as the Grand Duchy of Luxembourg. The process of personal 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. In such case, appropriate safeguards are put in place to ensure an adequate level of protection is provided, such as by entering into standard data protection clauses adopted by the EU commission.”;*

20. To amend the provision, within part III “Additional information” of the Prospectus, chapter IX. “Shares” as follows:

*“[...] 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 and will not have any direct contractual rights against the delegates of the Company and the Management Company appointed from time to time. Any shareholders will be able to exercise the right to participate in the general meetings, if the investor is registered 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. [...]”;*

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Shareholders who do not approve the changes listed above may redeem their shares free of charge (excluding contingent deferred sales charges which may be deducted on FIFO basis) for a period of 30 calendar days following the date of this notice, by submitting a redemption request in accordance with the procedures set out in the Company’s Prospectus.

The above changes will be reflected in the new version of the Prospectus to be dated 1<sup>st</sup> June 2019. The Prospectus and the relevant Key Investor Information Documents (“KIIDs”) will be available upon request free of charge at the registered office of the Company.

**The Board of Directors**