

**NN (L) Patrimonial**

Société d'Investissement à Capital Variable  
3, rue Jean Piret – L-2350 Luxembourg  
R.C.S. n° B 24.401  
(the "Company")

**NOTICE TO SHAREHOLDERS**

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

- To update the Prospectus for grammatical, harmonisation, clarification and compliance with new/updated regulations purposes;**
- To insert/update the following definitions in the Glossary (strikethrough of the deletions):**

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

*"Mémorial: The Luxembourg Mémorial C, Recueil des Sociétés et Associations, as replaced since 1<sup>st</sup> June 2016 by the RESA, as defined below."*

*"MiFID II: Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU."*

*"Payment Date: 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 or reduced upon approval of the Management Company."*

*"RESA : the Recueil électronique des sociétés et associations, the Luxembourg central electronic platform for legal publications replacing the Mémorial as of 1<sup>st</sup> June 2016."*

*"Benchmark/Index (collectively "Indices"): 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. 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. When a Sub-Fund invests into an Index, such Index should satisfy the requirements applicable to "financial indices" as defined in article 9 of the Luxembourg Grand Ducal Regulation of 8 February 2008 and in CSSF Circular 14/592."*

*"Share-Class Overlay: A portfolio management technique applied on a Share-Class for Currency Hedged Share-Classes and Duration Hedged Share-Classes. The purpose of the Share-Class Overlay is to group all types of techniques that can be applied at Share-Class level."*

*"UCI: An undertaking for collective investment."*

**To delete the following definition in the Glossary:**

*"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."*

- To update within part I, chapter I "Brief overview of the Company", section "Board of Directors of the Company" the composition of the Board of Directors in order to update the addresses of Mr Benoît De Belder and Mrs Sophie Mosnier and to appoint Mr Patrick Den Besten and Mr Ivo Frielink as members of the Board of Directors;**
- To amend the provision within part I, chapter II "Information on investments", to update section "General", in order to include tobacco restriction in the "Responsible Investment Framework Policy" (additions in bold and strikethrough of the deletions);**

*"The Company applies the ~~"Defence policy Responsible Investment Framework Policy"~~ of NN Group. **In line with this policy, the Company which aims, wherever legally possible, not to invest directly, among others but not limited to, in companies directly involved in the development, production, maintenance or trade of controversial weapons or companies directly involved in the production of tobacco products as defined in the above mentioned said policy. With respect to investments in third party funds (including ETFs and index funds), the exclusions defined by "Responsible Investment Framework Policy" of NN Group cannot be imposed upon these funds. NN Investment Partners will engage proactive discussions with these third parties to maximize adherence to the policy following applicable local laws and regulations. Additional information concerning the ~~"Defence policy Responsible Investment Framework Policy"~~ of NN Group is available for consultation on the website www.nn-group.com."***

- To insert within part I, chapter III "Subscriptions, redemptions and conversions", the following paragraph:**

*"Restrictions on subscriptions and conversions:*

*In order to inter alia protect existing Shareholders, the Board of Directors (or any delegate duly appointed by the Board of Directors) may, at any time, decide to close a Sub-fund or a Share-Class and not to accept any further subscriptions and conversions into the relevant Sub-fund or Share-Class (i) from new investors who have not yet already invested into the said Sub-fund or into the said Share-Class ("Soft Closure") or (ii) from all investors ("Hard Closure").*

*Decisions taken by the Board of Directors or its delegate on a closure may have immediate or non-immediate effect and be effective for non-determined period of time. Any Sub-fund or Share-Class may be closed to subscriptions and conversions without notice to Shareholders.*

In relation thereto, a notification will be displayed on the website [www.nnip.com](http://www.nnip.com) and if applicable on other NN Investment Partners websites, and will be updated according to the status of the said Shares or Sub-funds. The closed Sub-fund or Share-Class may be re-opened when the Board of Directors or its delegate deems the reasons to have the latter closed no longer applying.

The reason for a closure may be, without being restricted thereof, that the size of a given Sub-Fund has reached a level relative to the market it is invested into above which the Sub-fund cannot be managed according to the defined objectives and investment policy".

6. **To amend provisions within part I, chapter IV "Fees, expenses and taxation", section A "Fees payable by the Company", related to the fixed service fee as follows** (additions in bold and deletions in strikethrough):
  - Addition of the following provision in the "Management Fee" bullet: **"The Management Company pays the fees to the Investment Manager(s) and for certain Unit-Classes, the Management Company reserves the right, at its discretion, to reallocate a part of the Management Fee to certain Distributors, including the Global Distributor, and/or Institutional Investors in compliance with applicable laws and regulations."**;
  - Amendment of the following provision in the "Fixed Service Fee" bullet (addition in bold and strikethrough of the deletions): "[...] costs and expenses ~~related to~~ **for** services rendered to the Company by ~~the Management Company related to services not covered by the Management Fee as described above and by~~ service providers ~~other than the Management Company~~ to which the Management Company may have delegated [...]"
  - Addition of the following provision in the "Fixed Service Fee" bullet: **"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, which may lead to a positive or negative margin for the Management Company."**;
7. **To amend provisions within part I, chapter IV "Fees, expenses and taxation", section A "Fees payable by the Company", related to the other fees, as follows** (addition in bold and deletions in strikethrough):
  - ~~2. 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."~~ **2. Inherent to the execution of the investment objective and policy are buy and sell transaction of securities (or "turning over" the portfolio);**
8. **To remove, within the Prospectus, every reference to "Overwriting Share-Classes" and "Duration Share-Classes";**
9. **To amend, within part II, section "Shares-Classes", the definition of the "R" share class, as follows** (additions in bold and deletions in strikethrough):

*"Ordinary Share-Class that does not pay retrocessions and is intended for individual investors who are clients of Distributors, which provide providers of investment advisory services based on or financial intermediaries who provide:*

  - a) Independent investment advice and/or portfolio management services within the meaning of MiFID II or applicable national legislation, or**
  - b) Investment services and activities within the meaning of MiFID II or applicable national legislation, have separate fee arrangements with their clients in relation to those services and activities provided and, as per the terms of those fee arrangements, do not or are not eligible to receive and retain any retrocession or rebate from the relevant Share-Class. separate fee arrangements. No retrocession or rebates are paid."**
10. **To amend, within part II, section "Currency Hedged Share-Classes" as follows** (strikethrough of deletions):

*"The Management Company ensures that ~~over~~-hedged positions do not exceed 105% of the net asset value of the Currency Hedged Share Class and ~~under~~-hedged positions do not fall below 95% of the portion of the net asset value of the Currency Hedged Share Class which is to be hedged against currency risk. The hedged positions will be kept under review to ensure that under hedged and over hedged positions do not exceed the levels set out above and are not carried forward from month to month."*
11. **To amend, within part II, section "Investment objective and policy" of the Prospectus** to delete every references as regards the possibility to invest in "Rule 144A securities" for the following Sub-Funds: "NN (L) Patrimonial Aggressive"; "NN (L) Patrimonial Balanced" and "NN (L) Patrimonial Defensive" as follows (strikethrough of deletions):

"[...] money market instruments, ~~144A securities~~, units of UCITS and other UCIs and deposits";
12. **To amend provisions, within part II, section "Investment objective and policy" of the Prospectus** for the Sub-Funds "NN (L) Patrimonial Aggressive"; "NN (L) Patrimonial Balanced"; "NN (L) Patrimonial Balanced European Sustainable" and "NN (L) Patrimonial Defensive", to remove the reference to the benchmark by replacing it as follows: **"Index as listed in the Appendix II of the Company's Prospectus"**;
13. **To amend provisions, within part II, section "Eligible Investments" of the Prospectus** for the Sub-Fund "NN (L) Patrimonial Balanced European Sustainable", as follows (additions in bold): **"The Sub-Fund may invest in transferable securities (including warrants on transferable securities and convertible bonds), contingent convertible securities (up to a maximum of 10% of the Sub-Fund's net assets), money market instruments, units of UCITS and other UCIs and deposits, as described in the prospectus, Part III, Chapter III "Investment Restrictions" Section A "Eligible investments."**;
14. **To amend provisions, within part III, section "Risks arising from investments in derivatives (including Total Return Swaps)"** by replacing the reference to the benchmark with the word index (or indices);
15. **To amend provisions, within part III, chapter II "Risks linked to the investment universe: detailed description", to insert the following paragraph:**

*"Risk arising from investments in contingent convertible bonds (CoCos): Contingent convertible securities are a form of hybrid debt security that are intended to either automatically convert into equity or have their principal written down upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the issuing banking institution's regulatory authorities considers this to be necessary. CoCos will have unique equity conversion or principal write-down features which are tailored to the issuing banking institution and its regulatory requirements. Some additional risks associated with CoCos are set forth below:*

  - *Trigger level risk: Trigger levels differ and determine exposure to conversion risk depending on the capital structure of the issuer. The conversion triggers will be disclosed in the prospectus of each issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.*
  - *Capital structure inversion risk: Contrary to classic capital hierarchy, CoCos investors may suffer a loss of capital when equity holders do not, e.g. when a high trigger principal write-down CoCos is activated. These cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCos when equity holders will already have suffered loss. Moreover, high trigger CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger CoCos and equity.*

- *Liquidity and concentration risks: In normal market conditions CoCos comprise mainly realisable investments which can be readily sold. The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons it is not known whether the market will view the issue as an idiosyncratic or systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. Furthermore, in an illiquid market, price formation may be increasingly stressed. While diversified from an individual company perspective the nature of the universe means that the fund may be concentrated in a specific industry sector and the Net Asset Value of the Sub-Fund may be more volatile as a result of this concentration of holdings relative to a Sub-Fund which diversifies across a larger number of sectors.*
  - *Valuation risk: the attractive return on this type of instrument may not be the only criterion guiding the valuation and the investment decision. It should be viewed as a complexity and risk premium, investors have to fully consider the underlying risks.*
  - *Call extension risk: as CoCos can be issued as perpetual instruments, investors may not be able to recover their capital if expected on call date or indeed at any date.*
  - *Risk of coupon cancellation: with certain types of CoCo Bonds, the payment of coupons is discretionary and may be cancelled by the issuer at any time and for an indeterminate period.”;*
16. **To amend provisions, within part III, chapter II “Risks linked to the investment universe: detailed description”, to insert the following paragraph:**  
*“Risk arising from investments in distressed and default securities: Distressed securities may be defined as debt securities that are officially in restructuring or in payment default and whose rating (by at least one of the major rating agencies) is lower than CCC-. Investment in distressed securities may cause additional risks for a Sub-Fund. Such securities are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. Therefore, a Sub-Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the relevant Sub-Fund. Under such circumstances, the returns generated from the relevant Sub-Fund’s investments may not compensate the shareholders adequately for the risks assumed”;*
17. **To amend provisions, within part III, chapter III “Investment restrictions”, sub-chapter “A: Eligible investments” to remove the references to “Rule 144A securities”;**
18. **To amend provisions, within part III, chapter X “Net Asset Value” as follows** (additions in bold and deletions in strikethrough):  
*“c. all securities, equities, bonds, term bills, ~~preferred shares,~~ **debenture stocks,** options or subscription rights, warrants, Money Market Instruments and any other investments and Transferable Securities held by the Company”;*
19. **To amend provisions, within part III, chapter XIII “General meetings” as follows** (additions in bold and deletions in strikethrough):  
*“The annual general meeting of Shareholders ~~will~~ **shall** 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 a.m. CET each calendar year. ~~In case this~~ **If this** day is not a Business Day **in Luxembourg** the **annual general meeting** ~~will~~ **shall** be held on the ~~first~~ **next** following Business Day. The annual general meeting may be held abroad if the Board of Directors, acting with sovereign powers, decides that exceptional circumstances warrant this.  
Other general meetings, for one or several Sub-Funds, may be held at ~~at~~ the place and **on the** date specified in the convening notice.  
The convening notices for every general meeting shall contain the agenda and shall take the form of announcements filed with the ~~Registre de Commerce et des Sociétés (RCS)~~ and published on the ~~Recueil Electronique des Sociétés et Associations (RESA)~~ and in a newspaper published in Luxembourg at least fifteen (15) days before the meeting. The convening notices shall be communicated to registered ~~s~~shareholders at least eight (8) days before the meeting. Such communication shall be made by post unless the addressees have individually agreed to receive the convening notice by way of another facsimile electronic or physical mean of communication (including, but limited to fax, telex or e-mail). No proof shall be given that this formality has been complied with.  
**Where all the sShares are in registered form, the Company may for any general meeting communicate the convening notices at least eight (8) days before the meeting by registered letters only, without prejudice to other physical or electronic means of communication which need to be accepted on an individual basis by their addressees and to warrant notification. The provisions prescribing the publication of the convening notices on the RESA or in a Luxembourg newspaper shall not apply in such case.**  
~~Convening notices of ordinary and extraordinary general meetings will be communicated to the Shareholders as deemed appropriate by the Company’s Board of Directors. 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 RESA and in a Luxembourg daily newspaper and, in the case of extraordinary meetings, in the RESA 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.~~  
[...]  
The **convening** participation, quorum, **execution** and majority required for any general meeting are those stipulated ~~in by Articles 67 and 67-1~~ of the Luxembourg Law of 10 August 1915, **as amended** and in the Company’s Articles.  
~~The meeting may be laid abroad if the Company’s Board of Directors considers that exceptional circumstances require it.”;~~*
20. **To amend provisions, within part III, chapter XIV “Dividends” as follows** (additions in bold and deletions in strikethrough):  
*“Dividends not claimed within five years of the Payment Date shall be forfeited and will revert to the **Share-Class(es) issued in respect of 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.”;~~*
21. **To insert, within part III, chapter XV “Liquidations, mergers and contributions of Sub-Funds or Share-Classes”, a reference to the “conversion” procedure** and as well as to add more information on conditions to be respected in case of liquidation mergers and contributions of Sub-Funds or Share-Classes;
22. **To amend provisions, within part III, chapter XV “Liquidations, mergers and contributions of Sub-Funds or Share-Classes” as follows:**  
*“Assets which could not be distributed to their beneficiaries **upon implementation of the redemption will be deposited with the custodian bank of the Company for a period of six (6) months thereafter; after such period, the assets will be deposited with the Luxembourg Caisse de Consignation on behalf of the persons entitled thereto.***  
~~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.”;~~

23. To amend provisions, within part III, chapter XVI "Dissolution of the Company" as follows:

~~"The Company may at any time be dissolved by a resolution decision taken of at the general meeting of sShareholders subject to the quorum and majority requirements ruling in the same manner as for the amendment of the Articles, as provided for under the law.~~

~~[...]~~

~~If the share capital falls to below two thirds of the minimum capital required by law, a general meeting convened by the Company's Board of Directors, 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. Whenever the share capital would fall below two-thirds of the minimum capital required by law, the question of the dissolution of the Company should be referred to the general meeting by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the votes of the shares represented at the meeting.~~

~~The question of the dissolution of the Company shall further be referred to the general meeting whenever the share capital falls below one-fourth of the minimum capital.~~

~~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 be held 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.~~

~~The meeting must be convened so that it is held within a period of forty days from ascertainment that the net assets of the Company have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.~~

~~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 liquidator(s) shall convene the general meeting of shareholders so that it is held within a period of one month where shareholders representing one tenth of the corporate capital require them to do so by means of a written request with an indication of the agenda";~~

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Shareholders are informed that all the changes aforementioned shall have no impact in terms of fees applicable to relevant Sub-Fund(s) and that they may redeem their shares free of charge until 30<sup>th</sup> November, 2018 by submitting a redemption request to the Company in accordance with the procedures set out in the Prospectus.

The above changes will be reflected in the new version of the Prospectus to be dated 1<sup>st</sup> December, 2018. The Prospectus and the relevant Key Investor Information Documents (KIIDs) will be available upon request free of charge at the registered office of the Company.

**The board of directors of the Company**