ING DIRECT

Société d'Investissement à Capital Variable

3, rue Jean Piret – L-2350 Luxembourg, Grand Duchy of Luxembourg

R.C.S. n° B 109.614

(the "**Company**")

Notice to shareholders

The Board of Directors of the Company has decided the following changes, to be implemented in the prospectus of the Company (the "Prospectus") that will be dated 1st June 2018:

A. Change effective as from 1st June 2018

1. to include in the Glossary of the Prospectus the following definition regarding the Benchmark Regulation :

"***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 Benchmarks of the Company's Sub-Funds, including confirmation whether the administrators of the benchmarks are registered or intend to get themselves registered by 1st January 2020 at the latest with the competent authority under the Benchmark Regulation, is available in the Appendix II of the Company's Prospectus."

2. to adjust the exact benchmark/indices names, as further described below, for the following sub-funds and to include an overview of Benchmarks of the Company's sub-funds in the Appendix II of the Company's Prospectus instead of listing those Benchmarks in each respective factsheets of the Company's sub-funds :

i. ING Direct Dividendo Arancio : Exact benchmark's name of the sub-fund adjusted **from** "MSCI World Net" **to** "MSCI World (NR)".

ii. ING Direct Cedola Arancio : Exact indices' names composing the benchmark of the sub-fund adjusted **from** "84% Bloomberg Barclays Euro-Aggregate Bond Index, 8% JP Morgan Emerging Local Market Index Plus, 4% JP Morgan Emerging Market Bond Index Global Diversified, 2.8% Bloomberg Barclays US Corporate High Yield Index, 1.2% Bloomberg Barclays Pan-European High Yield (all EUR hedged)" **to** "84% Bloomberg Barclays Euro-Aggregate, 8% JP Morgan Emerging Local Market Plus (ELMI+) EUR (hedged), 4% JP Morgan Emerging Market Bond (EMBI) Global Diversified EUR (hedged), 2.8% Bloomberg Barclays US Aggregate Corporate High Yield EUR (hedged), 1.2% Bloomberg Barclays Pan-European High Yield EUR (hedged)".

iii. ING Direct Inflazione Più Arancio : Exact benchmark's name of the sub-fund adjusted **from** "Bloomberg Barclays Euro Inflation-Linked: Eurozone – All CPI Index" **to** "Bloomberg Barclays Euro Inflation-Linked Eurozone All CPI". In addition, the web link disclosing the index constituents will be replaced from https://index.barcap.com/_index.dxml?pageId=4377 to https://www.bloombergindices.com/_bloomberg-barclays-indices/#/index/LF96TREU

iv. ING Direct Mattone Arancio : Exact benchmark's name of the sub-fund adjusted from "10/40 GPR 250 Europe 20% UK (Net)" to "GPR 250 Europe 10/40 20% UK (NR)".

v. ING Direct Top Italia Arancio : Exact benchmark's name of the sub-fund adjusted from "FTSE MIB Index" to "FTSE MIB (NR)".

3. to change for the following sub-funds the cut-off time for receipt of subscription, redemption and conversion requests from "**Before 15.30 CET each Valuation Day**" to "**Before 15.30 CET one Business Day prior to the applicable Valuation Day**"

- ING Direct Dividendo Arancio
- ING Direct Cedola Arancio
- ING Direct Mattone Arancio
- ING Direct Top Italia Arancio
- ING Direct Inflazione Più Arancio

4. to change for the following sub-funds the payment date of subsequent subscription, redemption and conversion requests from “**Maximum five Business Days following the applicable valuation date**” to “**Maximum three Business Days following the applicable Valuation Day**” :

- ING Direct Dividendo Arancio
- ING Direct Cedola Arancio
- ING Direct Mattone Arancio

5. to remove for the following sub-funds the non-standard “Valuation Day” as defined in their respective sub-fund factsheets. Instead, those sub-funds will apply the standard “Valuation Day” as defined in the Glossary of the Prospectus being “Each Business day, unless otherwise stated in the relevant Sub-Fund factsheet”;

- ING Direct Top Italia Arancio
- ING Direct Inflazione Più Arancio

6. to change, in line with the Master Fund NN (L) Euro Short Duration, the global exposure calculation method for the sub-fund ING Direct Liquidità Arancio from “Relative VaR” to “Commitment method”.

7. pursuant to the CSSF Circular 11/512 and the CESR’s Guidelines 10-788, to adjust throughout the Prospectus and more specifically in Part III of the Prospectus, Chapter “IV. Techniques and instruments”, section “A. General provisions” the base value for the leverage from “1” to “0” and to decrease consequently the “Expected maximum level of leverage (Commitment)” and “Expected maximum level of leverage (Sum of notionals)” by -100%. The adjusted table disclosed in Part III of the Prospectus will read as follows :

Sub-Funds Name (using the VaR approach)	VaR Approach	Expected maximum level of leverage (Commitment)	Expected maximum level of leverage (Sum of notionals)	Reference Portfolio
ING Direct Sviluppo Arancio *	Relative VaR	-	300%	50% JP Morgan EMBI Global Diversified Euro Hedged index and 50% JP Morgan ELMI+ index in Euro.
ING Direct Mondo Arancio *	Absolute VaR	-	250%	-
ING Direct Reddito Arancio *	Relative VaR	-	150%	40% Bloomberg Barclays US High Yield 2% Issuer Cap Index (Total Return Gross) Hedged to EUR / 35% MSCI World Index (Total Return Net) Hedged to EUR / 25% Bloomberg Barclays Global Credit Index (Total Return Gross) Hedged to EUR
ING Direct Valore Arancio *	Absolute VaR	-	100%	-
ING Direct Crescita Arancio *	Relative VaR	-	100%	A combination of the MSCI Europe Index, the MSCI All Country World ex Europe Index, the Barclays Global Aggregate Index, the Barclays Global High Yield Index and the JP Morgan Emerging Market Bond Global Diversified Index is used as reference portfolio which may change from time to time. Further detail as to the composition of the reference portfolio is available from the Investment Manager of the Master Fund upon request.
ING Direct Prospettiva Arancio *	Absolute VaR	-	100%	-
ING Direct Materie Prime Arancio *	Absolute VaR	-	150%	-
ING Direct Cedola Arancio	Absolute VaR	250%	450%	-
ING Direct Borsa Protetta Arancio	Absolute VaR	300%	800%	-

Agosto				
ING Direct Borsa Protetta Arancio Febbraio	Absolute VaR	300%	800%	-
ING Direct Borsa Protetta Arancio Maggio	Absolute VaR	300%	800%	-
ING Direct Borsa Protetta Arancio Novembre	Absolute VaR	300%	800%	-

* As indicated in their respective "Investment objectives and policy", these Feeder Sub-Funds will not directly invest in financial derivative instruments. Hence, for these Sub-Funds, the expected maximum level of leverage outlined above is equivalent to the one expected at Master Sub-Funds level.

B. Change of the investment objective and policy of the sub-funds "ING Direct Borsa Protetta Arancio Agosto", "ING Direct Borsa Protetta Arancio Novembre", "ING Direct Borsa Protetta Arancio Febbraio" and "ING Direct Borsa Protetta Arancio Maggio" with effect respectively as from 16th August 2019, 16th November 2018, 15th February 2019 and 17th May 2019.

a. For the periods defined below, the portfolio of the sub-funds will fully hold cash until their new investment objective and policies are implemented :

- *From 2nd May 2019 to 17th May 2019 for the sub-fund ING Direct Borsa Protetta Arancio Maggio*
- *From 7th August 2019 to 16th August 2019 for the sub-fund ING Direct Borsa Protetta Arancio Agosto*
- *From 7th November 2018 to 16th November 2018 for the sub-fund ING Direct Borsa Protetta Arancio Novembre*
- *From 6th February 2019 to 15th February 2019 for the sub-fund ING Direct Borsa Protetta Arancio Febbraio*

b. The fund type, the typical investor profile, the risk profile, the information and fee structure and the investment objective and policy will therefore be adjusted and will read as described below. In addition, the hypothetical examples related to the old investment objective and policy of each respective sub-funds will be removed from the prospectus:

<u>Old investment objective and policy</u>

The Sub-Fund aims to reach the following two objectives:

- *the protection at each anniversary date of full or part of the Net Asset Value observed at the previous anniversary date;*
- *the capitalisation of annual capital gains corresponding to a fixed or variable return defined at the Sub-Fund inception and at each anniversary date.*

The aimed level of capital protection and receipt of the annual capital gain both are determined by the evolution of one or multiple equity indices ("the indices") between two anniversary dates. Both may also be impacted by the market and liquidity risks associated with the financial instruments used to reach investment objectives. The annual gain is not distributed, but reinvested according to the Sub-Fund strategy.

In principle the Net Asset Value at one anniversary date will be fully protected at the next anniversary date if the indices do not close below a certain level. Closing below this level will result in partial protection and a loss will be incurred by the Sub-Fund. More specifically, each year at the anniversary date, per index a varying number of levels ("the barrier") are defined with each a different defined fixed loss ("the loss") and a different defined annual gain ("the return").

The barriers are always defined relative to the initial level of the index it refers to. The choice of indices will be according to the opportunities in the market at the anniversary date. They each represent a set of liquid and well-diversified blue chip stocks, for example FTSE MIB 40 and Euro Stoxx 50. The indices, the barriers, the losses and the returns (hereinafter "offer conditions") are revised on each anniversary date on the basis of the prevailing market conditions. These will be made available on the website www.ingdirect.it at the beginning of the offering period (subscription period).

The new offer conditions are also communicated to existing shareholders by the distributors one month before the anniversary date. Existing shareholders who do not approve the new offer conditions applicable to the following one year period may redeem their shares in the Company, in accordance with the procedures set out in the Prospectus, during the last week of the offering period at the conditions (the indices, the barriers, the losses and the returns) agreed for the elapsing one year period.

Existing shareholders who do not intend to redeem their shares will be, by default reinvested into the following one year period at the new applicable conditions.

For each barrier, the loss is a fixed percentage that will be equal or higher than zero. Generally, a lower barrier means a higher loss. In case one or more indices close below one or more barriers at the next *anniversary date, the Sub-Fund will incur the loss that is the highest loss of all barriers breached i.e. the loss of different barriers is not cumulative.*

For each barrier, the return is equal or higher than zero and can be a fixed or a variable percentage. When variable, it is linked to the positive performance of the indices up to a predefined maximum. Generally, a higher barrier means a higher (potential) return. In case one or more indices close at or above one or more barriers at the next anniversary date, the Sub-Fund will receive the lowest return of all non-breached barriers i.e. the return of different barriers is not cumulative.

At the anniversary date a defined loss may also be linked to the default of Italy on a specific government debt security. This defined loss is a fixed percentage of the Net Asset Value. In case of default the Sub-Fund will incur this loss on top of a return or loss as a result of the evolution of the indices.

In order to achieve the two objectives at each anniversary date, the Sub-Fund can invest in:

- *fixed-income instruments government bonds and certificates (possibly bought and sold with predefined prices through the mean of "Buy & Sell Back");*
- *repos and reverse repos on securities;*
- *deposits. The manager is allowed to use in particular fiduciary deposits.*

This Sub-Fund may also hold cash on an ancillary basis.

The link with the underlying strategy is insured by concluding swaps with ING Belgium S.A. or other investment grade counterparties (without breaching the limit fixed for each counterparty), in which the Sub-Fund pays an interest rate to the counterparty (after deduction of a margin needed to cover the costs of the construction), fixed and paid every 6 months and receives in compensation a participation in the performance of the index. The payment of this floating rate (after deduction of a margin needed to cover the costs of the construction) is covered by the revenues perceived on the fixed-income investments. Consequently, the Sub-Fund does not profit from the revenues on the assets. The Investment Manager aims to insure an optimal matching between the floating rate (after deduction of a margin needed to cover the costs of the construction) to pay to the counterparty and the interest rate received on the assets in the portfolio. These rates are available in the semestrial and annual reports.

The Sub-Fund can also invest additionally in other transferable securities (such as warrants on transferable securities up to a maximum of 10% of the net assets of the Sub-Fund included), in money market instruments, and "Rule 144A securities", units of UCITS and other UCIs and in deposits as described in Part III of the prospectus. Nevertheless, the eventual participations in UCITS and UCIs may not exceed 10% in total of the net assets. When the Sub-

Fund invests in warrants on transferable securities, the Net Asset Value can fluctuate advantageously than when the Sub-Fund invested in the underlying Shares, because of the larger volatility of the value of the warrant.

The Sub-Fund can also invest additionally in financial derivatives in order to realise its investment objectives such as:

- *options, swaps and forward contracts on transferable securities or money market instruments;*
- *options or forward contracts on market indices;*
- *options, swaps or forward contracts on interests rates;*
- *performance swaps;*
- *options, swaps or forward contracts on currencies.*

Old risk profile of the Sub-Fund

The market risk associated to the financial instruments used to reach investment objectives is considered as high. These instruments are impacted by various factors, of which, without being exhaustive, the development of the financial market, as well as the economic development of issuers who are themselves affected by the general world economic situation, as well as economic and political conditions prevailing in each country. The liquidity risk is medium. No guarantee is provided as to the recovery of the initial investment. The performance is calculated according to the investment objective and policy of the Sub-Fund. The risk associated with financial derivative instruments is detailed in Part III, Chapter II: "Risks linked to the investment universe: detailed description" of the prospectus.

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

Old typical investor profile

This Sub-Fund is suitable for investors that fully understand the illustrative payoff example and scenario described hereafter. The recommended investment horizon is one year period.

Old fund type

Structured product. The risk of the sub-fund is similar to the risk of an equity product with partial protection defined on a yearly basis.

New investment objective and policy as adjusted

The Sub-Fund aims to reach the following two objectives:

- *the protection of 80% of the Net Asset Value observed at the previous reset date. This protection level is maintained until the next reset date. This means, in principle, that an investor can expect the Net Asset Value not to decrease more than 20% between the two reset dates. Although all measures are taken to meet the protection objective, this does not constitute a guarantee of capital preservation.*

The protection level will be maintained by investing for at least 70% of the Net Asset Value in low risk fixed-income instruments, including but not limited to, deposits with entities prescribed in Article 50(f) of the UCITS Directive, highly rated bonds issued by governments, local authorities, supra-national bodies based in EU and OECD member states and denominated in their respective currencies, highly rated commercial papers and short term corporate bonds, short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds. The Sub-Fund will not invest into sub-investment grade bonds.

- *the capitalisation of annual capital gains and the outperformance of the benchmark EURIBOR 1-month at each reset date. The Sub-Fund aims to achieve this objective by gaining exposure to equities where the probability of reward is high. Such exposure is mainly obtained through investments in equity index options where the underlying is composed of well-known European Equity indices, hence ensuring easy tradability and low liquidity risk. In addition, the Sub-Fund Fund may invest in units of UCITS/other UCIs. The Investment Manager will select the investments in financial derivative instruments and UCITS/other UCIs in such a way that the maximum loss is limited at 20% of the Net Asset Value observed at the previous reset date.*

New risk profile of the Sub-Fund as adjusted

The market risk associated to the financial instruments used to reach investment objectives is considered as high. These instruments are impacted by various factors, of which, without being exhaustive, the development of the financial market, as well as the economic development of issuers who are themselves affected by the general world economic situation, as well as economic and political conditions prevailing in each country. The liquidity risk is medium. No guarantee is provided as to the recovery of the initial investment. The risk associated with financial derivative instruments is detailed in the Part III, Chapter II: "Risks linked to the investment universe: detailed description" of the prospectus.
The global exposure of this Sub-Fund is determined using the VaR approach.
The Management Company monitors the level of leverage emanating from the usage of financial derivative instruments. In accordance with regulations, such leverage is obtained by summing the notionals of the derivatives used (hereafter "gross leverage"). The gross leverage is expected to reach a maximum level of 800% of the Sub-Fund's Net Asset Value.
Main reason for potentially reaching such maximum level of gross leverage is the usage of option packages which involve long and short derivative positions whose absolute delta adjusted notionals are aggregated in absolute terms as per the gross leverage calculation methodology
Investors must be aware that the gross leverage methodology, while providing an indication of the amount of derivatives used relative to the Sub-Fund's Net Asset Value, may however lead to results that are not representative of the market risk exposure of the Sub-Fund. This may be illustrated by the Sub-Fund's investment strategy. While the gross leverage is expected to reach a maximum level of 800%, the investment strategy aims to cope with 80% of market declines and thus protect investors against a decrease of more than 20% of the Sub-Fund's Net Asset Value between two reset dates. For additional information on leverage, please refer to the Part III "Additional information", Chapter IV of the Prospectus.

New typical investor profile as adjusted

The Sub-Fund particularly targets neutral investors as defined in Part II "Sub-Fund Factsheets".

New fund type as adjusted

Optimising the upside of a portfolio by dynamic allocation between equity and fixed income whilst providing downward protection.

Information applicable to each Share-Class of the Sub-Fund in the context of the new investment objective and policy of each sub-fund	
Reset Date(s)	**For ING Direct Borsa Protetta Arancio Maggio:** The third Friday of May each year if this is an Index Exchange Day for European equity markets; otherwise the exchange day immediately preceding that day. **For ING Direct Borsa Protetta Arancio Agosto**; The third Friday of August each year if this is an Index Exchange Day for European equity markets; otherwise the exchange day immediately preceding that day. **For ING Direct Borsa Protetta Arancio Novembre:** The third Friday of November each year if this is an Index Exchange Day for European equity markets; otherwise the exchange day immediately preceding that day. **For ING Direct Borsa Protetta Arancio Febbraio:** The third Friday of February each year if this is an Index Exchange Day for European equity markets; otherwise the exchange day immediately preceding that day. The reset date is the date on which the protection conditions are defined until the next reset date. It is also the date on which the previous protection conditions are realized for that maturing one year investment period.
Index Exchange Day	A day on which the European equity markets relevant to the indices are open, and the indices are calculated.

Cut-off time for receipt of subscription, redemption and conversion requests	In and out conversions are not allowed. **Subscription orders:** Before 15:30 one Business day prior to the Reset Date of each year. The Board of Directors of the Company has however the right to close in advance the subscription period. Subscription orders are only accepted in amount. **Redemption orders**: Before 15:30 one Business day prior to each Valuation Day. Redemption orders are only accepted in number of Shares.
Payment date of subsequent subscription, redemption and conversion requests	Three Business days following the applicable valuation date
Initial subscription price	EUR 50
Redemption Fee	Applicable to redemption requests related to a Valuation Day which is not equal to a Reset Date. The fee is payable to the Sub-Fund. Calculated as a percentage of the redemption proceeds.
Additional information	The Sub-Fund will be distributed in Italy by ING Bank N.V. Milan branch by way of internet (internet banking) or phone.

Share-Class	Currency	Maximum Management Fee per year	Fixed Service Fee	Maximum Redemption fee payable to the Company
P	EUR	1.10%	0.08%	0.25%

c. Following this change of investment objective and policies, the expected maximum level of leverage (Commitment) and expected maximum level of leverage (Sum of notionals) will be reflected as follows in Part III of the Prospectus, Chapter "IV. Techniques and instruments", section "A. General provisions" :

Sub-Funds Name (using the VaR approach)	VaR Approach	Expected maximum level of leverage (Commitment)	Expected maximum level of leverage (Sum of notionals)	Reference Portfolio
ING Direct Borsa Protetta Arancio Agosto - until 15th August 2019, this sub-fund follows the commitment approach - as from 16th August 2019 this sub-fund follows the VaR approach as per the following levels	Absolute VaR	300%	800%	-
ING Direct Borsa Protetta Arancio Febbraio - until 14th February 2019, this sub-fund follows the commitment approach - as from 15th February 2019 this sub-fund follows the VaR approach as per the following levels	Absolute VaR	300%	800%	-
ING Direct Borsa Protetta Arancio Maggio - until 16th May 2019, this sub-fund follows the commitment approach - as from 17th May 2019 this sub-fund follows the	Absolute VaR	300%	800%	-

VaR approach as per the following levels				
ING Direct Borsa Protetta Arancio Novembre - until 15th November 2018, this sub-fund follows the commitment approach - as from 16th November 2018 this sub-fund follows the VaR approach as per the following levels	Absolute VaR	300%	800%	-

d. Following this change of investment objective and policies, the expected and the Max TRS contribution (sum of notionals) as reflected in the Appendix I: Assets subject to TRS and SFT – Table" of the Prospectus will be adjusted as follows :

Sub-Fund Name*	Expected TRS contribution (Sum of notionals)	Max TRS contribution (Sum of notionals)
ING DIRECT Borsa Protetta Arancio Agosto	100% until 15th August 2019 0% as from 16th August 2019	200% until 15th August 2019 0% as from 16th August 2019
ING DIRECT Borsa Protetta Arancio Febbraio	100% until 14th February 2019 0% as from 15th February 2019	200% until 14th February 2019 0% as from 15th February 2019
ING DIRECT Borsa Protetta Arancio Maggio	100% until 16th May 2019 0% as from 17th May 2019	200% until 16th May 2019 0% as from 17th May 2019
ING DIRECT Borsa Protetta Arancio Novembre	100% until 15th November 2018 0% as from 16th November 2018	200% until 15th November 2018 0% as from 16th November 2018

Shareholders who do not approve the above changes referred to in sections A or B may redeem their shares free of charge 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 prospectus dated 1st June 2018 which will be available to shareholders without charge upon request at the registered office of the Company from that date.

The Board of Directors of the Company

Luxembourg, 30th April 2018