

NN Investment Partners Luxembourg S.A.,

Acting in its capacity as management company (the “Management Company”) in its own name but on behalf of **NN (L) Institutional** (the “Fund”)

Fonds Commun de Placement

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NOTICE TO UNITHOLDERS

The board of directors of the Management Company (the “Board of Directors”), on behalf of the Fund, has decided the following amendments and clarifications to the Fund’s prospectus (the “Prospectus”), which will be dated 1st December 2018:

1. To update the Prospectus for grammatical, harmonisation, clarification and compliance with new/updated regulations purposes.

2. To insert/update the following definitions in the Glossary:

“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 Classes of Unit and corresponding benchmarks and these benchmarks may be amended from time to time. Additional information on the respective Classes of Unit 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 policy 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.”

“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 Fund’s registered office. An overview of indices of the Fund’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 Fund’s Prospectus.”

“Index (and collectively “Indices”): 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.”

“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.”

“Mémorial: The Luxembourg Mémorial C, Recueil des Sociétés et Associations, as replaced since 1st June 2016 by the RESA, as defined below.”

“RESA : the Recueil électronique des sociétés et associations, the Luxembourg central electronic platform for legal publications replacing the Mémorial as of 1st June 2016.”

“UCI: An undertaking for collective investment.”

“UCITS Directive: Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended and supplemented from time to time, including by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014.”

3. 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” (addition in bold and strikethrough of the deletions);

*“The Fund applies the ~~“Defence policy”~~**Responsible Investment Framework Policy**” of NN Group. **In line with this policy, the Fund 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.”*

4. To insert within part I, chapter III “Subscriptions, redemptions and conversions” the following:

“Restrictions on Subscriptions and Conversions:

In order to inter alia protect existing Unitholders, the Management Company (or any delegate duly appointed by the Management Company) may, at any time, decide to close a Sub-Fund or a Unit-Class and not to accept any further Subscriptions and Conversions into the relevant Sub-Fund or Unit-Class i) from new Investors who have not yet already invested into the said Sub-Fund or into the said Unit-Class (“Soft Closure”) or (ii) from all Investors (“Hard Closure”).

Decisions taken by the Management Company 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 Unit-Class may be closed to Subscriptions and Conversions without notice to Unitholders.

In relation thereto, a notification will be displayed on the website www.nnip.com and if applicable on other NN Investment Partners websites, and will be updated according to the status of the said Unit-Classes or Sub-Funds. The closed Sub-Fund or Unit-Class may be re-opened when the Management Company 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.”

5. To amend provisions within part I, chapter IV “Fees, expenses and taxation”, section A “Fees payable by the Fund” related to the fixed service fee, as follows:
 - Addition of the following provision in “Fixed Service Fee” bullet: “[...] which may lead to a positive or negative margin for the Management Company.”
 - Addition of the following provision in “Other Fees” section: “The Management Company and/or the Investment Managers may receive compensation from the trading initiated by them on behalf of the 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 Managers will be permitted to cause the Fund to pay higher transaction costs with one Counterparty than another Counterparty might have charged because they receive research or research commissions from that Counterparty. This can take the following forms:
 - a. Bundled brokerage fees – In these cases, the Counterparties embed the price for their proprietary research, such as analysts’ opinions, comments, reports, analytics, or trade ideas, in the transaction costs for most financial instruments, including fixed income. In some cases, they may provide this service free of charge. The Counterparties do not explicitly price their research as a distinct service and therefore do not require their customers, such as the Fund, Management Company and/or Investment Managers, to enter into contractual agreements to engage in any specific business with them. The Fund, Management Company and/or Investment Managers’ volume of transactions do not expressly correspond to the quantity or quality of research offered by the Counterparties. The research may be available to some or all of the Counterparties’ customers at no additional cost (aside from the transaction cost for trading).
 - b. Commission sharing agreements (CSA’s) – The Management Company and/or Investment Managers may have entered into contractual agreements with the Counterparties, whereby the Counterparties are asked to separate part of the commissions generated by some of the Fund’s equity transactions (called ‘unbundling’) to pay for research provided by independent research providers. Unlike bundled brokerage fees, the volume of CSA transactions has a direct impact on the amount of research the Management Company and/or the Investment Managers are able to purchase from independent research providers. CSA’s are generally not available for fixed income transactions.
 Commission rates, brokerage fees, transaction costs as mentioned in this description are generally expressed in a percentage of transaction volume.”
6. To amend provisions within part I “Essential information regarding the Fund”, Chapter IV “Fees, expenses and taxation”, section A “Fees payable by the Fund”, paragraph “Unit-Class Overlay Fees” in order to remove any reference to duration hedged unit-classes and overwriting unit-classes;
7. To amend provisions within part II “Sub-Fund factsheets”, in order to provide more information related to hedged unit-classes. The new wording is as follows: “

Investors should be aware that any currency hedging process may not give a precise hedge, and may lead to over-hedged or under-hedged positions, which may involve additional risks (as described in the “Part III: Additional Information” of the Fund’s prospectus, Chapter II. “Risks linked to the investment universe: detail description”). The Management Company ensures that hedged positions do not exceed 105%, do not fall below 95% of the portion of the net asset value of the Currency Hedged Class of Unit which is to be hedged against currency risk. Investors should note that an investment in a Currency Hedged Class of Units may have remaining exposure to currencies other than the currency against which the Class of Units is hedged. Furthermore, Investor’s attention is drawn to the fact that the hedging at Class of Unit level is distinct from the various hedging strategies that the Investment Manager may use at portfolio level.”
8. To amend, within part II “Sub-Fund factsheets”, the following elements of the sub-fund “NN (L) Institutional FCR”:
 - Removal of reference as regards the possibility to invest in “Rule 144A securities”.
 - Addition of information regarding the sub-fund’s exemption from subscription tax.
9. To amend, within part II “Sub-Fund factsheets”, the following elements of the sub-fund “NN (L) Institutional Global Enhanced”:
 - Removal of reference as regards the possibility to invest in “Rule 144A securities”.
10. To amend, within part III “Additional Information”, chapter II “Risks linked to the investment universe”, section “Risk arising from investment in Derivatives (including Total Return Swaps)” the provision as follows (addition in bold):

“Only high quality counterparties are selected for the trading of bilateral OTC derivative instruments. In principle, a bilateral OTC derivative counterparty must at least have an investment grade rating by Fitch, Moody’s and/or Standard & Poor’s, **be structured as a public limited liability company, and have its parent company registered office located in OECD countries;**[...]”
11. To amend, within part III “Additional Information”, chapter II “Risks linked to the investment universe”, in order to remove section “Risk arising from 144A securities”.
12. To remove from part III “Additional Information”, chapter III “Investment restrictions”, section A “Eligible investments” references to Rule 144A securities.
13. To amend, within part III “Additional Information”, chapter XIII “Dividends” the last paragraph as follows (addition in bold and strikethrough of the deletions):

“Dividends that have not been claimed within five years of the date of release for payment shall be forfeited and will revert to the **Class(es) of Units issued in respect of the relevant Sub-Funds of the Fund.** ~~No interest shall be paid on a dividend declared by the Fund and kept by it at the disposal of its beneficiary.~~”
14. To amend, the provisions, within part III “Additional Information”, chapter XIV “Liquidation, mergers and contributions of Sub-Funds or Classes of Units” in order to provide investors with more information on conditions to be respected in case of liquidation, mergers and contributions of sub-funds or classes of units. The new wording is the following:

“The Sub-Funds and Classes of Units have been established for an unlimited period of time. However, if the value of the assets of a Sub-Fund or any Class of Unit within a Sub-Fund has decreased to, or has not reached, an amount determined by the Management Company to be the minimum level needed for such a Sub-Fund or Class of Unit 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 Management Company may decide, with the prior consent of the Depositary (such consent not to be unreasonably withheld), to compulsorily redeem all the Units of the relevant Sub-Fund or Class of Units at the Net Asset Value per Unit (taking into account the costs of liquidation as well as the sale prices of investments and expenses relating thereto) calculated on the Valuation Day on which such decision takes effect. In accordance with the Law the (registered) Unitholders will be informed in writing of the reasons and the redemption

procedure before the compulsory redemption enters into force. If decision is made to liquidate a Sub-Fund or a Class of Unit, such event will be released through registered letter and/or publication in at least one daily Luxembourgish newspaper.

Unless decided in the interest of, or in order to ensure equal treatment between Unitholders, the Unitholders of the Sub-Fund or the Class of Units concerned may continue to request the redemption or conversion of their Units 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 Units will be suspended as soon as the decision is taken to liquidate a Sub-Fund or a Class of Units.

As far as the liquidation of any Sub-Fund or Class of Unit is concerned, the assets which could not be distributed to their beneficiaries due to, inter alia, non-availability of the Unitholder 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.

The liquidation of a Sub-Fund or of a Class of Unit cannot be requested by a Unitholder.

The Management Company may decide, in compliance with the procedure laid down in the Law of 2010 and with the prior consent of the Depositary (such consent not to be unreasonably withheld), to allocate/merge the assets and liabilities of any Class of Unit or Sub-Fund to those of another Class of Unit of another Sub-Fund within the Fund or within another undertaking for collective investment organised under the provisions of Directive 2009/65/EC, as amended, and to transfer the asset and liabilities of the absorbed Sub-Fund/Class of Unit into Classes of Units of the new or existing receiving Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Unitholders). The Unitholders of the Sub-Fund or Unit Classes absorbed will be notified in accordance with the provisions of the laws and, notably, in conformity with the CSSF Regulation 10-5, as amended from time to time, at least (1) month before the effective date of the merger, in order to enable Unitholders to request redemption of their Units, free of charge, during such period. Unitholders who have not requested redemption will be transferred as of right to the receiving Sub-Fund/Classes of Units."

15. **To add a table in the appendix I, which includes percentage, per sub-fund, of exposition to TRS and SFT.**
16. **To create an "appendix II" which includes information, per sub-fund, related to their respective indice(s) (if applicable).**

Unitholders 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 30th November **2018** by submitting a redemption request to the Management Company of the Fund 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 1st 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 Fund.

The Board of Directors of the Management Company
on behalf of NN (L) Institutional