

**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

As announced in the letter to shareholders dated 28 June 2022, the board of directors of the Company (the "Board of Directors") would like to inform the shareholders of the Company (the "Shareholders") of the decision to include the following clarification to the prospectus of the Company (the "Prospectus") which will be dated 1 October 2022.

- 1. Update of classification of the sub-funds listed in Appendix I attached to this notice (the "Appendix I Sub-Funds") from products having a sustainable objective within the meaning of Article 9 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR") ("Article 9 SFDR Products") to products promoting environmental and social characteristics within the meaning of Article 8 of the SFDR ("Article 8 SFDR Products").**

The Sub-Funds will promote environmental and/or social characteristics, as described in Article 8 of the SFDR. The Sub-Funds will apply Active Ownership as well as the Management Company's ESG integration approach and its norms-based responsible investing criteria, with additional stringent restrictions for investments in companies involved in activities related to gambling, weapons, adult entertainment, fur & specialty leather, Arctic drilling and shale oil & gas.

The Board of Directors recalls that at the time of the implementation of SFDR level 1 on 10 March 2021, financial products had to be classified by the Management Company as Article 8 SFDR Products, Article 9 SFDR Products or as 'Other Products' according to SFDR.

On the basis of the information available at that time, the Sub-Fund was classified as an Article 9 SFDR Product.

After the initial implementation date of SFDR level I, several clarifications were made, most notably the European Commission Q&A published in July 2021, providing clarity about the required level of sustainable investments in the portfolio to classify as an Article 9 SFDR Product. To paraphrase the European Commission's stance, the underlying assets of an Article 9 SFDR Product must all qualify as sustainable investments as defined under the SFDR. Other investments may only be made in the light of efficient portfolio management such as for example cash management and/or hedging.

Since the assets underlying the Sub-Funds are not all qualifying as sustainable investments as defined under the SFDR, their classification will be updated to categorise them as an Article 8 SFDR Product.

**This update is a mere reflection of the clarifications made after the implementation of SFDR Level 1 and does not entail any changes of the investment policy of the Sub-Fund or to the current portfolio.**

- 2. Update of classification of the sub-funds listed in Appendix II attached to this notice (the "Appendix II Sub-Funds") from Other Products to Article 8 SFDR Products.**

The Sub-Funds will promote environmental and/or social characteristics, as described in Article 8 of the SFDR. The Sub-Funds will apply Active Ownership as well as the Management Company's ESG integration approach and its norms-based responsible investing criteria.

Over the past months, the Sub-Funds have adopted a more stringent manner of integrating environmental, social and governance ("ESG") factors into their investment process by applying the Management Company's ESG Integration approach.

In light of this, the Management Company will amend the classification of the Sub-Funds to Article 8 SFDR Products.

**This update is a mere reflection of the more stringent manner of integrating ESG factors into the Sub-Funds' investment investment process and does not entail any changes of the investment policy of the Sub-Fund or to the current portfolio.**

- 3. Update of classification of the sub-fund listed in Appendix III attached to this notice (the "Appendix III Sub-Fund") from an Article 8 SFDR Product to an Other Product.**

Although the investment policy, the current portfolio as well as the current ESG practices of the Sub-Fund remain unchanged, it has been concluded that commercial interest for the Appendix III Sub-Fund to promote environmental and/or social characteristics was limited.

In light of this, the Management Company will amend the classification of the Appendix III Sub-Fund to an Other Product.

**This update is a mere reflection of the limited commercial interest for the Sub-Fund to promote environmental and/or social characteristics and does not entail any changes of the investment policy of the Sub-Fund or to the current portfolio.**

The Board of Directors would also like to inform Shareholders of the following additional changes:

#### **4. Amendment of investment policy of NN (L) Green Bond, NN (L) Green Bond Short Duration, NN (L) Corporate Green Bond and NN (L) Sovereign Green Bond**

The minimum investment of 75% of net assets into green bonds is increased to a minimum of 85% of net assets.

#### **5. Change of name and of investment policy of NN (L) First Class Stable Yield Opportunities**

NN (L) First Class Stable Yield Opportunities will change its name into NN (L) First Class Sustainable Yield Opportunities.

The Sub-Fund will focus on companies and issuers pursuing policies of sustainable development while observing environmental, social and governance principles. For direct investments in corporate bonds the Sub-Fund also aims to achieve a carbon intensity that is lower than the relevant corporate bond index designated as a reference benchmark under SFDR. The use of cash, investments limits & scope is further clarified next to the sustainable disclosures included.

At least annually, the corporate bond portfolio's initial investment universes are reduced by at least 20%, as a result of the application of a "Best-in-Universe" approach.

The name change better reflects the nature of the strategy.

#### **6. Clarification of investment policy of NN (L) Climate & Environment, NN (L) Health & Well-being, NN (L) Smart Connectivity and NN (L) Global Equity Impact Opportunities.**

The societal and environmental impact of the investee companies of the sub-funds is clarified and developed without this entailing a change in which the sub-funds are managed.

#### **7. Clarification regarding investments in ancillary liquid assets**

The sub-fund factsheets of each sub-fund of the Company are updated in order to be aligned with the CSSF FAQ on the Law of 2010 on UCIs, which aims at clarifying the circumstances and the extent to which UCITS are allowed to hold such ancillary liquid assets, as well as, for cash equivalents, to disclose the categories of eligible assets in which a sub-fund is authorised to invest (i) in order to achieve its investment goals, (ii) for cash management purposes or (iii) in case of unfavourable market conditions, as follows (addition(s) in bold):

NN (L) Alternative Beta, NN (L) Commodity Enhanced, NN (L) Emerging Markets Corporate Debt, NN (L) Emerging Markets Debt (Local Currency), NN (L) First Class Multi Asset, NN (L) First Class Multi Asset Premium, NN (L) First Class Sustainable Yield Opportunities, NN (L) First Class Yield Opportunities and NN (L) Multi Asset Factor Opportunities

"Investment objective and policy

[...] **The Sub-Fund may hold bank deposits at sight, such as cash held in current accounts with a bank accessible at any time. Such holdings may not exceed 20% of the Sub-Fund's net assets under normal market conditions. Investments in Money Market Instruments and cash equivalents are for the purpose of achieving the Sub-Fund's investment objective [...]"**

All other NN (L) sub-funds

"Investment objective and policy

[...] **The Sub-Fund may hold bank deposits at sight, such as cash held in current accounts with a bank accessible at any time. Such holdings may not exceed 20% of the Sub-Fund's net assets under normal market conditions. Cash equivalents such as deposits, Money Market Instruments and money market funds may be used for cash management purposes and in case of unfavourable market conditions. [...]"**

#### **8. Clarification with respect to the distribution fee applied to sub-funds having a "Y" Share-Class**

Following the existing paragraph "4. Distribution Fee" of the chapter "IV. Fees, expenses and taxation" of the Prospectus, the Management Company is entitled to charge a distribution fee for "Y" Share-Classes. For transparency purposes, a new column denominated "Distribution Fee" is added to the fee table overview of each relevant sub-fund of the Company where the Management Company will charge this distribution fee.

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Changes described in points 1, 2, 3, 6, 7 and 8 of this notice will take effect on 1 October 2022 and changes listed in points 4 and 5 of this notice will take effect in 30 calendar days as from 1 October 2022.

Changes described in points 6, 7 and 8 of this notice are for information purposes and shareholders do not need to take any action.

Shareholders of the sub-funds listed in Appendices I, II and III who do not approve the changes listed respectively in points 1, 2 and 3 of this notice, as well as shareholders of NN (L) Green Bond, NN (L) Green Bond Short Duration, NN (L) Corporate Green Bond and NN (L) Sovereign Green Bond who do not approve the change listed in point 4 of this notice and shareholders of NN (L) First Class Stable Yield Opportunities who do not approve the changes listed in point 5 of this notice 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 Prospectus.

The above changes will be reflected in the new version of the Prospectus to be dated 1 October 2022. 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.

Luxembourg, 30 September 2022

***The Board of Directors***

**Appendix 1 – List of the NN (L) sub-funds classification from Article 9 SFDR Products to Article 8 SFDR Products**

NN (L) Emerging Markets Enhanced Index Sustainable Equity

NN (L) European Enhanced Index Sustainable Equity

NN (L) Global Enhanced Index Sustainable Equity

NN (L) North America Enhanced Index Sustainable Equity

NN (L) Euro Sustainable Credit

NN (L) Euro Sustainable Credit (excluding Financials)

NN (L) European Sustainable Equity

NN (L) Global Sustainable Equity

NN (L) European Sustainable Small Caps

**Appendix 2 – List of the NN (L) sub-funds classification from Other Products to Article 8 SFDR Products**

NN (L) AAA ABS

NN (L) European ABS

NN (L) US High Dividend

**Appendix 3 – The NN (L) sub-fund classification from an Article 8 SFDR Product to an Other Product**

NN (L) US Factor Credit