

NN (L) CMF

Société d'investissement à capital variable
3, rue Jean Piret, L-2350 Luxembourg
Grand-Duché de Luxembourg
R.C.S. Luxembourg – B 40811
(the "Company")

Notice to Shareholders

The board of directors of the Company (the "Board") would like to inform the shareholders of amendments to be made to the prospectus of the Company (the "Prospectus") to be dated April 2016, mainly consisting in the following:

1. To remove in the Prospectus any reference to immobilized bearer shares.
2. To replace in Part I of the Prospectus, Chapter V "Fees, expenses and taxation", section "Taxation", the entirety of point 3 "Foreign Account Tax Compliance Act (FATCA) which should now be read as follows:

"3. Automatic exchange of information for tax purposes

Under this section, the term "Holder of Record" has to be understood as those persons and entities that appear as the registered shareholders in the register of Shareholders of the Company as maintained by the Transfer Agent. The term "Automatic Exchange of Information" or "AEol" is meant to include, inter alia, the following tax regimes:

- *The Hiring Incentives to Restore Employment Act (commonly known as FATCA), the United States-Luxembourg intergovernmental agreement on FATCA and the associated Luxembourg legislation and rules, as applicable,*
- *Council Directive 2014/107/EU on mandatory automatic exchange of information in the field of taxation and the associated Luxembourg legislation and rules, as applicable.*

The Company complies with AEol regimes applicable in Luxembourg. Consequently, the Company or its delegates may need to:

- *Perform a due diligence review of each Holder of Record to determine the tax status and, where required, to request additional information (such as the name, address, place of birth, place of incorporation, tax identification number, etc.) or documentation with respect to such Holders of Record. The Company will be entitled to redeem the Shares held by the Holders of Record which do not provide the required documentation on time or which otherwise do not comply with Luxembourg rules relating to AEol. When permitted by the law, the Company may elect at its sole discretion to exclude from review certain Holders of Record whose holdings do not exceed \$50,000 (in case of individuals) or \$250,000 (in case of entities).*
- *Report data regarding Holders of Record and certain other categories of investors either to the Luxembourg tax authorities, who may exchange such data with foreign tax authorities, or directly to the foreign tax authorities.*
- *Withhold tax on certain payments by (or on behalf of) the Company to certain persons.*

Investors should be reminded that there could be adverse tax consequences due to noncompliance with AEol regimes by intermediaries such as (Sub-) Depositary, Distributors, Nominees, Paying Agents, etc. which the Company has no control over. Investors not domiciled for tax purposes in Luxembourg or investors investing through non-Luxembourg intermediaries should also be aware that they may be subject to local AEol requirements which may be different from the ones outlined above. Investors are therefore encouraged to check with such third parties as to their intention to comply with various AEol regimes."

3. To amend in Part II "Sub-Fund Factsheets", the definition of "N" share class, that should now be read as follows:

“N”: Ordinary Share Class that does not pay any rebates and is intended for individual investors in the Dutch market. Subscription and conversion fees are not applicable to this type of Share Class.

4. To rectify in NN (L) CMF ING Credit Select June 2018 Plus factsheet, under “Additional information”, the payment date of the dividend, which should be read as being paid in April, rather than October, as incorrectly reflected in the prospectus dated 17 August 2015.

“Payment date for any dividends (Distribution Shares only): Annually on 19 April, except for 2018. The final dividend will be paid on the maturity date.”

5. To amend in Part III “Additional Information”, Chapter III “Risks linked to the investment universe: detailed description” section “Interest rate risk”, by adding at the end of the section the following sentence:

“When interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.”

6. To amend in Part III: “Additional Information”, Chapter VI “Techniques and instruments”, section C. “Use of collateral” with respect to the conditions to be met when receiving collateral under OTC derivative transactions as follows:

“The Company will ensure that the collateral received under OTC derivative transactions and efficient portfolio management techniques meet the following conditions:

1. *assets offered as collateral will be at the market price. In order to minimize the risk of having the value of the collateral held by a Sub-Fund being less than the exposure to the counterparty, a prudent haircut policy is applied both to collateral received in the course of (i) OTC derivatives and (ii) securities lending and repurchase transactions.*

A haircut is a discount applied to the value of a collateral asset and intends to absorb the volatility in the collateral value between two margin calls or during the required time to liquidate the collateral. It embeds a liquidity element in terms of remaining time to maturity and a credit quality element in terms of the rating of the security. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and potential currency mismatches. Haircuts applied to cash, high-quality government bonds and corporate bonds typically range from 0-15% and haircuts applied to equities from 10 – 20%. In exceptional market conditions a different level of haircut may be applied. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is intended that any collateral received shall have a value, adjusted in the light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

2. *Collateral received must be sufficiently liquid (e.g. first-class government bonds or cash) so that it can be sold quickly at a price that is close to its pre-sale valuation.*

3. *Collateral received should be held by the Depositary of the Company or to a sub-depositary provided the Company’s Depositary has delegated the custody of the collateral to such sub-depositary and that the Depositary remains liable if the collateral is lost by the sub-depositary.*

4. *Collateral received in the context of OTC financial derivatives transactions and EPM techniques will comply with the diversification requirement defined in ESMA guidelines 2014/937, as they may be amended or supplemented from time to time.”*

The Company’s prospectus to be issued and dated April 2016 will be available to shareholders without charge upon request at the registered office of the Company.

The Board

Luxembourg, 29 March 2016