



**NN investment
partners**

NN Dutch Residential Mortgage Fund Non NHG

Prospectus

Date: 15 December 2022



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- 1) Articles of Association of NN Investment Partners B.V.
- 2) Articles of Association of Bewaarstichting NNIP I
- 3) Conditions of NN Dutch Residential Mortgage Fund Non NHG, dated 15 December 2022 ("Conditions")
- 4) PCD

Important information

Financial risks as well as financial opportunities are associated with investing in units of participation in NN Dutch Residential Mortgage Fund Non NHG (the **Fund**). The (potential) investors in the Fund should acquaint themselves with the entire contents of this prospectus (the **Prospectus**) and with all supplements to the Prospectus), before investing in the Fund.

This Prospectus is a prospectus within the meaning of Section 4:37I Wft and only contains the information as referred to in Section 23(1) and Section 23(2), first sentence, of the Alternative Investment Fund Managers Directive (**AIFMD**). This Prospectus is not intended to make available all the information that is available with respect to the Manager and the Fund and should at least be read in conjunction with the Conditions.

The issue and distribution of this Prospectus, as well as the offering, selling and delivery of units of participation may be subject to (statutory) provisions in jurisdictions outside the Netherlands. Persons who come into possession of this Prospectus are requested to familiarise themselves with the restrictions and comply with these. In addition, this Prospectus is not an offer or an invitation to purchase, or a request to subscribe for any unit of participation in any jurisdiction where this is not permitted in accordance with the regulations applicable there. NN Investment Partners B.V. (the **Manager**) is not liable for the violation of such legislation and/or regulations by anyone else, whether a potential investor or not.

The units of participation will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), nor will the Fund be registered under the United States Investment Company Act of 1940 of the United States of America, in the last amended version. The units of participation may not be offered, sold or transferred, directly or indirectly, in the United States of America, its territories or domains, any state of the United States and the District of Columbia, unless such occurs in accordance with Regulation S of the Securities Act or as a consequence of a dispensation from the obligation to register contained in the law referred to. Apart from certain, limited exceptions, the Fund will therefore not accept any registrations from people who qualify as a US Person under Rule 902 of the above-mentioned Regulation S of the Securities Act (for example, people who are established in the United States of America or act for the account of, or on behalf of, any person in the United States of America).

However, the units of participation may be offered, sold or transferred, directly or indirectly, to investors who qualify as a US Person under the Foreign Account Tax Compliance Act (**FATCA**) of the United States of America, in the last amended version, subject to the condition that these investors do not also qualify as a US Person under the above-mentioned Regulation S of the Securities Act.

This Prospectus may not be offered or sent to any person in the United Kingdom, unless this person is covered by Section 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 of the United Kingdom, in the last amended version, or is otherwise a person to whom this document can be legally offered or sent.

As of the date of this Prospectus the units of participation of the Fund may only be offered to professional investors in the following countries:

- The Netherlands
- Belgium
- Germany
- Denmark
- Finland
- France
- United Kingdom
- Sweden
- Spain
- Italy
- Ireland
- Austria
- Czech Republic
- Greece
- Slovak Republic

With regard to all references to (expected) returns included in this Prospectus, the value of a unit of participation



may fluctuate and results achieved in the past are not a guarantee of future results. With respect to forward-looking statements, by their nature they entail risks and uncertainties since they relate to events and are dependent upon circumstances that may or may not occur in the future.

With the exception of NN Investment Partners B.V., no-one is authorised to provide information or make statements that are not included in this Prospectus. If such information is provided or such statements are made, such information or such statements should not be relied upon as being provided or issued by NN Investment Partners B.V. The issue of this Prospectus and purchase, sale, issue and exchange on the basis of this, under no circumstances mean that the information contained in this Prospectus is also correct at a later date than the date of this Prospectus, on the understanding that the data which is of material importance will be updated as soon as the need arises. Information about this can be obtained from NN Investment Partners B.V.

Potential investors are recommended to deploy their own tax advisor to advise them on the tax aspects of a possible participation in the Fund.

This Prospectus is subject to Dutch law only.

In case of contradiction with the Dutch prospectus, the Dutch text of the prospectus of the Fund prevails.



General

The **Fund** is an investment institution as defined in Section 1:1 of the **Wft** (*Wet op het financieel toezicht* – Financial Supervision Act) and as referred to in Section 4(1)(a) of the AIFMD in the form of an open-ended investment fund (mutual fund). The details on the Fund, which have to be included in the trade register on the grounds of any legal regulation, will be issued to anyone, on request, for no more than cost price.

In addition, NN Investment Partners B.V. acts as manager of the Fund. In this capacity NN Investment Partners B.V. has a licence, as defined in Section 2:65(a) of the Wft. In addition, NN Investment Partners B.V. acts as manager of various UCITS. In this capacity NN Investment Partners B.V. has a licence, as defined in Section 2:69b(1), preamble and (a) of the Wft.

The AFM is charged with conduct supervision on the grounds of the Wft. The prudential supervision is performed by **DNB** (*De Nederlandsche Bank N.V.* – the Dutch central bank).

All shares in NN Investment Partners B.V. are held by NN Investment Partners International Holdings B.V.

Manager:

NN Investment Partners B.V.
Prinses Beatrixlaan 35
2595 AK The Hague

Custodian Foundation:

Bewaarstichting NNIP I
Prinses Beatrixlaan 35
2595 AK The Hague

Custodian:

The Bank of New York Mellon SA/NV, Amsterdam branch
Claude Debussylaan 7
1082 MC Amsterdam

Accountant:

PricewaterhouseCoopers Accountants N.V.
Fascinatio Boulevard 350
3065 WB Rotterdam

Banker:

The Bank of New York Mellon SA/NV
Montoyerstraat 46
1000 B-Brussels
Belgium

Transfer Agent:

The Bank of New York Mellon NV/SA, Amsterdam branch Claude Debussylaan 7
1082 MC Amsterdam

Additional information on the NNIP investment institutions and UCITS can be found on the Manager's website www.nnip.nl.

Mutual fund

The Fund is a mutual fund and therefore has no legal personality. The custodian foundation referred to below is the legal owner of or is legally entitled to the equity of the Fund that is invested by the Manager. All goods that are or become part of the Fund are or will be acquired by the custodian foundation under the title of management on behalf of and for the account of the participants in the Fund.

Obligations that are or become part of the Fund are or will be entered into in the name of the custodian foundation. The equity components are held by the custodian foundation for the account of the participants. The Fund is subject to the Conditions of NN Dutch Residential Mortgage Fund Non NHG, dated 15 December 2022, as amended from time to time (the **Conditions**).

The Conditions regulate the admittance to and the exit from the Fund. The full text of the Conditions is included as Appendix 2 to this Prospectus. If provisions in the Conditions are in conflict with provisions of the Prospectus, the provisions of the Prospectus will take precedence and the Manager will amend the Conditions so that they correspond with the Prospectus. The Fund is managed by NN Investment Partners B.V., which determines the Fund's investment policy. The members of the Executive Board of the Manager are included in the section entitled 'Manager of the Fund'.

Bewaarstichting NNIP I currently acts as custodian foundation (the **Custodian Foundation**).

Bewaarstichting NNIP I was established on 28 June 2018, has its registered office in The Hague and is listed in the trade register under number 33263206.

Members of the Executive Board of Bewaarstichting NNIP I on the date of this Prospectus are:

- H. Brink
- T. Katgerman
- A.F. Yska

The articles of association of the Custodian Foundation are available on request free of charge from the offices of the Manager.

Objective

The Fund is a fund that offers participants the opportunity to invest in a managed portfolio of mortgage receivables arising under mortgage loans granted in the Netherlands by Venn Hypotheken B.V. after 1 January 2020. The Fund's investment policy is intended to achieve the highest possible total return in the longer term on the basis of spread and within the set risk profile.

The Fund has no benchmark.

Investment policy

The Fund invests the equity for the account and risk of the participants mainly in Dutch mortgage receivables/mortgages that are granted by Venn Hypotheken B.V. after 1 January 2020. These mortgages all comply with the Code of Conduct for Mortgage Finance, the Wft and the temporary mortgage loan scheme.

In this context, NN Investment Partners B.V. and Bewaarstichting NNIP I have entered into an agreement with Venn Hypotheken B.V. ('**Mortgage Investment Purchase Agreement**') under which mortgage receivables are purchased for the benefit of the Fund from time to time. At the time that there are new committed amounts for the Fund or available cash can be reinvested, the Fund will – possibly in advance – reserve new mortgage production by Venn Hypotheken B.V.

The mortgage receivables are purchased at 100.5% of the nominal value (**purchase price**). Legal transfer of the mortgage receivables by Venn Hypotheken B.V. to the Fund takes place during the month, and the Fund is entitled to all income (proceeds) from the mortgage receivable from the time of purchase.

The purchased mortgage receivables will be held by the Custodian Foundation on behalf of the Fund. The transfer of the mortgage receivables is by way of silent assignment. The Fund acquires the right of action and the mortgage customers are unaware that these loans have been transferred. Venn Hypotheken B.V. remains the point of contact for mortgage customers.

Every mortgage allocated to the Fund from the production of mortgage loans of Venn Hypotheken B.V. by means of the Allocation Mechanism must meet the Mortgage Loan Criteria. The Mortgage Loan Criteria (see Annex 1 to the Conditions) are stipulated in the Mortgage Investment Purchase Agreement. If a mortgage does not meet the Mortgage Loan Criteria, it will remain in the Fund, but there are compensation arrangements in the case of a loss of credit. The Allocation Mechanism is available from the Manager upon request.

The Fund strives to keep the relevant production for the Fund equivalent to that produced on average in the Dutch mortgage market, subject to the Mortgage Loan Criteria. For new production, the Manager may (temporarily) deviate from the allocation, if this serves the interests of the Participants. Participants can request the Manager for an overview of the production allocation.

Liquid assets, ensuing from interest income or repayments on the mortgages, will also be present in the Fund. The liquid assets may be invested in money market funds such as NN (L) Liquid EUR, which is also managed by the Manager, or in another fund with a similar investment policy to be designated by the Manager.

The Fund promotes environmental and/or social characteristics, as described in Article 8 of Regulation (EU) 2019/2088 (on sustainability-related disclosures in the financial services sector, which regulation may be amended or added to from time to time).

The Fund applies active ownership as well as the ESG integration approach and normative criteria for the Manager's responsible investment, with additional stricter restrictions regarding investments in businesses involved in activities related to gambling, weapons, pornography, fur and specific types of leather, pool drilling and shale oil and gas.

The Fund does not undertake to invest in environmentally sustainable investments that are tailored for taxonomy. However, it is not impossible that the Fund will be exposed to underlying investments that contribute to climate change mitigation and/or climate change adaptation (including the underlying investments which facilitate and/or contribute to the transition). At present however, the share of environmentally sustainable investments in the framework of the Taxonomy Regulation is, due to the lack of reliable data, estimated to be 0%.

The principle of 'do no significant harm' applies only to the underlying investments of the financial product that take account of the EU criteria for environmentally sustainable economic activities. The underlying investments of the rest of this financial product do not take account of the EU criteria for environmentally sustainable economic activities.

Investment restrictions

The Fund will invest in mortgages that meet the Mortgage Loan Criteria (see Annex 1 to the Conditions) as stipulated in the Mortgage Investment Purchase Agreement.

The Fund will invest a maximum of 5% of its equity in mortgage receivables with NHG (*Nationale Hypotheek Garantie* – National Mortgage Guarantee). The Fund may contract loans up to a maximum equal to 5% of the equity of the Fund. If the limits described above are exceeded, the Manager will strive to bring the Fund's Equity within the limits as soon as possible. The Manager is not obliged to dispose of the Fund's assets in this case. The Fund does not make use of securities lending techniques or repurchase agreements to generate additional income for the Fund. The Fund does not make use of derivatives.

Transactions with affiliated parties will take place on the basis of conditions which are in line with generally accepted market practice (see also the 'Affiliated parties' section of this Prospectus).

Target group and risk profile

The Fund is aimed exclusively at qualified investors within the meaning of the Wft. Due to the illiquid nature of the assets in which the Fund invests, the Fund is only suitable for investors with a long-term investment horizon. The Fund offers investors the opportunity to invest in residential mortgages granted by Venn Hypotheken B.V. after 1 January 2020. The Fund has a conservative character as it invests in new mortgages that comply with recent regulations, which are directed towards repayments being made on the mortgages. The Fund applies a Loan To Value (LTV) limit to the mortgages in which the Fund invests in line with the applicable regulations. In 2020, this is a maximum LTV of 100%. In the case of energy-saving measures, the Fund may invest in mortgages with an LTV of up to 106% if the portion above 100% is used in full for energy-saving measures.

Risk profile

Financial risks as well as financial opportunities are associated with investments in the Fund. The value of the investments may increase and decrease and the return that participants of the Fund receive may be less than they have invested. The value of units of participation in the Fund depends on developments in the financial markets. It is possible that your investment will increase in value; it is also possible that your investment will generate little or no income and that all or part of your investment will be lost due to unfavourable price movements.

The risks in relation to the Fund's underlying investments are described below.

In addition, there are a number of other risks associated with the Fund: there is a reliance on the information provided by Venn Hypotheken B.V. about the underlying mortgages. The Fund uses the services of third parties, such as for the servicing and administration of mortgages. The Manager has no influence on the (computer) systems of these third parties so that it is dependent on the systems and information provided by these third parties.

Large

Repayment risk

Mortgage receivables may be repaid early. If mortgage receivables are repaid early, the funds received are in principle reinvested subject to the market conditions then prevailing.

Concentration risk

The Fund invests in Dutch mortgage receivables. The Fund will therefore be sensitive to developments in the Dutch economy and mortgage market in particular. Non-economic factors, such as the political climate, tax regulations and culture, also play a role.

Liquidity risk

Mortgage receivables entail illiquid assets. Consequently, there is a risk that the Fund is unable to release the financial resources that may be required to comply with certain obligations. Within the scope of liquidity management, the Manager may temporarily enter into loans or attract loan capital in another manner up to a maximum equal to 5% of the equity of the Fund.

The purchase of units of participation can only take place if sufficient liquid assets are available in the Fund for this at the discretion of the Manager. When determining the liquid assets available for purchase, the Manager will disregard the liquid assets that are required for operational matters and intended for distributions. If the Manager is aware that the purchase of units of participation has been requested, the Manager will make no more reinvestments insofar as the liquid assets are insufficient to facilitate withdrawals. The Manager may not enter into loans in order to finance the purchase of units of participation. When exiting from the Fund, investors will therefore be dependent upon the available liquid assets. The Manager may, if he expects a significant inflow of liquid assets as a result of the admittance of new participants to the Fund, take these amounts into account when determining the funds available for distribution.

As a result of the limited liquidity, the outflow from the Fund may be limited and may take longer.

Units of participation in the Fund cannot be transferred to a third party, but only repurchased by the Fund.

Interest-rate risk

The valuation of a mortgage receivable may change due to interest rate changes. If the interest rate rises, the value of a mortgage receivable will in principle fall.



The Fund buys mortgages that are provided by Venn Hypotheken B.V. and, where the applicable interest rate is concerned, is dependent upon the rates offered by Venn Hypotheken B.V. to mortgage clients in accordance with its rate policy. In addition, Venn Hypotheken B.V. may make (product) changes to existing and new mortgages, which may affect the (future) return of the Fund.

Offer risk

Upon receipt and acceptance of the Application Form, the Manager will – possibly in advance – reserve mortgage receivables from – solely, if applicable – Venn Hypotheken B.V. in accordance with the Mortgage Investment Purchase Agreement for a purchase price that is approximately equal to the whole committed amount of the Incoming Participant, taking account of any amounts to be reinvested and requests to purchase Units of Participation.

The mortgage receivables are always purchased at 100.50% of the nominal value.

In the context of the Fund, 'Offer Risk' is understood as the risk run because the value of the debt may be subject to change during the period lying between the time that the mortgage offer is sent to the underlying customers (the Borrower(s)) and the transfer of the related mortgage receivables to the Fund. The Offer Risk result is calculated as the market value of the purchased mortgages on the valuation date (the last working day of the month) less the purchase price of the purchased mortgage plus the result on cash held.

In the context of the Fund, the term 'offer risk' therefore had a broader meaning than how it is usually understood in the mortgage market.

In principle, the Offer Risk result is for the account and risk of the Incoming Participant(s), so that the admittance of new Participants is as price-neutral as possible for existing Participants. Reinvestments may also be subject to Offer Risk.

Waiting risk

A long period may lie between the time that the Application Form is accepted and a Payment Request. The length of this period will depend on the number and size of the outstanding committed amounts of other Incoming Participants (prospective Participants) and the number of available mortgage loans that become available monthly for the Fund.

During this period, which may be subject to various changes in market and other circumstances, the Incoming Participant has committed himself for the committed amount. There is a risk that, during this period, the circumstances could change such that a Incoming Participant would wish to withdraw or leave even before it has been fully admitted to the Fund.

An exit request may be submitted in accordance with the Conditions for the part in respect of which it has been admitted. For the still outstanding committed amount, the Manager will have already reserved the mortgage receivables at Venn Hypotheken B.V. and cannot reverse that. This risk is for the account and risk of the incoming participant(s).

Medium

Inflation risk

The investment income may be affected by inflation. In the case of rising inflation, the value of money may be lower than at the time of investment in the Fund.

Credit and counterparty risk

Investors must be aware that credit risks are taken when investing in fixed-income securities. If a debtor, Borrower, is unable to fulfil its obligations under the mortgage and the value of the collateral at that time is insufficient to absorb the losses, this has a negative effect on the return of the Fund. This risk within the Fund is in principle not limited.

Market risk

The Fund is sensitive to changes in the value of investments due to the fluctuation of prices in financial markets, such as fixed-income markets (market risk).

Sustainability risk

Sustainability risks can have a negative effect on the return of the Fund. The sustainability risks to which the Fund may be exposed are:



- climate change
- health and safety
- business conduct

On the basis of the assessment of the sustainability risks, the sustainability profile of the Fund can be categorised as large, medium or small. The risk profile gives, on a qualitative basis, the probability and the level of the negative effects of sustainability risks on the performance of the Fund. This is based on the level and the result of the integration of environmental, social and governance factors into the investment process of the Fund.

Small

Settlement risk

The Fund is sensitive to the risk that a settlement via the payment system does not take place as expected because the payment or delivery of assets by a counterparty does not take place, or not on time or as expected.

General capital risk

The Fund is subject to risks of changes in value of the capital, including the potential risk of erosion resulting from the purchase of units of participation and distributions that exceed the return on investment.

Custody risk

The Fund runs the risk of the loss of assets placed in custody (custody risk) as a result of insolvency, negligence or fraudulent trading by the (sub)custodian of these assets.

Counterparty risk

There may be a short period of time between when the mortgage is paid and legal transfer to the Fund. The Fund runs counterparty risk on Venn Hypotheken during this period. If Venn Hypotheken is declared insolvent during this period, the mortgages will, from a legal standpoint, still belong to Venn Hypotheken, and the Fund will seek recovery from Venn Hypotheken. This counterparty risk is limited in that a legal transfer of mortgages takes place multiple times per month.

Amendments to legislation and regulations

Since financial and tax legislation and regulations are subject to change, a circumstance at the time of admittance could later become less favourable. In addition, the regulation of the mortgage market and more especially mortgage lending may be subject to change.

Leveraged financing risk

Leveraged financing is the method with which the Manager increases the position of the Fund with borrowed cash, with leverage in the form of extra mortgages. The Fund in principle makes no use of leveraged financing, although leveraged financing will arise to a limited extent when entering into loans or in case of a negative cash balance.

The Manager may enter into loans on behalf of the Fund up to a maximum equal to 5% of the equity of the Fund, not counting undrawn home construction or improvement accounts as referred to in the Mortgage Investment Purchase Agreement. The loans referred to may only be concluded on condition that the lender undertakes never to seek recourse outside the equity of the Fund. To the extent necessary for the payment obligations arising from these loans, the Manager may pledge the equity of the Fund as security up to a maximum equal to 5% of the Fund's Equity. The percentages referred to will in each case be calculated on the value of the equity of the Fund at the time that such a loan is entered into or such security is provided. All the above loans will be entered into on the basis of conditions and rates that are in line with generally accepted market practice.

The Manager calculates the total exposure of the Fund on a gross and net basis. The total amount of leveraged financing employed by the Fund will be accounted for annually in the annual report. With due regard for the provisions in the Prospectus, the gross leverage of the Fund is a maximum of 105% and the net leverage is a maximum of 105%.

Sustainability risks

Sustainability risks can represent one's own risk or affect other risks and can contribute significantly to general risks, such as market risks, liquidity risks, credit risks and operational risks.

Sustainability risks can have a negative effect on the return of a fund.



Sustainability risks are defined in Article 2(22) of Regulation (EU) 2019/2088 (on sustainability-related disclosures in the financial services sector, which regulation may be changed or supplemented from time to time) as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. The assessment of these sustainability risks is integrated into the investment decision by the responsible investment criteria defined by the Manager. These responsible investment criteria and their application are set out in the NN IP Responsible Investment Policy.

The sustainability assessment performed as part of the investment analysis takes account of all relevant risks, including sustainability risks, ESG factors, depending on the underlying investment strategy. For issuing bodies, the Manager's ESG materiality framework provides guidelines for material ESG factors. Climate change, the use of resources and pollution are the material factors that are taken into account for environmental risks. Human rights and employee relations are some of the factors taken into account for societal risks. For governance risks, the material factors taken into account may include business conduct and corporate governance. This sustainability assessment includes, but is not limited to, assessing the ESG risk profile of the issuing body and is performed by using internal data and data from external suppliers, some of which are specialised in ESG-related data and related risk assessments. For investments where there is an indication of behaviour or activities which are not consistent with the criteria defined for responsible investment, the Manager will decide whether or not to enter into active dialogue or exclude the issuing body from a fund's eligible investment universe. As a result of the decision to apply the responsible investment criteria, an investment universe of a fund may, if applicable, vary from the investment universe of an index.

Active shareholder engagement is part of the Manager's investment process and plays an important part in helping to minimise and limit the sustainability risks and in increasing the long-term economic and social value of the issuing body in the course of time.

For government bonds, and their issuing bodies, the ESG factors taken into account in assessing the sustainability risk are roughly divided into development and stability factors. For stability, factors that may be considered include terrorism, fractionalisation, social-economic tensions, political unrest and natural disasters. For development, the factors can be further divided into environmental, social and societal risks. For environmental risks, factors that may be considered include biodiversity and habitat, deforestation, tree cover loss and air quality. For social risks, factors that may be considered include the number of registrations at schools, spending on research and development and access to electricity. For the societal risks, factors that may be considered include the effectiveness of the government, constitutional state and participation and accountability. The risk assessment is performed by using internal data and/or data from external suppliers, some of which are specialised in ESG-related data.

There may be cases where, on the basis of the fund strategy, the ESG factors taken into account in the assessment of sustainability risks may differ from the factors set out above, given that the type and the quality of the data and its availability may vary. Above all, the process of integration of sustainability risks into the investment process may, in cases where management activities for a fund have been outsourced, differ from the process that is set out above. In these cases, it will be ensured that the variance does not produce any material differences in the approach, as set out in the NN IP Responsible Investment Policy.

Active shareholder engagement is taken to mean entering into an active dialogue with the companies in which an investment is made and exercising the right to vote at shareholder meetings in order to promote the success of the companies in the long term, by holding the management accountable on behalf of the investor. The Manager's stewardship policy presents the roles and responsibilities of the Manager as an active investor towards investors, including how the Manager exercises voting rights at shareholder meetings around the whole world and conducting engagement activities with companies in which an investment is made.

Additional information about the Manager's criteria for responsible investment can be found in the NN IP Responsible Investment Policy, which is published on the Manager's website, www.nnip.nl.



Agreements on the Fund's investments

The legal relationship between the Manager and Bewaerstichting NNIP I is defined in the Conditions which are subject to Dutch law. Disputes relating to the provisions of these Conditions between the Manager on the one hand and one or more participants on the other will, at the discretion of the participant, in the first instance be submitted to the competent court in the Netherlands, unless the Manager as plaintiff prefers a foreign court.

The agreement regarding management and custody entered into with the Custodian will also be governed by Dutch law. The agreement with the Custodian provides that the Dutch court has jurisdiction in the case of disputes.

For the benefit of the investments made by the Fund, the Fund has concluded several agreements with Venn Hypotheken B.V., including the Mortgage Investment Purchase Agreement. These agreements are subject to Dutch law and contain an express jurisdiction clause for the Dutch court. The agreements between the Fund and Venn Hypotheken B.V. can be inspected at the offices of the Manager.

Structure of the Fund

The Fund is a closed mutual fund for Dutch tax purposes and thus not liable for corporation tax and dividend withholding tax.

The Fund has an open-ended character, except that there is no maximum number of units of participation. The extent to which participants can enter or exit depends upon the mortgage production at Venn Hypotheken B.V. and the liquid assets in the Fund. Units of participation in the Fund cannot be transferred to third parties. Transfer can only take place by having the Fund purchase units of participation. If and as long as one or more units of participation are offered to the Fund for purchase, the Manager will make no further reinvestments until all of these units of participation have been purchased. Admittance and purchase of units of participation in principle takes place on a monthly basis.

The Fund does not have any employees.

Units of participation

Units of participation are registered; no participation certificates are issued. Units of participation are only transferable to the Fund and not to third parties, and have no par value. A register is maintained for the Fund that includes, for example, the names and the number of units of participation of the participants.

Participation Classes

The Fund has two Participation Classes. The Participation Classes within the Fund may mutually differ in terms of cost and fee structure, the minimum amount of initial deposit and demands on the quality of the investors.

The Fund has two different classes of units of participation:

Participation Class I and Participation Class Z

The current Participation Classes of the Fund are:

- Participation Class I: intended for qualified investors as defined in the Wft or another legal concept taking its place at any time, for which a minimum initial deposit of €1,000,000 (one million euros) applies, such that the deposited amounts, excluding decreases in value, will never be less than the stated amount; and
- Participation Class Z: intended for other investment institutions and UCITS managed by the Manager or professional investors which (in another manner) pay a fee to the Manager itself or to a party affiliated with the Manager for the management of their equity.

For each class, the units of participation provide entitlement to a proportionate share of the equity of the Fund attributable to the relevant Participation Class. The Manager can decide to offer a particular Participation Class under a number of different commercial names. All the names under which the Fund or a particular Participation Class is offered by the Manager are to be communicated to the AFM and the AFM will include these in the register referred to in Section 1:107 of the Wft.

Separate records are kept for each Participation Class. The holders of units of participation in a certain Participation Class are economically entitled to the equity of the Fund as shown by the Fund's administrative records with regard to the relevant Participation Class. The part of the equity of the Fund deposited into, or allocated to, each Participation Class is invested in accordance with the investment policy of the Fund. The Participation Classes therefore have the same investment policy, but may have a different price formation. All returns and costs which can be allocated to a particular Participation Class are to be accounted for separately in the administrative records for the Participation Class in question. This is reflected in the net asset value of a unit of participation of the Participation Class in question. This value per unit of participation is calculated by dividing the value of the equity attributable to the Participation Class in question by the number of units of participation of the Participation Class in question which have been issued at that point in time.

The Manager treats investors under similar circumstances in the same way. For each Participation Class, investors find themselves in similar circumstances.

Manager of the Fund

NN Investment Partners B.V. is the manager of the Fund as well as other investment institutions. The shareholders' equity of NN Investment Partners B.V. amounts to at least EUR 125,000. To cover potential professional liability risks arising from the activities of NN Investment Partners B.V. as manager of investment institutions, the Manager possesses additional equity that can cover potential professional liability risks arising from professional negligence.

The Manager acts as manager of an investment institution as defined in Section 1:1 of the Wft (*Wet op het financieel toezicht* – Financial Supervision Act) and as such is subject to the licensing provisions pursuant to Section 2:65(1), preamble and (a) of the Wft, and is therefore required to observe the provisions issued by virtue of or pursuant to the Wft. The DNB and the AFM act as supervisory authorities. The Manager's licence is available for inspection and a copy thereof is available (at cost price) to participants at its office address.

In the interests of the investors, managers to whom a licence has been granted and investment institutions managed by these managers, must fulfil the requirements relating to suitability and reliability of (daily or partial) policymakers, financial guarantees, conduct of business, the provision of information to investors, the public and supervisory authorities and guarantees for adequate supervision.

NN Investment Partners B.V. is part of Goldman Sachs Group Inc. The Goldman Sachs Group Inc. is listed on the New York Stock Exchange and qualifies as a bank holding company under US law. Goldman Sachs is a globally operating financial institution which – by means of a substantial variety of leading companies and subsidiaries – offers (integrated) financial services to private individuals, companies and institutions.

Members of the Executive Board of NN Investment Partners B.V. on the date of this Prospectus are:

- H.W.D.G. Borrie, Head of Client Group International NN Investment Partners;
- M.C.M. Canisius, Chief Finance and Risk Officer NN Investment Partners;
- V. van Nieuwenhuijzen, Chief Investment Officer NN Investment Partners;
- B.G.J. van Overbeek, Chief Operational Officer NN Investment Partners;
- M.C.J. Grobbe, Chief Human Resources Officer NN Investment Partners.

NN Investment Partners B.V. may hold units of participation in the Fund. Its (possible) interests in the Fund are referred to under the other details section in the Fund's annual report. The Fund has not issued any loans to them.

As regards managing the investment institutions and UCITS, the Manager acts exclusively in the interests of the investors in said investment institutions and UCITS. The Manager treats investors under similar circumstances in the same way. No investor receives preferential treatment or may acquire the right for this.

The Manager always treats investors in an equitable manner, even if a conflict of interest appears to be inevitable. The Manager pursues effective policies to prevent and control/mitigate conflicts of interest. This policy also applies to conflicts of interest that may arise as a result of the structure and business activities of other companies that are part of the group to which the Manager belongs.

In the event that a conflict of interest appears to be inevitable, the Manager informs investors about this through its website before making a decision or taking any (legal) action.

The Manager will publish the following on its website:

- a. a copy of the licence granted by the AFM to the Manager;



- b. the articles of association of the Manager and the Custodian (as referred to below);
- c. excerpts from the trade register of the Manager and the Custodian;
- d. the financial statements and annual reports of the Manager and the investment institutions managed by it with accompanying auditor's reports;
- e. the semi-annual results of the Manager and the investment institutions managed by it;
- f. the financial statements and annual reports of the Custodian;
- g. a copy of the agreement with the Custodian;
- h. the prospectus;
- i. a proposal to amend the Conditions as well as an amendment to the Conditions if the amendment differs from the published proposal to that effect;
- j. summons to meetings of participants; and
- k. if the Manager decides to submit a request to the AFM to retract the license, the notification of this.

Any party will be issued on request, for no more than cost price, with details on the Manager and the Custodian that, on the grounds of any statutory regulation, have to be included in the trade register. Any party that requests such will be issued, free of charge, with a copy of the articles of association of NN Investment Partners B.V. The annual reports, the financial statements and the latest semi-annual results of NN Investment Partners B.V. are available for inspection at its office address and on its website.

NN Investment Partners B.V. administers the equity of investment institutions that offer units of participation to both professional and non-professional investors. NN Investment Partners B.V. has knowledge of and experience with the management of share, fixed-income, money market and indirect real estate portfolios and combinations thereof. These main categories can be additionally separated into asset classes such as Emerging Markets Equity, Emerging Markets Debt, Asset Backed Securities, High Yield Bonds and Sector Funds. NN Investment Partners B.V. also has knowledge of the management of derivative constructions, hedge funds, private equity and multi-manager portfolios.

NN Investment Partners B.V. is also manager of, for example, NN Paraplufonds 5 N.V., being an investment institution in the form of an investment company with variable capital as defined in Article 76a, Book 2 of the Netherlands Civil Code, as well as of UCITS in the form of an investment company with variable capital, i.e. NN Paraplufonds 1 N.V., NN Paraplufonds 2 N.V., NN Paraplufonds 3 N.V. and NN Paraplufonds 4 N.V. An up-to-date list of the funds managed by the Manager can be found on the Manager's website (www.nnip.nl).

NN Investment Partners B.V. is part of NN Investment Partners International, an organisational unit de asset management division of Goldman Sachs. NN Investment Partners performs the management tasks for the Manager and makes its administrative system available to the investment institutions managed by the Manager.

NN Investment Partners International is part of an international organisation with investment centres in The Hague, New York, Singapore, Tokyo and London, for example. These centres are responsible for the execution of the investment policy and cooperate closely with specialised investment firms in sixteen countries in Europe, America, Asia, South America and the Middle East. This organisation means NN Investment Partners International is able to keep a close watch on international developments in financial markets.

Custodian of the Fund

The assets of the Fund are kept in custody by The Bank of New York Mellon SA/NV, Amsterdam branch, as the custodian of the Fund (the **Custodian**).

The shareholders' equity of the Custodian amounts to at least EUR 730,000.

The Manager and the Custodian of the Fund have entered into a written agreement relating to management and custody. The main elements of this agreement are the following:

- The Custodian ensures that the cash flows of the Fund are properly controlled and in particular that all payments by or on behalf of investors during the subscription for units of participation have been received and that all cash of the Fund has been entered on cash accounts in the name of the Custodian Foundation acting on behalf of the Fund or in the name of the Custodian acting on behalf of the Fund, opened with (in principle) an entity as described in Section 18(1) (a), (b) and (c) of the European Directive 2006/73/EC (a credit institution or a bank that has been granted a licence in a third country).
- The assets of the Fund consisting of financial instruments are entrusted to the Custodian. The Custodian holds on deposit all financial instruments that can be registered on a financial instruments account in the books of the Custodian, on separate accounts in the name of the Custodian Foundation acting on behalf



- of the Fund. In addition, the Custodian holds on deposit all financial instruments that can be physically delivered to the Custodian.
- The Custodian ensures that the sale, issue and purchase of units of participation, as well as their redemption, take place in accordance with Dutch law and the regulations of the Fund.
 - The Custodian ensures that the value of the units of participation in the Fund is calculated in accordance with Dutch law and the Conditions.
 - The Custodian carries out the instructions of the Manager, unless they conflict with Dutch law or the Conditions.
 - The Custodian ensures that the equivalent value of the transactions involving the assets of the Fund is transferred to the Fund by the usual deadlines.
 - The Custodian ensures that the income of the Fund is allocated in accordance with Dutch law and the Conditions.

In the context of custody, the Custodian acts in the interests of the investors in the Fund.

At the request of the investors, a copy of this agreement can be obtained from the manager in return for no more than cost price.

Under Dutch law, the Custodian is liable towards the Fund or the investors for the loss by the Custodian or by a third party to whom the custody of entrusted financial instruments is transferred. In the event of such a loss of a financial instrument held in custody, the Custodian immediately refunds a financial instrument of the same type or for an equivalent amount to the Fund. The Custodian is not liable if it can prove that the loss is the result of an external event beyond its reasonable control and the consequences of which were unavoidable despite all efforts to prevent this.

The Custodian is also liable towards the Fund or investors for any other losses they incur because the Custodian intentionally or due to negligence does not properly comply with its obligations.

Under Dutch law, a custodian may, in principle, only exclude liability for loss of the entrusted financial instruments towards the Fund or the Manager if:

- It has complied with all requirements applying to the delegation of custody functions.
- It has concluded a written agreement with the third party that performs the outsourced activities in which its liability is transferred to the third party and by virtue of which the Fund, the Manager or the custodian on their behalf, can sue the third party for damages for loss of financial instruments on the same basis as that on which the custodian could originally be sued.
- It has concluded a written agreement with the Fund or the Manager in which the Fund or the Manager on behalf of the Fund agrees with the exclusion of the liability of the Custodian, and which includes an objective reason for this exclusion.

The Bank of New York Mellon SA/NV as Custodian currently makes no use of this possibility.

The written agreement with respect to management and custody between the Manager and the Custodian contains a so-called irrevocable third-party clause (at no cost) with respect to the liability of the Custodian on behalf of investors. Investors may directly derive rights from this. A copy of this agreement is included on the Manager's website.

Stichting Derdengelden Venn Hypotheken

Stichting Derdengelden Venn Hypotheken has been established to separate the equity of investors in Venn Hypotheken from the equity of Venn Hypotheken. All incoming and outgoing payments in respect of the mortgage loans that are intended for or owed by the Fund will run via the bank account of this foundation. The funds in the foundation account are not part of the equity of Venn Hypotheken. This ensures that all payments that ensue from mortgage loans will continue to be made in spite of any possible insolvency of Venn Hypotheken.

The Fund has joined Stichting Derdengelden Venn Hypotheken and has, together with other investors in Venn Hypotheken, a disclosed pledge in respect of the balance of the bank account of the foundation. The rights of each investor are limited to the monies received by the foundation in respect of the mortgages sold to that investor.



Admittance to the Fund

Participation in Participation Class I of the Fund is subject to a minimum committed amount as defined in the Conditions of €1,000,000 (one million euros). Admittance to the Fund is only possible by means of a completed Application Form, which must be received by the Manager at the address specified by the Manager before the cut-off time (12.00 midday Dutch time on the 15th calendar day of the month or on the first working day after the 15th calendar day if the 15th calendar day is not a working day prior to the Admittance Date) in order to be processed before the next Admittance Date. An Admittance Date is the first working day of a calendar month. By signing the Application Form, the incoming participant undertakes to pay the committed amount when the Manager, whether or not represented by the Transfer Agent, requests such by means of a Payment Request. The Manager will at all times be entitled to refuse admittance or restrict or alter the right to admittance without stating any reason therefor. The Manager may set additional conditions on admittance. During the term of the Fund, a participant may increase its committed amount with the prior consent of the Manager. For the order in which the committed amounts are processed, the increase of the committed amount is regarded as a new order.

The issue of units of participation takes place on the Issue Date. The Issue Date is the last working day of a Participation Month. A Participation Month is the month in which a participant satisfies a request of the Manager to deposit its committed amount, in whole or part. Units of Participation are deemed issued on the last working day of the month. Units of Participation are issued at the value as determined on the Valuation Date. The Valuation Date is the date, no later than 12 working days after an Issue Date, on which the Holding Value is calculated and on the basis of which Units of Participation are issued. If the Offer Risk result is passed on, the Individual Holding Value is calculated according to Article 13 of the Conditions. In each Payment Request, the date of payment of the amount that is requested from the (Incoming) Participant will be stated. The relevant amount must be received on the Manager's account on the payment date specified in the Payment Request.

The Manager will, whether or not represented by the Transfer Agent, request the committed amounts for each cut-off time on a proportional basis. The Manager may, at its own discretion, deviate from this in the event that a participant has a relatively small committed amount relative to the committed amount(s) of the other participant(s) from whom the Application Form is received in respect of the same Admittance Date.

All deposits by and payments to the participants and all the calculations under the Conditions must be made in euros. In principle, no participant is permitted to withdraw, cancel or revoke any part of the committed amount. In special circumstances, the Manager may allow a committed investor to revoke the committed amount in accordance with Articles 7.6 and 7.7 of the Conditions. No compensation on the outstanding committed amount is payable by the Fund. None of the participants may suspend their payment or deposit obligations to the Fund or invoke settlement against the Fund.

Any result that arises because actual costs of the Fund differ from the compensation referred to above will accrue to or be charged to the Fund.

The committed amount will be issued indefinitely. The Manager is permitted to deviate from this. The Manager may change the committed amount for an indefinite period to a committed amount for a definite period.

In principle, Incoming Participants bear the Offer Risk associated with the mortgage receivables that the Manager purchases – possibly in advance – from Venn Hypotheken B.V. in connection with their admittance, so that the admittance of these new Participants is as price-neutral as possible for existing Participants. The Offer Risk exists upon the purchase of new mortgage receivables for the issue of new Units of Participation. If no new mortgage receivables are purchased for the issue of new Units of Participation, for example if the Units of Participation of Outgoing Participants are set off against those of Incoming Participants or if liquid assets, in whole or in part, are held for the newly issued Units of Participation, there is no Offer Risk, in principle. The Offer Risk result is passed on in the Individual Holding Value as set out in Article 13 of the Conditions.

Exiting from the Fund

Transfer of units of participation can only take place by having the Fund purchase units of participation. The Fund may purchase units of participation on written request. A purchase request is irrevocable, must be made no later than on the 15th day of a calendar month or on the next working day after the 15th calendar day if the 15th calendar day is not a working day and be received by the Manager before the cut-off time (12.00 midday Dutch time). The Manager will process the order at the end of the month in which the request has been received in the manner as referred to above.

Purchasing will take place at the holding value as determined on the first valuation date following the month in which the written purchase request has been received. If at the discretion of the Manager sufficient liquid assets are available in the Fund for this, it will proceed with the purchase and acquisition of the relevant units of participation, as much as possible, in proportion to the total number of units of participation offered for purchase for each Participation Class.

The purchase of units of participation can only take place if sufficient liquid assets are available in the Fund for this at the discretion of the Manager. When determining the liquid assets available for purchase, the Manager will disregard the liquid assets that are required for operational matters and intended for distributions. The Manager may at its own discretion consider the committed amounts of Incoming Participants, which have not yet been accounted for in the liquid assets, when determining the assets available for purchase.

Any request to purchase units of participation will be given for an indefinite period. If a purchase request is not carried out in full, the remainder will be processed the next month on a proportional basis with all other purchase requests. When a unit of participation is acquired by the Fund, the unit of participation is extinguished.

If the Manager is aware that the purchase of units of participation has been requested, no more reinvestments will take place insofar as the liquid assets are insufficient to facilitate the purchase. The Manager may not enter into loans in order to finance the purchase of units of participation.

If the opportunity arises, the Manager may offer a representative cross-section to Venn Hypotheken B.V. or another related entity in order to provide liquidity to the Fund. However, the Manager is not obliged to proceed with such an offer. The offer will not automatically lead to acceptance; the counterparty has no acceptance obligation. The Fund's investment profile must not change as a result of such a transaction, and the sale must be in the interests of the incumbent participants.

Admittance by legal succession or via Group Entities

The regular issuing and allotment process, as set out above, is not applied in the case of the initial issue and allotment of Units of Participation to the Legal Successor of the existing Participant or to a Group Entity of an existing Participant. In that case, all or part of the Units of Participation held by the existing Participant will be purchased all at once in exchange for the issue and allotment of an equal number of Units of Participation to its Legal Successor or Group Entity, outside the queue. In this case, purchase and issue take place on the same Trading Day and at the same Net Asset Value, and no Offer Risk will apply. This special way of being admitted to the Fund is subject to the requirements and conditions of Article 11(6), (7) and (8) of the Conditions.

For a more extensive description of this special purchasing procedure and the cases in which it can be applied, please refer to Article 11(6), (7) and (8) of the Conditions.

Determination of holding value and result of the Participation Class(es) and of the units of participation

The holding value of all Participation Classes of the Fund will be determined on each valuation date by the Manager. The holding value per unit of participation will be published on the Manager's website (www.nnip.nl). The Manager determines the holding value for this Fund once a month.

The value of a unit of participation of a certain Participation Class is determined by dividing the value of the relevant Participation Class by the number of outstanding units of participation of that class issued to investors on the

calculation date. The value of (units of participation of) a Participation Class is determined with due regard for the valuation principles described below.

The equity of the Fund is formed by the assets minus the liabilities. Included under the assets are the investments, the receivables and the other assets, including liquid assets. The liabilities relate to the debts.

As a rule, the following valuation principles are observed when determining the value in euros of the equity of the Fund.

Investments are stated at fair value. This fair value is determined according to the following principles:

Mortgage receivables are stated at market value. This means by discounting the future contractual cash flows, taking into account the early repayments by the Borrower, using a market discount curve for similar mortgage loans at the end of the month for which the value of the Fund is determined.

Investments in other investment funds managed by NN IP are stated at the net asset value of that (same) day.

Securities are valued at the share price or other comparable market quotation. Where securities are listed on more than one stock exchange, the price on the main stock exchange will be used.

Insofar as securities do not have a share price or other market quotation, or if the price formation is not deemed representative (as may be the case, for example, in times of huge volatility on the financial markets), the Manager will determine the value. Determination of value will be based on objective and recent market information and/or make use of generally accepted calculation models.

Other financial instruments regarded as investments will be valued at the market value as deduced from market quotations and market information provided by third parties. If no objective market quotation is available for such financial instruments, these instruments will be valued at the theoretical value that is calculated using objective and broadly accepted calculation models, with due regard for principles generally considered acceptable by the Manager for the Investments in question.

Assets and liabilities not regarded as investments are stated at par.

No costs are charged for entry and exit, unless there is good reason to deviate from this, such at the discretion of the Manager. The costs of entry or exit will then be determined by the Manager. The Manager will inform the Participants about these costs prior to entry or exit. In such case, these costs solely serve to protect the existing participants.

The Manager may depart from the provisions of this article if, in its opinion, exceptional circumstances make it practically impossible or manifestly unreasonable to calculate the value of the fund's equity in the manner described above (as may be the case, for example, in times of huge volatility on the financial markets). In such instances the fund's equity will be determined on the basis of indices or other socially acceptable valuation principles.

The result of a Participation Class is composed of the changes in the value of the investments, the interest received in the financial year and the declared dividends, less the costs attributable to the financial year in question. When determining the interest, the accrued interest from bank balances will be taken into account. The direct revenues and costs are allocated, for each Participation Class, to the financial year to which they relate.

If it transpires that the holding value of a Participation Class has not been correctly calculated and the Participation Class in question has suffered loss or damage as a consequence of this incorrectly calculated holding value, the Manager will reimburse the loss or damage to the Participation Class in question in the event of a discrepancy of at least 1% compared to the correct holding value.

Costs

General

Costs are associated with investing in investment funds that relate to the management of the investment fund,

the custody of the assets of the investment fund, the auditor and, for example, the supervision.

The cost of transactions in financial instruments (transaction costs) for the purchase and sale of the investments by the Fund and the interest charges are charged directly to the Fund. The costs of purchase and sale of investments are included in the cost price or deducted from the proceeds of the sale of the relevant investments.

Transaction costs include the change in market price as a result of the transaction (market impact).

If the Fund invests in other investment institutions or UCITS, a management fee or other fees may be charged due to the relevant investment both at the level of the Fund and at the level of the underlying investment institution or UCITS.

If the Fund invests directly or indirectly in other investment institutions or UCITS managed by the Manager or a manager affiliated with the Manager, the costs of these investment institutions or UCITS are included when determining the level of the costs of the Fund.

If the Fund directly or indirectly invests 10% or more in other investment institutions or UCITS that are not managed by the Manager or a manager affiliated with the Manager, these costs are included when determining the level of the costs of the Fund.

Insofar as costs are directly attributable to one of more specific Participation Classes, they are charged directly to the relevant Participation Class(es). Insofar as costs are not directly attributable to one of more specific Participation Classes, they are charged to all issued Participation Classes by means of an allocation ratio.

Where VAT is charged, this will be for the account of (the relevant Participation Class(es) of) the Fund. VAT charged to the Fund cannot be recovered.

Interest may be charged by virtue of loans drawn and incidental overdrafts on bank accounts of the Fund. These charges will be explained in more detail in the financial statements.

The general overheads of (the Participation Class(es) of) the Fund will be accounted for in the annual report. For the sum of the costs referred to in this section, reference is made to the annual report of the Fund.

1) Management fee for Participation Class I

The Manager will charge a management fee of 0.225% per year to Participation Class I (plus value added tax payable); this is converted on a monthly basis into a percentage that is calculated on the total equity of the Fund that is attributed to each Participation Class at the end of each month. The aforementioned management fees are deducted from the equity of the Fund at the expense of Participation Class I on a monthly basis.

If justified by reasonable, objective criteria, such as the amount of an investment in the Fund, the Manager is free to grant a discount on the management fee with respect to Participation Class I to one or more (professional) investors.

The management fee is exempt from VAT.

2) Miscellaneous costs

In addition to the above-mentioned management fee, the Manager will charge a fixed fee to Participation Class I, the VOK (*Vaste Overige Kostenvergoeding* – Fixed Miscellaneous Fee), of 0.225% per year; this is converted on a monthly basis into a percentage that is calculated on the total equity of Participation Class I at the end of each month.

These miscellaneous costs concern servicing and administration of mortgages of 0.195% as well as regular and/or recurring expenses of 0.03% including the costs of: the administration and the reporting (also understood to include the costs of data provision and the processing and calculation of the Fund's financial data, the custody of the assets, the auditor, the supervision, making payments, publications, meetings of participants, as well as external advisors and service providers, such as the Transfer Agent), insofar as these costs are charged to the Fund.

The VOK is fixed in the sense that the Manager will take responsibility for all actual costs that may exceed the VOK with the exception of the costs referred to in the following section. On the other hand, the Manager is in all cases entitled to retain the VOK if the actual costs prove to be lower than the VOK received. When determining



the amount of the VOK, the Manager also takes account of market conditions and the level of comparable fees at comparable investment institutions and UCITS that are managed by other managers.

In addition to the VOK, non-recurring, extraordinary expenses associated with, for example, the implementation of major changes in applicable legislation and regulations and/or as a result of unforeseen circumstances, may be charged to the result of the Fund or the relevant Participation Class. These expenses will not exceed 0.02% of the average equity on an annual basis. Where appropriate, these expenses will be accounted for in the annual report.

3) Miscellaneous costs for Participation Class Z

A fixed fee, the VOK (*Vaste Overige Kostenvergoeding* – Fixed Miscellaneous Fee), of 0.225% per year will be charged to Participation Class Z; this is converted on a monthly basis into a percentage that is calculated on the total equity of Participation Class Z at the end of each month.

These miscellaneous costs concern servicing and administration of mortgages of 0.195% as well as regular and/or recurring expenses of 0.03% including the costs of: the administration and the reporting (also understood to include the costs of data provision and the processing and calculation of the Fund's financial data, the custody of the assets, the auditor, the supervision, making payments, publications, meetings of participants, as well as external advisors and service providers, such as the Transfer Agent), insofar as these costs are charged to the Fund.

The VOK is fixed in the sense that the Manager will take responsibility for all actual costs that may exceed the VOK with the exception of the costs referred to in the following section. On the other hand, the Manager is in all cases entitled to retain the VOK if the actual costs prove to be lower than the VOK received. When determining the amount of the VOK, the Manager also takes account of market conditions and the level of comparable fees at comparable investment institutions and UCITS that are managed by other managers.

In addition to the VOK, non-recurring, extraordinary expenses associated with, for example, the implementation of major changes in applicable legislation and regulations and/or as a result of unforeseen circumstances, may be charged to the result of the Fund or the relevant Participation Class. These expenses will not exceed 0.02% of the average equity on an annual basis. Where appropriate, these expenses will be accounted for in the annual report.

Research cost

The Management Company and/or the Investment Manager(s) aim to unbundle the costs for financial research from other costs linked to transactions inherent to the execution of the investment objective and policy. In line with this and as a general rule, the costs for financial research are borne by the Investment Manager(s). Some Sub-Funds, however, are managed by third party Investment Manager(s) outside the European Union that are not in-scope for the purpose of MiFID II and will be subject to local laws and market practices governing financial research in the applicable jurisdiction of the relevant third party Investment Manager. The latter may have chosen or be required not to bear these costs and/or not allowed to pay (cash transactions) for research due to legal restrictions. This means that costs of financial research may continue to be met out of the assets of these Sub-Funds. When and where a third party Investment Manager of a Sub-Fund will indeed pay for the cost of research through the transactions of the Sub-Fund this shall be specifically mentioned in the factsheets of the relevant Sub-Funds. In those specific cases the Investment Manager(s) may receive compensation from the trading initiated by them on behalf of the Sub-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 Manager(s) will be permitted to engage a Sub-Fund to pay higher transaction costs to a Counterparty comparing to another Counterparty because of the research they received. 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 Company, Management Company and/or Investment Manager(s), to enter into contractual agreements to engage in any specific business with them. The Company, Management Company and/or Investment Manager(s)' 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 Manager(s) 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 Sub-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 Manager(s) are able to purchase from independent research providers. CSA's are generally not available for fixed income transaction.

Commission rates, brokerage fees, transaction costs as mentioned in this description are generally expressed in a percentage of transaction volume.

Information about the Fund

An up-to-date summary of the Fund will be published monthly on the Manager's website (www.nnip.nl) or be made available directly to all investors and will include an overview of:

- Holding Value;

and directly to the investors;

- Mortgage arrears report;
- Mortgage stratification tables;
- Loan-level data of the mortgages through Portal;
- Cash flow projections;
- Monthly Fund reports.

Meetings of participants

The Manager will convene a meeting of participants if it considers this to be in the interest of the participants or if requested by one or more participants, who severally or jointly represent at least 1/4 of the total number of votes that can be cast. The number of meetings is limited to four times a year.

Participants are to be summoned to a meeting of participants no later than the fifteenth day before the start of said meeting. Notification will take place by means of an advertisement in one or more national Dutch newspapers or to the (email) address of each participant.

The meeting is presided over by a chair designated by the Manager from among the ranks of the Manager. One or more meetings may be presided over by a chair other than the chair designated by the Manager should this be preferred at any time by a majority of the participants.

Participants may put forward topics to the Manager about which further information or consultation with other participants is desired.

The following decisions require the prior consent of the meeting of participants and thus can only be taken after convening a meeting of participants:

- The decision to appoint a new manager.
- A decision to amend the Fund's investment policy.
- A decision to amend the Mortgage Loan Criteria.
- Decisions that reduce the rights or security of participants.

New charges imposed on participants, including increases in costs and fees, may be imposed without the approval of participants. For more details, see under the heading 'Amending the conditions' on page 24.

Resolutions are passed by an absolute majority of the votes cast at the meeting, provided that at least two participants, not being entities/parties affiliated with the Manager, have voted for the resolution on the agenda.

Decisions of participants may also be taken without a meeting, provided that this takes place in writing, all participants are given the opportunity to cast their votes and none of them objects to this form of adoption.

Distributions and reinvestment

The Manager determines for each Participation Class whether and with which frequency distributions may be made. At the end of each financial year the Manager will decide what amount will be distributed on each unit of participation. Distribution will be made within eight months of the end of the financial year net of any taxes payable. Distributions are charged to the balance of the equity of the Fund attributable to the relevant Participation Class on the final day of the past financial year and paid to the participants in the Participation Class in question. Distributions will be proportionate to the number of units of participation held by each participant, as disclosed in the register kept by the Manager as at the date on which payment is made. The distribution may differ per Participation Class.

Payment of the distribution is by means of automatic reinvestment in units of participation, unless the participant elects for whole or partial transfer to a cash account held in its name that is suitable for funds transfer. The reinvestment of distributions takes place at the net asset value as determined no later than on the first valuation date following the day on which the distribution is made payable. This will be determined by the Manager as explained in more detail in the Conditions. Reinvestment may be subject to Offer Risk; the result of this risk is for the account and risk of the reinvesting participants and is determined in accordance with Article 13 of the Conditions

If a participant elects for transfer to a cash account, it will notify the Manager thereof in writing on a timely basis before payment is made, stating the number of the cash account in question. The participant will also state the number of units of participation in respect of which it requests such transfer.

The Manager's decision to make a distribution payable to participants in the Participation Classes, the composition of the distribution and the method of payment will be announced on the Manager's website and/or sent to each participant's (email) address. Notice to the (email) address of a participant may be served by means of notification of reinvestment in units of participation or by notification of transfer to a cash account held in the name of the participant.

Insofar as permitted by the balance of the equity of the Fund or the part thereof attributable to the relevant

Participation Class(es), the Manager may make interim distributions. Distributions charged to the fund's equity that have not been claimed within five years of being made payable will lapse.

Tax aspects

The Fund is deemed in the Netherlands to be a transparent entity for tax purposes and is therefore not subject to Dutch corporation tax and dividend withholding tax. To guarantee the closed character of the Fund, certain conditions may be attached to the transferability of the units of participation.

Foreign Account Tax Compliance Act of the United States of America

The Fund will comply with the Foreign Account Tax Compliance Act ('FATCA') of the United States of America and the related applicable Dutch legislation and regulations. As a consequence, (the Manager of) the Fund, or third parties it appoints, may:

- perform a due diligence with regard to (potential) participants in order to determine whether a participant can be qualified as a US Person under the Foreign Account Tax Compliance Act of the United States of America, and, if required, request that it supply additional information (for example name, address, place of birth, registered office, tax identification number, etc.) or documentation (for example forms W-8BEN, W-8IMY, W-9, etc.) with regard to the participant;
- report details concerning participants that qualify as a US Person under the Foreign Account Tax Compliance Act of the United States of America, to the Tax and Customs Administration that will share said details with the American tax authorities;
- withhold tax on certain payments made by or for the account of the Fund to natural or legal persons who qualify as a US Person under the Foreign Account Tax Compliance Act of the United States of America, in the last amended version. The tax rate is 30%.

Participants who are not resident in the Netherlands or participants who hold units of participation in the Fund through a financial institution that is not established in the Netherlands may be confronted with local FATCA regulations that differ from those described above. In such cases, participants are advised to verify that the financial institution complies with the (local) FATCA provisions.

Common Reporting Standard

The Fund will comply with the Common Reporting Standard ('CRS') developed by the OECD as implemented by the European Union in Directive 2014/107/EU and the related applicable Dutch legislation and regulations. As a consequence, (the Executive Board of) the Fund, or third parties it appoints, may:

- perform a due diligence into the country of residence for tax purposes of its shareholders to determine whether this country of residence is another country than the Netherlands;
- report information on shareholders whose country of residence for tax purposes is not the Netherlands to the Dutch Tax and Customs Administration, which will share such information with the tax authorities of the country concerned.

Reporting

The financial statements of the Fund with their associated auditor's reports and the latest semi-annual report are available on request free of charge from the offices of the Manager and on the Manager's website (www.nnip.nl).

The Fund's financial year runs from 1 January to 31 December.

Annually, within six months of the end of the financial year, the Manager prepares financial statements and an annual report on that financial year in accordance with the provisions in Section 4:37o of the Wft. The financial statements and the annual report are signed by the Manager. Within six months of the end of the financial year,

the Manager publishes the financial statements and the annual report on the Manager's website. At the request of participants, the financial statements and the annual report are provided free of charge to the participants in question.

Every year, within nine weeks of the end of the first six months of the financial year, the Manager will publish a semi-annual report on the first six months of that financial year with due regard for the provisions in the Bgfo. This semi-annual report is to be drawn up in accordance with the structure of the financial statements. The semi-annual report is published on the Manager's website.

The financial statements and semi-annual reports will be drawn up in euros. The financial statements of the Fund are currently audited by KPMG Accountants N.V. in Amstelveen.

To the extent available, the financial statements of the Fund for the last three financial years with accompanying auditor's report and the last semi-annual report, are regarded as being part of this Prospectus and are available to participants on request free of charge from the Manager's office address and via the Manager's website (www.nnip.nl).

Notifications

Notifications will be made in one or more national Dutch newspapers, to the (email) address of each participant or on the Manager's website (www.nnip.nl).

Affiliated parties

The services of affiliated parties may be used to implement the investment policy of the Fund. This involves, among other things, the execution of investment transactions, the issuing and acquisition of liquid assets and the concluding of loans. These services are provided on the basis of conditions which are in line with generally accepted market practice. Furthermore, as described in the investment policy, use will be made of the services of Venn Hypotheken B.V. for the acquisition, servicing and administration of the mortgage loans on behalf of the Fund. NN Investment Partners International Holdings B.V., also the Manager's parent company, acquired a majority interest in Venn Hypotheken B.V. on 21 November 2019.

The investment transactions with affiliated parties, outside a stock exchange or other market in financial instruments, take place on the basis of an independent determination of value. If an independent determination of value is impossible, or the Manager does not regard the independent determination of value as being representative, the value will be determined by the Manager on the basis of objective and recent market information.

Policy on subcontracting

With a view to conducting business in a professional and/or cost-efficient manner, the Manager and, where appropriate, the Custodian keep a close watch on market developments. Decisions to subcontract are prepared carefully and implemented adequately with the arrangements being laid down in an agreement. Objective arguments underlie all subcontracting.

An intention to subcontract can only be implemented if the subcontracting complies with legislation and regulations.

Policy on subcontracting withing Goldman Sachs

For the purpose of efficiency, of fully utilizing the expertise of affiliated parties part of Goldmans as group in specific markets or investments and of gaining access to their global trading capabilities the Management Company may delegate at its own expense, while still retaining responsibility, control and coordination, the portfolio management activities of the Fund to affiliated parties as listed below.

Affiliated Investment Managers



**NN investment
partners**

NN Investment Partners North America LLC

230 Park Avenue, Suite 1800
New York, NY 10169, USA

NN Investment Partners Towarzystwo Funduszy Inwestycyjnych S.A.

12, Topiel
Warschau 00-342,
Poland

NN Investment Partners (Singapore) Ltd

MBFC Tower 2
31-01, 10 Marina Boulevard,
018983 Singapore

NNIP Advisors B.V.

Prinses Beatrixlaan 35
2595AK The Hague, Netherlands

Goldman Sachs Asset Management International

Plumtree Court
25 Shoe Lane
London, EC4A 4AU, United Kingdom

Affiliated Sub-Investment Managers

Goldman Sachs Asset Management (Hong Kong) Ltd.

2 Queens Road
Cheung Kong Center, 68th Floor Central,
Hong Kong

Goldman Sachs Asset Management, L.P.

200 West Street
10282 New York,
United States

Goldman Sachs Asset Management (Singapore) Pte. Ltd.

1 Raffles Link
#07-01 South Lobby,
Singapore 039393

Goldman Sachs Asset Management Co., Ltd.

Roppongi Hills Mori Tower
10-1, Roppongi 6-chome
Minato-Ku, Tokyo, 106-6147,
Japan

GS Investment Strategies, LLC

200 West Street
10282 New York,
United States



**NN investment
partners**

Goldman Sachs Hedge Fund Strategies, LLC

1 New York Plaza
10004 New York,
United States

Goldman Sachs Asset Management Australia Pty Ltd

Level 17,
101 Collins Street,
Melbourne VIC 3000,
Australia

Goldman Sachs International

Plumtree Court
25 Shoe Lane
London EC4A 4AU,
United Kingdom

The affiliated Investment Managers are part of The Goldman Sachs Group, Inc., which is a bank holding company, and together with Goldman Sachs & Co. LLC, GSAM LP and its affiliates constitutes one of the world's oldest and largest investment banking and securities firms, was founded in 1869 and has at present more than 30 offices world-wide.

In case GSAMI is appointed as affiliated Investment Manager on behalf of the Company, GSAMI in its turn will select and appoint one or more of its affiliates as Sub-Investment Manager(s) subject to the compliance with applicable laws. By doing so, GSAMI is able to draw upon the investment management, research and investment expertise of such selected Investment Managers with respect to the selection and management of investments for the Fund. GSAMI is entitled to appoint as its delegate any of its affiliates, provided that GSAMI's liability to the Fund for all matters so delegated shall not be affected by such delegation. The fees payable to any such delegate will not be payable out of the assets of the Fund but will be payable by GSAMI out of its management fee and performance fee (if any) in an amount agreed between GSAMI and its delegate from time to time.

GSAMI is regulated by the FCA and is a registered investment adviser under the Advisers Act. GSAMI currently serves a wide range of clients including mutual funds, private and public pension funds, governmental entities, endowments, foundations, banks, insurance companies, corporations, and private investors and family groups. GSAMI and its advisory affiliates, with financial centres around the globe, have a worldwide staff of over 1000 investment management professionals.

GSAMI as well as the affiliated Sub-Investment Managers appointed by it are located in a third party country (i.e. outside the European Union) to perform portfolio management activities. Both GSAMI and the affiliated Sub-Investment Managers (to be) appointed by it are not subject to MiFID II regulation, but to the local laws and market practices governing the financing of external research in its own country. In this case costs of external research may be paid out of the assets of the Fund. In line with GSAMI's and the affiliated Sub-Investment Managers' best execution policies, costs of external research borne by the Fund shall, to the extent possible and in the best interests of shareholders, be limited to what is necessary for the management of the Fund.

A list of current affiliated (Sub-)Investment Managers which are selected and appointed on behalf of the Fund including an overview of portfolio management activities to be performed by the respective affiliated (Sub-)Investment Managers is made available on the website www.nnip.com.

Introduction of new Participation Classes

If one or more new Participation Classes are introduced, this will provide an opportunity to amend this Prospectus so that it also includes the specific characteristics of the relevant Participation Class(es).

Dissolution and winding up

The Manager is authorised to decide to terminate the Fund. The winding up will be performed by the Manager. The balance of the equity of a Participation Class left after payment of all the debts will be distributed to the participants of the Participation Class in proportion to the number of units of participation held by them in the Participation Class. A detailed description of the dissolution and winding up of the Fund can be found in the provisions of the Conditions (see **Appendix 2**).

Manager's remuneration policy

The Manager has a remuneration policy. A detailed and the most current description of this remuneration policy, including a description of the method of calculating the remuneration and the payments, the identity of the persons responsible for the granting of the remuneration and the payments, can be found on our website www.nnip.nl. At the request of investors, a copy of this description is available free of charge from the Manager. A summary of the remuneration policy adopted by the Manager is included below.

NN Investment Partners B.V. has a Compensation Committee, which is (among other things) responsible for the design and implementation of the remuneration policy and the underlying compensation plans. NN Investment Partners Compensation Committee consists of the CEO, the Chief of HR and Internal Communications, the Chief Financial & Risk Officer, the Head of Compliance and the Head of Reward.

Clear performance targets are set for the short and long term to ensure that the remuneration of employees is linked in an appropriate manner to the performance of individuals, teams and the organisation. For fund managers, the targets are directly linked to the relative performance of the funds that are managed, looking at periods of 1, 3 and 5 years. This creates a direct link with the interests of investors in funds managed by NN Investment Partners B.V. Moreover, the remuneration policy is directed towards prudent risk management, so that employees are not encouraged to take irresponsible risks.

NN Investment Partners has selected 'Identified Staff' in accordance with the Regulation for a Controlled Remuneration Policy in the Financial Supervision Act 2017 (*Nederlandse Regeling beheerst beloningsbeleid Wft 2017*). In addition, NN Investment Partners has selected Identified Staff on the basis of the Alternative Investment Fund Managers Directive. For Identified Staff in controlling positions, a maximum of 15% of the targets are linked to financial performance (departmental budget, for example) and a minimum of 85% are linked to non-financial targets. This group only has financial targets that are not linked to the business unit for which they fulfil a controlling function. For Identified Staff in non-controlling positions, a maximum of 45% of the targets are linked to financial performance and a minimum of 55% are linked to non-financial targets.

NN Investment Partners allocates part of the total (variable) remuneration in funds managed by NN Investment Partners B.V., with a deferred transfer of ownership (deferral). Prior to the transfer of ownership (vesting) of the deferred components of variable remuneration, any facts that were not yet known at the time of granting are taken into account.

NN IP Responsible Investment Policy

The Management Company applies the "NN IP Responsible Investment Policy". This policy describes the application of the Management Company's norms-based responsible investment criteria. The criteria reflect the Management Company's investment beliefs and values, relevant laws and internationally recognized standards. In line with this policy, and its norms-based responsible investment criteria, the Management Company aims, wherever legally possible, to exclude investment in companies involved in activities including but not limited to, the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands production, as defined in the aforementioned policy. Additional restrictions may apply to Funds with sustainable investment objectives in which case this is disclosed in each relevant supplement.

With respect to investments in third party funds (including ETFs and index funds), the exclusions defined by the "NN IP Responsible Investment Policy" cannot be imposed upon these funds.

The "NN IP Responsible Investment Policy" is available for consultation on the website www.nnip.com.



DUFAS Equity Managers Code

DUFAS promotes the collective interests of the equity management industry, both in the field of collective management and private equity management. In collaboration with its members, DUFAS has drafted the Equity Managers Code. This code provides an answer to the question of what investors may expect from their equity manager.

The code applies with effect from 1 October 2014 for all members of DUFAS and consists of ten general principles, with a detailed explanation being provided for each principle. The Manager will adhere to the rules ensuing from this code.

Amending the conditions

The Manager is authorised to amend the conditions which apply between the Fund and its participants. A proposal to amend the conditions, and an amendment of the conditions if this differs from the previously published proposal to that effect, are to be published in one or more national Dutch newspapers, or sent to the (email) address of each participant or placed on the Manager's website. The proposal to amend and the amendment, if this differs from the previously published proposal to that effect, are to be clarified on the Manager's website.

Amendments to the conditions which result in a reduction in the participants' rights or securities or in their burden being increased, or whereby the investment policy is changed, cannot be retracted vis-à-vis said participants before one month has passed after notification of the change has been published in one or more national Dutch newspapers or sent to the (email) address of each participant or posted on the Manager's website. During this period, the participants can convert their investment in the Fund into cash subject to the usual conditions.

Complaints

If necessary you can send your written questions or complaints regarding the Fund to:

NN Investment Partners B.V.

Client Servicing Department

Location code HP C.06.041

Postbus 90470

2509 LL The Hague



APPENDIX 1
ARTICLES OF ASSOCIATION

Of:

NN Investment Partners B.V
With its registered office in The Hague
dated 7 April 2015

NAME AND REGISTERED OFFICE

Article 1

The company bears the name NN Investment Partners B.V. and has its registered office in The Hague.

OBJECT

Article 2

The object of the company is:

- a. conducting or causing to conduct the management of equity that is made available to third parties, including investment institutions and UCITS (being an undertaking for collective investment in transferable securities), with management including the performing or causing to perform transactions in financial instruments;
- b. providing investment advice to third parties, including the provision of advice about, examining or supervising the management of the equity made available to third parties;
- c. receiving, forwarding and executing orders in financial instruments and their administrative settlement;
- d. providing business services, including in the field of equity management, investment advice and in the administrative field;
- e. the establishment of, management of and participation – in whatever form – in investment institutions and UCITS, as well as the establishment of, management of and the participation – in whatever form – in companies, other legal entities or institutions, including companies, legal entities or institutions that act as administrator or manager of investment institutions and UCITS;
- f. providing services to other companies and institutions that have a similar object, including entering into partnerships in the field of fund and equity management, including acting as administrator or manager of investment institutions and UCITS;
- g. furnishing security for the debts of third parties;
- h. as well as performing all acts related to, arising from or that may be conducive to the above, all this in the broadest sense of the word.



CAPITAL AND SHARES

Article 3

- 3.1** The capital of the company is divided into shares, each with a nominal value of five euros (EUR 5.00).
3.2 All shares are registered and are freely transferable. No share certificates will be issued for the shares.

REGISTER

Article 4

The Board of Management will keep a register that includes everyone who should be registered, stating their name and address and all such further information as required by law and otherwise deemed necessary by the Board of Management.

BOARD OF MANAGEMENT

Article 5

- 5.1** The company has a Board of Management consisting of one or more members.
5.2 The members of the Board of Management are appointed by the general meeting.
5.3 A member of the Board of Management may at all times be suspended or dismissed by the general meeting.
5.4 In the situation as referred to in Paragraph 3, the persons nominated for suspension or dismissal will be given the opportunity to account for themselves.
5.5 The remuneration of the members of the Board of Management and other conditions relating to the duties to be performed by them will be adopted by the general meeting.

DUTY AND COMPETENCE

Article 6

- 6.1** The Board of Management is responsible for the management of the company.
6.2 The Board of Management may determine the details of the manner of meeting and the decision making by the Board of Management by means of rules of procedure. The Board of Management is authorised to mutually divide administrative duties. The division of duties will be determined in writing by means of rules of procedure or otherwise. The decision to adopt or amend the rules of procedure of the Board of Management or to adopt or amend the division of duties of the Board of Management will require the approval of the general meeting.
6.3 In the performance of its duties, the Board of Management is obliged to comply with the instructions given by the general meeting, unless these conflict with the interests of the company and its affiliated entity.
6.4 The company is represented by the Board of Management. Two members of the Board of Management acting jointly also have the authority to represent.
6.5 The Board of Management requires the prior approval of the general meeting for such management decisions as determined by the general meeting in conjunction with a specifically described resolution.

ABSENCE OR NON-APPEARANCE

Article 7

- 7.1** In the case of absence or non-appearance of one or more members of the Board of Management, the remaining member or members are temporarily charged with the management until the absence or the non-appearance has been discontinued.
7.2 In the case of absence or non-appearance of the entire Board of Management, the management will temporarily rest with one or more persons appointed by the general meeting.



GENERAL MEETING, PLACE AND AGENDA

Article 8

- 8.1** The Board of Management, any shareholder, as well as anyone else with the right to attend meetings, are authorised to convene a general meeting. The notice calling the meeting will contain the agenda stating the matters to be considered.
- 8.2** The general meetings will be held in the municipality in which the company has its registered office, and also in Amsterdam, The Hague or Rotterdam, to be determined by whoever performs the convocation.

LEADERSHIP AND MINUTES

Article 9

- 9.1** The meeting will appoint its own chair. The chair appoints the secretary.
- 9.2** The minutes are adopted and in witness thereof signed by the chair and the secretary of the meeting in question or adopted by a subsequent meeting, in which case they are signed in evidence of adoption by the chair and the secretary of the subsequent meeting.
They subsequently deliver evidence of what is stated therein, subject to proof to the contrary.
- 9.3** The provisions in Paragraph 2 will not apply if and insofar as official notarial minutes of the proceedings at the meeting are made.

ACCESS

Article 10.

- 10.1** Everyone with the right to attend meetings is authorised to attend the meeting either in person or to be represented by written proxy.
- 10.2** The chair of the meeting will decide on the attendance of parties other than those entitled to attend meetings, their proxies and the members of the Board of Management.

VOTING RIGHTS AND VOTING

Article 11

- 11.1** Every share gives the right to cast one vote.
- 11.2** The decisions of the meeting will be taken by an absolute majority of votes cast, unless the law prescribes a larger majority.
- 11.3** Voting on issues takes place orally.
- 11.4** Voting on persons will be by means of written ballot, unless the meeting unanimously decides to vote orally or for appointment by acclamation.
- 11.5** Blank and invalid votes will be deemed not to have been cast.

FINANCIAL YEAR, FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

Article 12

- 12.1** The financial year of the company runs from the first of January until the thirty-first of December.
- 12.2** The financial statements will be signed by all members of the Board of Management; if any signature is missing, the reasons for this omission will be given. If all shareholders are also members of the Board of Management, the signing of the financial statements by all members of the Board of Management does not apply as the adoption of the financial statements.
- 12.3** The general meeting will determine the appropriation of profit after having heard the Board of Management.



DIVIDEND, INTERIM DIVIDEND AND DISTRIBUTION FROM THE RESERVES

Article 13

- 13.1** Profits may only be distributed after adoption of the financial statements which evidence that the company's equity exceeds the reserves to be maintained pursuant to the law and after the Board of Management has approved the distribution.
- 13.2** Both the Board of Management and the general meeting may resolve to distribute one or more interim dividends at the expense of the dividend before the financial statements of any financial year are adopted, provided the requirement concerning the equity position referred to in Paragraph 1 of this Article is met and the Board of Management has granted its approval prior to the distribution.
- 13.3** The general meeting may resolve to make distributions from the reserves at any time, provided that the requirement of Paragraph 1 of this Article concerning the equity position has been met and the Board of Management has granted its approval prior to the distribution.
- 13.4** A distribution as referred to in Paragraphs 1 to 3 of this Article will immediately become due and payable after fulfilment of the conditions stipulated in the relevant provision, except insofar as the body that has decided to make that distribution has determined otherwise.
- 13.5** A claim for distribution of dividend will lapse five years after the first day on which the dividend became payable.
- 13.6** A claim for distribution of interim dividend will lapse five years after the first day on which the dividend at the expense of which interim dividend could be distributed, became payable.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 14

The general meeting may resolve to amend the articles of association.

DISSOLUTION AND LIQUIDATION

Article 15

- 15.1** The general meeting may resolve to dissolve the company.
- 15.2** Upon the dissolution of the company, the Board of Management will be charged with the liquidation, unless the general meeting resolves otherwise.
- 15.3** During liquidation, the provisions of these Articles of Association will remain effective as far as possible.
- 15.4** If, during liquidation and after settlement of all debts, including the costs of liquidation, there is a balance remaining, it will be distributed to the shareholders in proportion to the part of the nominal amount paid up on each share.



**APPENDIX 2
ARTICLES OF ASSOCIATION**

SECTION 1. NAME, REGISTERED OFFICE, OBJECTS AND CAPITAL.

Article 1. Name and registered office.

- 1.1 The name of the foundation is:
Bewaarstichting NNIP I.
- 1.2 The foundation has its registered office in the municipality of The Hague.

Article 2. Objects and capital.

- 2.1 The objects of the foundation are:
 - (a) To acquire and hold in trust legal ownership of the capital of the investment funds or UCITS (Undertakings for Collective Investment in Transferable Securities) managed from time to time by NN Investment Partners B.V. or its legal successor as referred to in Section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) (each a '**Collective Investment Scheme**'), whether or not together with the holding and/or administration of the aforesaid financial assets; and
 - (b) to perform all acts related to, arising from or that may be conducive to the above.
- 2.2 The funds of the foundation consist of the sums to be paid by the Collective Investment Schemes and all other lawful income. The capital of the foundation serves to achieve the objects of the foundation.

SECTION 2. THE BOARD.

Article 3. Officers.

- 3.1 The board consists of a number of officers to be determined by NN Investment Partners Holdings N.V. of at least (i) two officers who are natural persons or (ii) one officer that is a legal entity. An incomplete board retains its powers.
- 3.2 Officers are appointed by NN Investment Partners Holdings N.V. Vacancies are filled as soon as possible when they arise.
- 3.3 NN Investment Partners Holdings N.V. may draw up a rotation schedule that provides for the regular retirement of officers and is authorised to alter such rotation schedule. The drawing up or alteration of such rotation schedule cannot imply that a current officer would retire against his will before the period for which he has been appointed has expired.
- 3.4 Each member of the board can be suspended and dismissed by NN Investment Partners Holdings N.V. at any time.
- 3.5 An officer retires:
 - (a) on the expiry of the period for which he was appointed or on his retirement according to a rotation schedule as referred to in Article 3.3;
 - (b) on his dismissal as defined in Article 3.4;
 - (c) on his voluntary retirement;
 - (d) on his dismissal, directed by a court of law in the cases provided by law;
 - (e) because he has been declared bankrupt or has applied for a moratorium as referred to in the Bankruptcy Act (*Faillissementswet*).

Article 4. Tasks and powers.

- 4.1 The board is responsible for the management of the foundation.
- 4.2 The board is authorised to perform all acts as referred to in Article 2.1.
- 4.3 The board may draw up rules concerning the meeting procedure, the passing of resolutions and the working procedure of the board, in addition to the relevant provisions of these articles of association.

Article 5. Chair and secretary.

- 5.1 If the board consists of at least two persons, the board will appoint a chair of the board from their number. In this case, the board may also appoint a vice-chair from their number, who will be responsible for the chair's tasks and powers in his absence.
- 5.2 The board will also appoint, whether or not from their number, a secretary of the board and make arrangements for his replacement.

Article 6. Representation.

- 6.1 The board is authorised to represent the foundation. The power to represent is shared by two officers.
- 6.2 The board may appoint officers with general or limited power of representation. Each of them represents the foundation within the scope of his powers. The titles of these officers will be determined by the board.

Article 7. Board meetings.

- 7.1 Board meetings are held as often as the chair considers necessary, but at least once a year.



- 7.2 Board meetings are convened by the chair or another officer.
- 7.3 Notices convening a meeting must be made in writing at least seven days before the date of the meeting.
- 7.4 The notice convening a meeting must state the subjects to be discussed. Subjects that are not stated in the notice convening a meeting may be announced later subject to the provisions of this Article 7.
- 7.5 Board meetings are held at a place to be determined by the chair of the board. However, if the meeting is convened by another officer, the place of the meeting will be determined by this officer.
- 7.6 Board meetings are presided over by the chair of the board or his deputy. In their absence, the chair of the meeting will be appointed by the officers present, by majority vote. The chair of the meeting designates a secretary for the meeting.
- 7.7 The secretary of the meeting keeps minutes of the business discussed at the board meeting. The minutes are adopted by the board at the same or the next meeting. The minutes are signed by the chair and the secretary of the meeting where they are adopted by way of confirmation.

Article 8. Passing of resolutions.

- 8.1 Each officer on the board has one vote.
- 8.2 In so far as the law or these articles of association do not prescribe a greater majority, all resolutions of the board are adopted by an absolute majority of the votes cast.
- 8.3 In the event of a tie, the motion is rejected, notwithstanding the provisions of Article 9.3.
- 8.4 In so far as the law or these articles of association do not prescribe a greater quorum, resolutions may only be adopted by the board at the meeting if the majority of the officers holding office are present or represented at the meeting.
- 8.5 If the provisions in these articles of association for convening and holding board meetings have not been observed, resolutions may only be adopted by the board at the meeting if all officers holding office are present or represented at the meeting and none of the officers then opposes the resolution.
- 8.6 Resolutions of the board may also be adopted without holding a meeting, in writing or another manner, provided that the motion has been submitted to all officers holding office and none of them objects to this manner of adopting resolutions. If a resolution outside a meeting is not adopted in writing, the secretary of the board will prepare a report to be signed by the chair and the secretary of the board. Resolutions are adopted in writing by means of written statements by a majority of officers holding office.

Article 9. Votes.

- 9.1 All voting is by voice. The chair of the meeting may, however, determine that votes must be cast in writing. If it concerns a vote for persons, each officer present at the meeting may request that the votes be cast in writing. Voting in writing takes place by means of unsigned ballots.
- 9.2 Blank votes and invalid votes are considered as not having been cast.
- 9.3 If no one has obtained an absolute majority in a vote for persons, a second free vote will be taken. If then no one has obtained an absolute majority, the person is deemed not chosen.
- 9.4 The chair's decision pronounced at a meeting on the outcome of a vote will be decisive. The same applies to the contents of a resolution which has been passed, in so far as voting was on a motion which had not been set out in writing. If the correctness of that opinion is challenged immediately after it has been pronounced, a new vote will be taken if the majority of the officers at the meeting or, if the original vote was not taken by roll-call or ballot, an officer present at the meeting so desires. This new vote will nullify the original vote.



SECTION 3. FINANCIAL YEAR, FINANCIAL STATEMENTS AND RECORD KEEPING.

Article 10. Financial year and financial statements.

- 10.1 The financial year of the foundation coincides with the calendar year.
- 10.2 The board is required to prepare financial statements and put them down in writing within six months of the end of the financial year.
- 10.3 The financial statements consist of a statement of assets and liabilities and a statement of income and expenditure.
- 10.4 Before adopting the financial statements, the board may have them audited by an auditor to be appointed by the board. The auditor will report to the board on the audit.
- 10.5 If the foundation maintains one or more companies as referred to in Article 2:360(3) of the Netherlands Civil Code and meets the other criteria stated in those provisions, its financial statements are also governed by the provisions of Articles 2:299a and 2:300 of the Netherlands Civil Code as well as the provisions of Book 2, Title 9, of the Netherlands Civil Code.

Article 11. Record keeping.

- 11.1 The board is required to keep an account of the financial position of the foundation and of everything concerning the foundation's activities, in accordance with the requirements arising from these activities, and to keep the books, records and other data carriers in such a way that the foundation's rights and obligations can be known from them at any time.
- 11.2 The board is required to keep the hard copy of the financial statements as well as the books, records and other data carriers referred to in this Article 11 for a period of seven years, notwithstanding the provisions of Article 11.3.
- 11.3 The data placed on a data carrier, with the exception of the financial statements recorded on paper, may be transferred to and stored on another data carrier, provided that this transfer involves a correct and full record of the data and these data are available during the entire time they are stored and can be made legible within a reasonable period of time.

SECTION 4. AMENDMENT OF THE ARTICLES OF ASSOCIATION, DISSOLUTION AND LIQUIDATION.

Article 12. Amendment of the articles of association.

- 12.1 The board is, after the prior consent of NN Investment Partners Holdings N.V., authorised to amend these articles of association and any rules of procedure.
A resolution to do so can only be adopted on a unanimous vote at a meeting where all officers are present or represented.
- 12.2 A notarial deed is required for an amendment of the articles of association to be effected.
Each officer is independently entitled to execute such a deed.

Article 13. Dissolution.

The board is authorised to dissolve the foundation after the prior consent of NN Investment Partners Holdings N.V. The resolution to do so can only be adopted in the way set out in the second sentence of Article 12(1).

Article 14. Liquidation.

- 14.1 Liquidation will be performed by the board.
- 14.2 During liquidation, the provisions of these articles of association will remain effective as far as possible.
- 14.3 Any assets left after liquidation will be designated by the board as far as possible for a purpose in keeping with the objects of the foundation.
- 14.4 After the foundation no longer exists, the books, records and other data carriers of the foundation must be kept for seven years in the custody of the person designated for this purpose by the board.



**NN investment
partners**

APPENDIX 3 CONDITIONS OF NN Dutch Residential Mortgage Fund Non NHG

(dated 15 December 2022)



Conditions of NN Dutch Residential Mortgage Fund Non NHG

These Conditions apply to NN Dutch Residential Mortgage Fund Non NHG, a mutual fund under Dutch law, and to the legal relationship between the Manager and the Custodian Foundation.

Definitions

Article 1

In these Conditions, the following terms will have the following meanings:

Allocation Mechanism: the method for allocating arbitrary mortgage offers as agreed between Venn Hypotheken B.V., the Custodian Foundation and the Manager, as described in greater detail in the Master Mortgage Investment Purchase Agreement. The Allocation Mechanism is available from the Manager upon request.

Manager: NN Investment Partners B.V., or the successor legal entity that administers the Investment Fund in the exercise of a profession or business.

Investments: the assets (including cash) held by the Custodian Foundation on behalf of the Investment Fund.

Investment Fund: NN Dutch Residential Mortgage Fund Non NHG, a mutual fund that includes monies or other assets requested or obtained for collective investment to enable the Participants to share the investment revenue, which is or was established by the Manager subject to these Conditions.

Custodian: The Bank of New York Mellon SA/NV, Amsterdam branch, or the successor legal entity entrusted with the safekeeping of the assets belonging to the equity of the Investment Fund.

Custodian Foundation: Bewaerstichting NNIP I, the legal entity acting as the legal owner of the assets of the Investment Fund for the joint account and risk of the Participants, which entity is referred to as such in the Conditions.

Cut-Off time: The deadline for the acceptance of orders by the Manager for the processing of the order on the next Admittance Date. This deadline is 12.00 midday (Dutch time) on the 15th calendar day of the month or on the next Working day after the 15th calendar day if the 15th calendar day is not a Working day prior to the Admittance Date.

Fund's Equity: all of the assets and liabilities, including Investments, as determined in accordance with Article 13 of these Conditions, held by the Custodian Foundation for the Investment Fund.

Committed Amount: the maximum amount that a Participant will invest in the Investment Fund as stated in the Application Form of that Participant, as accepted by the Manager, which amount is at least €1,000,000 (one million euros) for Participation Class I.

Group Entity: an entity designated by an existing Participant with which it is associated in a group in connection with a transfer of Units of Participation as meant within Article 11(7) of the Conditions. A group is an economic entity in which legal entities and companies are organisationally associated. A group entity is also taken to mean a mutual fund whose participants are legal entities that are part of the same group as the Manager and the Custodian Foundation.

Individual Holding Value: the value of the Unit of Participation in euros at which a Incoming Participant is admitted as determined in accordance with Article 13 of these Conditions.

Purchase Date: the date, no more than 11 Working Days after the first Working Day of a calendar month, on which the (partial) deregistration from the register takes place of the Units of Participation held by a Participant.



Application Form: the form as referred to in Article 7(2) of these Conditions.

Investment: mortgage receivable that complies with the Mortgage Loan Criteria and was purchased and acquired by the Fund or the units of participation acquired by means of investment in NN (L) Liquid EUR or another fund with a similar investment policy to be designated by the Manager.

LTV ratio: the loan to value ratio of a mortgage receivable, calculated by dividing the total outstanding principal amount of the receivable in question by the original market value of the related collateral.

Mortgage Investment Purchase Agreement: the agreement made at any time between the Manager, the Custodian Foundation and Venn Hypotheken B.V. concerning the purchase and servicing of mortgage receivables, which is available for inspection at the offices of the Manager.

Mortgage Loan Criteria: the criteria that a mortgage loan must comply with in order to qualify for inclusion in the Fund, as described in the Mortgage Investment Purchase Agreement and included in Annex 1.

NHG: National Mortgage Guarantee granted by Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*) upon arrangement of a mortgage loan.

Offer Risk: The risk run because the value of the receivable is subject to change during the period lying between the time that the mortgage offer is sent to the underlying customers (the borrower(s)) and the transfer of the related mortgage receivable to the Fund. This change in value is caused because the mortgage interest rate at the time of purchasing the mortgage receivable by the Fund varies from the mortgage interest rate at the time that the mortgage loan is provided. In the context of the Fund, the term 'offer risk' therefore had a broader meaning than how it is usually understood in the mortgage market. The Offer Risk result is calculated as the market value of the purchased mortgages on the valuation date less the purchase price of the purchased mortgages plus the result on cash held.

Participant(s): the title holder(s) to one or more Units of Participation or fractions of Units of Participation.

Participant in Default: a Participant in default as referred to in Article 10(1) of these Conditions.

Unit of participation: a proportionate share of the Fund's Equity attributable to a specific Participation Class of the Investment Fund.

Participation Class: part of the Investment Fund to which a specific category of Participants is economically entitled.

Participation Month: month in which a participant satisfies a request of the Manager to deposit its committed amount, in whole or part

Holding Value: the value of one Unit of Participation in euros as determined in accordance with Article 13 of these Conditions.

Legal Successor: another legal entity designated by an existing Participant in connection with Legal Succession (in accordance with Article 11(6) of the Conditions).

Legal Succession: situation where an existing Participant (in its entirety or a substantial part of its capital) passes or is passed, by universal or singular title, to a Legal Successor as the result of a merger, demerger, acquisition, change of legal form or restructuring.

Written/in Writing: by letter, fax or email, or by message that is transmitted via any other accepted means of communication and can be received in writing.



Payment Request: a Written request for payment of (part of) the Outstanding Committed Amount from the Manager, whether or not represented by the Transfer Agent, to the Participants.

Admittance Date: every first Working Day of a calendar month.

Incoming Participant(s): the Participant(s) who enter(s) the Investment Fund or increases their participation.

Total Committed Amounts: the total of Committed Amounts of all Participants.

Transaction Costs: the costs as referred to in Article 14(2) of these Conditions.

Transfer Agent: The Bank of New York Mellon SA/NV, Amsterdam branch, or the successor legal entity responsible for the assessment and acceptance of the buy and sell orders for Units of Participation as entered by it in the order book, subject to the conditions as referred to in the prospectus of the Investment Fund and these Conditions.

Outgoing Participant(s): the Participant(s) who decrease(s) or terminate(s) their participation in the Investment Fund.

Issue Date: the last working day of a Participation Month.

Outstanding Committed Amount: the uncalled portion of the Committed Amount.

Conditions: these conditions of management and custody that apply to the legal relationship between the Manager and the Custodian Foundation, as amended from time to time.

Valuation Date: the date, no later than 12 Working Days after the Issue Date, on which the Holding Value is calculated and on the basis of which Units of Participation are issued or purchased. The value is calculated on the basis of the closing price of the Participation Month

Website: the website of the Manager as referred to in the prospectus of the Investment Fund.

Working Day: any day on which the stock exchange of Euronext Amsterdam N.V. is open for trading and banks in the Netherlands are open for banking business.

Wft: Financial Supervision Act.

Nature of the Investment Fund and the Investments

Article 2

The Investment Fund is an open-ended investment fund as referred to in Section 1:1 of the Wft (*Wet op het financieel toezicht* – Financial Supervision Act). The Investment Fund is a contract sui generis and neither a legal entity nor a partnership, a general partnership or a limited partnership.

The Investment Fund is divided into Participation Classes as defined in Article 7 of these Conditions. The Manager determines the allocation of the various Participation Classes to different categories of Participants.

The requirement for Participants to pay a consideration for an allocated Unit of Participation or to comply with a Payment Request is only a commitment towards the Custodian Foundation.

The Investment Fund is deemed in the Netherlands to be a transparent entity for tax purposes and is therefore not subject to Dutch corporation tax. In other jurisdictions, the Investment Fund is also deemed to be a transparent

entity for tax purposes. Participants will provide all information to the Manager as is necessary or desirable for the promotion of the tax interests of the Participants.

The object of the Investment Fund is to invest equity. The Investment Fund seeks to achieve the best possible result by investing collectively for the account of the Participants. The Investments of the Investment Fund will consist, directly or indirectly, of those Investments that the Manager decides upon. The Manager will determine the object, the investment policy, the risk profile and any investment restrictions for the Investment Fund.

In the exercise of its duties and powers, the Manager will be guided solely by the interests of the Participants. The Manager treats Participants under similar circumstances in the same way.

Management and custody

Article 3

1. The Manager is charged with the management of the Investment Fund. Subject to the provisions of these Conditions governing the Investment Fund, the content of the decisions taken in accordance with these Conditions, as well as the prospectus, the Manager is free in its choice of Investments. NN Dutch Residential Mortgage Fund Non NHG will invest in mortgages that comply with the agreements recorded in the Mortgage Investment Purchase Agreement and comply with the Mortgage Loan Criteria as set out in Annex 1.
2. The Manager will at all times be entitled to change the composition of the Fund's Equity if it considers such to be in the interests of the Participants and, to that end, it may sell existing Investments and buy others. In consequence of the above, the Manager will also be entitled to hold part of an Fund's Equity in cash for shorter or longer periods insofar as it considers such advisable at any given moment.
3. The Investments of the Investment Fund mainly consist of the assets agreed upon in accordance with Article 6 of these Conditions governing the Investment Fund. The Manager strives to minimise the balance of liquid assets held. In its capacity of legal owner of the Fund's Equity, the Custodian Foundation may enter into loans up to a maximum equal to 5% of the Fund's Equity. The loans referred to in this Paragraph may be concluded only on condition that the lender or lenders undertake never to seek recourse outside the Fund's Equity. Insofar as necessary, the Manager may, in the name of the Custodian Foundation, provide the equity of the Investment Fund in question by way of security for payment commitments on such loans up to a maximum equal to 5% of the Fund's Equity.
4. The percentages referred to in the above Paragraph of this Article will in each case be calculated on the value of the Fund's Equity at the time that such a commitment, investment or loan is entered into or such security is provided. All the above loans will be entered into on the basis of conditions and rates that are in line with generally accepted market practice.
5. The Manager will at all times be entitled, in accordance with the applicable statutory provisions with retention of its responsibilities and liabilities, to delegate its duties and powers. The Manager is not entitled to outsource both the portfolio management and the risk management with respect to the management of the Investment Fund.
6. Authorisation is granted to the Manager by each of the Participants, either by proxy or in its own name under mandate, to conduct court proceedings relating to the Fund's Equity and to perform all (preliminary) acts that are necessary or desirable in this respect in the opinion of the Manager, including the effecting of a composition and the collection of claims in favour of the Fund's Equity. At the request of the Manager, a Participant will perform all the (legal) acts that are necessary in connection with the above provisions. As long as a Participant holds Units of Participation, the aforementioned proxy and mandate cannot be terminated by the Participant.



7. The Manager is permitted to maintain reserves in order to pay taxes that are imposed on the Investment Fund or on the Participants inside or outside the Netherlands.
8. The Manager is permitted to provide the information referred to in Article 5, Paragraph 6, to tax authorities, regulators or any other authority, if in the opinion of the Manager this is in the interests of the Investment Fund, the Custodian Foundation or one of the Participants, including, but not limited to, the making of an appeal to a tax treaty.
9. The Manager maintains a list of Participation Classes established subject to these Conditions. The list has been posted on the Manager's website and is available for inspection at the offices of the Manager.
10. The Investment Fund established subject to these Conditions is registered at the Manager's office.
11. On behalf of the Investment Fund and the Participants, the Manager has entered into a written agreement with the Custodian with respect to the management and custody, such in accordance with the provisions of Section 4:37f of the Wft. A copy of this agreement has been posted on the Manager's Website.

Ownership of the Fund's Equity

Article 4

1. The Custodian Foundation is the legal owner of all the assets of the Investment Fund. All assets are or will be acquired by the Custodian Foundation in its own name for the account and risk of the Participants.
2. The Investments belonging to the Investment Fund are held in the name of the Custodian Foundation for the benefit of the Investment Fund. The assets belonging to the Fund's Equity that are not invested will be held on one or more accounts in the name of the Custodian Foundation on behalf of the Investment Fund at one or more banks established in the European Union that are designated by the Manager.
3. Obligations that are or become part of the Investment Fund are or will be entered into in the name of the Custodian Foundation.
4. The Custodian Foundation is obliged to maintain records of the Fund's Equity or to have these maintained, such that the assets of the Investment Fund can be recognised at all times.

Participants / Units of Participation

Article 5

1. The Participants of the relevant Participation Classes in the Investment Fund are together the beneficial owners of the Fund's Equity attributable to the Participation Classes that is invested for their account and risk; all income and expenditure arising from and/or relating to the Fund's Equity attributable to the respective Participation Classes will be credited or debited to the Participation Class(es) in question.
2. Participation Classes within the Investment Fund are designated in such a way that they can be distinguished from one another. The number of Participation Classes and the designation thereof will be determined by the Manager. Separate records are kept for each Participation Class, so that all the revenues and costs attributable to Participation Classes can be accounted for by Participation Class.
3. The Participants in a Participation Class are economically entitled to the Fund's Equity that is attributable to the relevant Participation Class in proportion to the number of Units of Participation that the Participant holds. Without prejudice to the provisions in this Paragraph 2 and Paragraph 4, all advantages and disadvantages which are economically connected to a Participation Class, are credited or debited to



the Participants that hold the relevant Units of Participation in the proportion as referred to in the preceding sentence.

4. Participants are not liable towards third parties for the obligations of the Manager and/or the Custodian Foundation and bear no more responsibility for the losses of the relevant Participation Class than the amount that is deposited in the relevant Participation Class as consideration for the Units of Participation held by the Participant.
5. Each Participant's entitlement to the respective Participation Classes of the Investment Fund is expressed in Units of Participation and fractions of Units of Participation. Fractions of Units of Participation will be expressed up to a maximum of six decimal places. To express a fraction of a Unit of Participation, the last decimal place will be rounded off as follows:
 - a. if the figure following the last decimal place is a 4 or lower, the last decimal place will not be changed;
 - b. if the figure following the last decimal place is a 5 or higher, the last decimal place will be increased by 1.
 - c. Unless specified otherwise, these present Conditions apply mutatis mutandis to fractions of Units of Participation on the understanding that the prices, distributions, payments, costs and the like set for Units of Participation under or pursuant to these Conditions apply to fractions of Units of Participation in proportion to the amounts applicable to whole Units of Participation.
6. Units of Participation are registered. No participation certificates are issued. Within no more than 15 Working Days after the Issue Date, the Participant will receive a statement of the number of Units of Participation that are administered for its benefit in the register. With the exception of the provisions of Articles 11(6), (7) and (8), Units of Participation are non-transferable and in such manner that this provision is intended to have an effect under property law as referred to in Article 3:83(2) of the Netherlands Civil Code.
7. The Manager maintains registers for the respective Investment Funds and Participation Classes. Each register includes the name and (email) address of each Participant, the Participation Class, and the number of their Units of Participation, the date of acquisition of the Units of Participation, as well as all other information that the Manager may deem necessary. Each Participant is obliged to inform the Manager immediately in Writing of any changes in the information recorded in the register. On request, a Participant may receive a copy of its entry and every change made therein free of cost. Barring notice to the contrary, the information recorded in the respective registers will serve as full evidence with regard to the Participant.
8. The Manager and/or the Custodian Foundation will recognise only one (legal) person as Participant in respect of a Unit of Participation. If a Unit of Participation is jointly owned, the joint beneficiaries may exercise their rights vis-à-vis the Manager and/or the Custodian Foundation only through a single person designated by them in Writing.

Objective and Investment Policy

Article 6

1. The Investment Fund invests the equity for the account and risk of the Participants, directly or indirectly, primarily in debt arising under Dutch mortgage loans provided by Venn Hypotheken B.V. Assets that are not invested in such mortgage receivables are invested in NN (L) Liquid EUR or in another fund with a similar investment policy to be designated by the Manager or held on the cash account of the Investment Fund.



2. The mortgage receivables are purchased and acquired by the Custodian Foundation on behalf of the Investment Fund in accordance with the Mortgage Investment Purchase Agreement, comply with the Mortgage Loan Criteria.
3. The Investment Fund:
 - a. will invest in mortgages that comply with the agreements recorded in the Mortgage Loan Criteria as included in Annex 1;
 - b. will not invest more than 5% of the Fund's equity in mortgage receivables arising under Dutch mortgage loans with NHG;
4. can enter into loans up to a maximum equal to 5% of the Fund's equity. If the limits described in the previous Paragraph are exceeded, the Manager will ensure that the limits are adhered to again as soon as possible. The Manager is not required to sell existing Investments in this case.

Admittance

Article 7

1. The Investment Fund currently has two different Participation Classes:

Participation Class I: intended for qualified investors as defined in the Wft or another legal concept taking its place at any time, for which a minimum initial deposit of €1,000,000 applies, such that the deposited amounts, excluding decreases in value, will never be less than the stated amount.

Participation Class Z: intended for other investment institutions and UCITS managed by the Manager or professional investors which (in another manner) pay a fee to the Manager itself or to a party affiliated with the Manager for the management of their equity.
2. Future Participants may gain admittance to the Investment Fund on every Admittance Date. Admittance to the Investment Fund can only take place in cash (not in kind). Admittance to one of the respective Participation Classes of the Investment Fund is effected by means of signing by the Incoming Participant and acceptance by the Manager of the application form included in Annex 2, in which the prospectus is declared applicable (the **Application Form**).
3. Admittance to the Investment Fund is only possible by means of a completed Application Form, which must be received by or on behalf of the Manager before the 15th day of a calendar month before the Cut-Off time (12.00 midday Dutch time) at the address specified by or on behalf of the Manager as stated on the Application Form, in order to be processed before the next Admittance Date. By signing the Application Form, the Incoming Participant undertakes to pay the Committed Amount when the Manager, whether or not represented by the Transfer Agent, requests such by means of a Payment Request. During the term of the Investment Fund, a Participant may increase its Committed Amount with the prior consent of the Manager. For the order in which the committed amounts are processed, the increase of the committed amount is regarded as a new order.
4. No Participant is permitted to withdraw, cancel or revoke any part of the Committed Amount, unless Paragraph 6 applies. No compensation on the Outstanding Committed Amount is payable by the Investment Fund.



5. The Manager will at all times be entitled to refuse admittance or restrict or alter the right to admittance without stating any reason therefor. The Manager may set additional conditions on admittance.
6. The Manager may, at its discretion, grant the Incoming Participant the right to revoke the entire Committed Amount if, after the commitment, the Conditions change such that the Incoming would not have made a commitment if that change was already known at that time and it concerns a change where the participants would have a right of approval on the basis of the conditions. The right of revocation can be invoked within one month after the change has been announced.
7. The Incoming Participant may exercise the right to revoke the Committed Amount by way of a written request stating why the change is so detrimental that the Incoming Participant would not have sought admittance if the change had been known. It is at the discretion of the Manager as to whether the request will be granted.

Time of purchase of Investment

Article 8

1. Upon receipt and acceptance of an Application Form, the Manager, also on the basis of all Committed Amounts received before the relevant Cut-Off time that have been issued by means of the Application Forms, will give the order for delivery of a selection of mortgage receivables from Venn Hypotheken B.V. in accordance with the Mortgage Investment Purchase Agreement for a value that is approximately equal to the (whole) Committed Amount(s) of the Incoming Participant(s) and any amounts to be reinvested by the Investment Fund. Venn Hypotheken B.V. informs the Manager monthly about the production that it expects can be delivered to the Investment Fund so that the Manager can assess when Outstanding Committed Amounts can be invested. Orders from the Investment Fund in respect of reinvestment have priority over orders for the investment of Committed Amounts of Participants.

Issue

Article 9

1. The issue of units of participation takes place on the Issue Date. The Issue Date is the last working day of a Participation Month. A Participation Month is the month in which a participant satisfies a request of the Manager to deposit its committed amount, in whole or part. Units of Participation are deemed issued on the last working day of the month. The Units of Participation are deemed to be issued at the Individual Holding Value.
2. In each Payment Request, the date of payment of the amount that is requested from the (Incoming) Participant will be stated. The relevant amount must be received on the Manager's account on the payment date specified in the Payment Request.
3. The Manager, whether or not represented in this respect by the Transfer Agent, will request the Committed Amounts on a proportional basis in accordance with the provisions of this Article 9. The provisions of this Paragraph do not apply in the case of a situation as referred to in Article 11(6).
4. The Manager may deviate from the principle referred to in Article 9(2) to request Committed Amounts on a proportional basis if a Participant has a relatively small pledged amount in relation to the pledged amounts of the other Incoming Participants whose Application Form is received within the same calendar month.
5. All deposits by, and payments to the Participants and all the calculations under the Conditions must be made in euros. None of the Participants may suspend their payment or deposit obligations to the Investment Fund or invoke settlement against the Investment Fund.



6. The order of the issue of Units of Participation is determined by the Manager. Units of Participation that are issued in the same calendar month before the Cut-Off time are deemed to be simultaneously issued and there is no priority between these Units of Participation. The provisions of this Paragraph do not apply if there is a situation as referred to in Article 11(6), in which case the Units of Participation to be issued will be issued to the Incoming Participant referred to in that Article.
7. Committed Amounts from previous months must be requested first and Units of Participation must be issued and orders must be executed for all these Committed Amounts before Units of Participation can be issued at the expense of later Committed Amounts.

Deposit Default

Article 10

1. If a Participant fails to meet its obligation to pay on time all or part of the Committed Amount in accordance with a Payment Request, then the Participant is immediately in default (**Participant in Default**) towards the Investment Fund. The payment date referred to in the Payment Request is regarded as a deadline within the meaning of Article 6:83 of the Netherlands Civil Code.
2. Every Participant in Default will be liable towards the Investment Fund and must indemnify the Investment Fund for all damages and all costs (including legal fees and any borrowing costs) that the Investment Fund has reasonably had to incur as a result of such default.
3. The Participant in Default will:

not be able to exercise the voting rights on its Units of Participation until the default has been remedied in full and will be treated as a not being a Participant in the Investment Fund;

not be entitled to any payment, in whatever form, with respect to its Units of Participation as long as the default has not been remedied;

pay the Investment Fund a penalty of 10% per annum on the part of the Committed Amount that has been requested by the Manager and for which it is in default from the date on which the default has occurred until the date of full payment of the requested part of the Committed Amount.
4. If the Participant in Default does not remedy and rectify this within a day of the commencement of the default, the Units of Participation reserved for it will not be issued and the damage caused will be recovered from the Participant in Default.
5. In addition to the provisions of this Article, the Manager is entitled to use all legal means available to the Investment Fund by virtue of the law in connection with the default of a Participant in Default, including the right to claim compensation. In addition, the Manager will be entitled to claim performance from a Participant in Default of its obligations by virtue of these Conditions, including the making of deposits.
6. No action between the Investment Fund and a Participant in Default or delay in exercising any legal remedy will imply that the Investment Fund is waiving its rights.

Withdrawal and purchase of Units of Participation

Article 11



1. Units of Participation can only be transferred by means of the purchase (and exchange) of Units of Participation by the Investment Fund. Exit from the Investment Fund can only take place in cash (not in kind).
2. If a Participant wishes to have (part of) its Units of Participation purchased by the Investment Fund, it must submit a Written request stating the number of Units of Participation to be purchased. This request must be made before the 15th day of a calendar month, received before the Cut-Off time (12 midday Dutch time) by or on behalf of the Participant at an address specified by or on behalf of the Manager in the Application Form. This request is irrevocable.
3. If at the discretion of the Manager sufficient liquid assets are available for this, subject to the provisions of Paragraph 4 the Manager will immediately proceed with the purchase and acquisition of the relevant Units of Participation, as much as possible, in proportion to the total number of Units of Participation offered for purchase for each Participation Class.
4. Only liquid assets released from the cash flows under the Investments or as a result of issues of new Units of Participation in the Investment Fund may be used for the purchase of Units of Participation. When determining whether there are sufficient liquid assets available for purchase, (i) the Manager will not take account of liquid assets that the Manager considers necessary for the operational matters of the Investment Fund and that are intended for distributions and (ii) the Manager may, if it expects a large inflow of Committed Amounts, at its own discretion consider these amounts, which have not yet been accounted for in the liquid assets, when determining the funds available for distribution. If the manager is aware that the purchase of Units of Participation has been requested, the manager will make no more reinvestments insofar as the liquid assets are insufficient to facilitate withdrawals. The manager may not enter into loans in order to finance the purchase of Units of Participation.
5. If the request for the cut-off time of the relevant month has been received, the Administrator shall process a request for purchase at the end of the month in which it was received in accordance with paragraph 2. Units of Participation are purchased at the value calculated on the second Valuation Date following the month in which the Written purchase request is made, if this request is received before the Cut-Off time. After determination of this purchase price, this is communicated to the respective Participants and subsequently paid as soon as possible to the Participants whose Units of Participation have been purchased. When a Unit of Participation is acquired by the Investment Fund, the Unit of Participation is extinguished.
6. If termination of a participation in the Investment Fund by an Outgoing Participant takes place concurrently with the admittance in accordance with these Conditions of another Incoming Participant who may be regarded as the legal successor of the Outgoing Participant, the Manager has the power to issue to the Incoming Participant the same number of (new) Units of Participation, subject to the following terms and conditions, at the value calculated in accordance with the provisions in Paragraph 5, such without charging withdrawal or admittance costs to the Incoming Participant or the Outgoing Participant, as provided for in Article 12 of these Conditions.
7. If termination of participation in the Investment Fund by an Outgoing Participant takes place concurrently with the admittance in accordance with these Conditions of a Group Entity of the Outgoing Participant ('Incoming Participant'), the Manager has the power to issue to the Incoming Participant the same number of (new) Units of Participation, subject to the following terms and conditions, at the value calculated in accordance with the provisions in Paragraph 5, such without charging withdrawal or admittance costs to the Incoming Participant or Outgoing Participant, as provided for in Article 12 of these Conditions. In this case, the Offer Risk result is not passed on.
8. Without prejudice to the provisions in the first sentence of Paragraph 1, the terms and conditions referred to in Paragraphs 6 and 7 read as follows:
 - the Outgoing Participant must submit an appropriate written request to the Manager together and concurrently with the Written request as referred to in Paragraph 2;



- the Written request of the Outgoing Participant for the purchase of his Units of Participation as referred to in Paragraph 2 relates to all Units of Participation held by him;
- the number of Units of Participation to be purchased is equal to the number of Units of Participation issued to the Incoming Participant;
- in the case of legal succession, the Outgoing Participant has made the legal succession sufficiently plausible, in both legal and economic terms, such at the sole discretion of the Manager, if necessary by means of supporting documents and/or statements;
- in the case of transfer to a Group Entity, the Outgoing Participant has made it sufficiently known that the transfer to the Group Entity is necessary and that the Group Entity can, according to generally accepted standards, be seen as a Group Entity and is associated with the Outgoing Participant, such at the sole discretion of the Manager;
- the Incoming Participant complies with all admittance requirements pursuant to these Conditions;
- the issue of the new Units of Participation to the Incoming Participant takes place on an Issue Day such that, contrary to the provisions in the first sentence of Article 9(1), the purchase price to be granted to the Outgoing Participant is deemed to have been used by the Incoming as a deposit for newly issued Units of Participation;
- with regard to the application of these Conditions, the Incoming Participant is deemed to take the place of the Outgoing Participant in respect of already Committed Amounts of as well as Payment Requests regarding the Outgoing Participant.

Costs of entry and exit

Article 12

1. Entry and exit costs may be charged, when appropriate in the opinion of the Manager. If costs are charged, these will be determined by the Manager upon entry or exit, respectively. These costs are intended solely to protect the existing Participants of the Investment Fund, are credited to the relevant Investment Fund and are expressed as a fixed percentage of the value determined upon issue in accordance with Article 9 and/or the value determined upon purchase in accordance with Article 11. These costs are also intended to cover the costs of purchase and sale of Investments. Whether a surcharge or discount is applied depends on whether the Investment Fund, including all Participation Classes, on balance issues (leading to a surcharge) or purchases (leading to a discount) Units of Participation. If costs are charged, the Manager will inform the Participant(s) about these costs prior to entry or exit.
2. Any taxes or duties payable on admittance or withdrawal will be charged separately to the Participant.
3. The percentages/costs established by the Manager as referred to in this Article and as applicable to the Investment Fund are determined in order to avoid dilution of existing participants by Incoming Participants.
4. In the case of Admittance to the Fund, Offer Risk will be run in the period lying between the time that a mortgage offer is sent and the transfer of the related mortgage receivable to the Fund. The Offer Risk result can be either positive or negative and will, in principle, be for the account and risk of the Incoming Participant(s), and the existing Participants in the event of reinvestment, so that the admittance of these new participants will be as price-neutral as possible for the existing Participants. At the time of admittance, the Individual Holding Value will be calculated, taking account of the Offer Risk result, in accordance with the provisions of Article 13(3). The Manager may decide not to pass on the Offer Risk result if this is deemed not to be detrimental in substance to the existing Participants.



Calculation of the Fund's Equity and the value of Units of Participation

Article 13

1. Each month and at least on the Valuation Date, the Manager determines the applicable Holding Value of each Unit of Participation of each Participation Class of the Investment Fund in euros. The Holding Value is calculated by dividing the value of the Investment Fund's Equity attributable to the relevant Participation Class, as determined in accordance with this Article, by the number of Units of Participation and/or fractions of Units of Participation in the relevant Participation Class outstanding on the day of such determination. The Holding Value will be expressed up to a maximum of six decimal places. The Holding Value will be rounded off in the manner described in Article 5, Paragraph 5. The Manager also determines the value of the Investment Fund each month by, for each Participation Class, multiplying the value of each Unit of Participation of that Participation Class by the number of outstanding Units of Participation in that Participation Class and adding these together.
2. To determine the Holding Value of Units of Participation of each Participation Class of the Investment Fund, the Fund's Equity attributable to each Participation Class of the Investment Fund is determined. The equity is formed by the assets minus the liabilities. Included under the assets are the Investments, the receivables and the other assets. The liabilities are formed by the debts of the Investment Fund. As a rule, the following valuation principles are observed when determining the value in euros of the part of the Fund's Equity attributable to each Participation Class. Investments are stated at fair value. This fair value is determined according to the following principles:
 - Investments in other investment funds managed by the Manager are stated at the net asset value of that (same) day.
 - Financial instruments are valued at the share price or other comparable market quotation. Where financial instruments are listed on more than one stock exchange, the price on the main stock exchange will be used. In so far as financial instruments do not have a share price or other market quotation, or if the price formation is not deemed representative, the value will be determined by the Manager. Determination of value will be based on objective and recent market information and/or make use of generally accepted calculation models.
 - Other financial instruments regarded as Investments will be valued at the market value as deduced from market quotations and market information provided by third parties. If no objective market quotation is available for such financial instruments, these instruments will be valued at the theoretical value that is calculated using objective and broadly accepted calculation models, with due regard for principles generally considered acceptable by the Manager for the Investments in question.
 - Insofar as share prices or market quotations for individual financial instruments listed in specific regions are not available on time, determination of value of parts of the Fund's Equity can also be based on changes in the indexes relevant to those regions.
 - Mortgage receivables are valued by discounting the future contractual cash flows, taking into account the early repayments of the mortgage lender, using a market discount curve for similar mortgage loans at the end of the month for which the value of the Fund's equity is determined.

Assets and liabilities not regarded as investments are stated at par.
3. At the time that a Participant is admitted to the Fund, the Manager will, taking into account the costs stated in Article 12, calculate the number of units of participation that the Incoming Participant will



receive in accordance with the following formula:

$$\frac{\text{The called – up part of the committed amount} + \text{Result of the purchased mortgages} + \text{result of the cash held}}{\text{Holding Value on the Issue Day}}$$

The Individual Holding Value at which the Incoming Participant is admitted:

$$\frac{\text{The called – up part of the committed amount}}{\text{The number of Units of Participation issued}}$$

4. Contrary to the provisions of Paragraph 2, the Manager may decide not to determine the value of Units of Participation at the relevant time in the following cases:
 - (a) one or more stock exchanges on which financial instruments are listed which belong to the equity of the Investment Fund or belong to the equity of a UCITS or investment institution in which the Investment Fund invests, are closed during days other than usual days, or if the transactions on these stock exchanges are suspended or are subject to non-usual restrictions and the Manager cannot, in its opinion, provide a correct valuation of the price of the listed financial instruments;
 - (b) the communication resources or calculation facilities that are normally used to determine the equity of the Investment Fund are no longer functioning or if, for some other reason, the value of an investment which is part of the equity of the Investment Fund cannot be determined at the speed or accuracy desired by the Manager;
 - (c) factors which are related to, among other things, the political, economic, military, or monetary situation, which the Manager has no influence on, hinder the Manager as regards determining the value of the equity of the Investment Fund;
 - (d) other objectively determinable circumstances occur that prevent a reliable valuation.
5. The Manager may depart from the provisions of this Article if, in its opinion, exceptional circumstances make it practically impossible or manifestly unreasonable to calculate the Fund's Equity or the equity attributable to one or more of its Participation Classes in the manner described above.
6. The Manager immediately publishes the determined value of each Unit of Participation or Participation Class of the Investment Fund on its Website.
7. The Manager will inform the Incoming Participant about the Individual Holding Value.

Costs of the Investment Fund

Article 14

1. The Manager will receive a management fee in respect of the management conducted by it consisting of an annual fee for Participation Class I. This annual fee is expressed as a percentage (plus value added tax payable) of the value of the Fund's Equity, calculated on a monthly basis, as attributed to each issued Participation Class at the end of each month. The management fee is deducted from the Fund's Equity to the debit of the relevant Participation Class on a monthly basis. The Manager may determine that no management fee is payable for one or more specific Participation Classes. No management fee is payable for Participation Class Z.



2. In addition, an annual fee, the **VOK** (*Vaste Overige Kostenvergoeding* – Fixed Miscellaneous Fee), will be charged for each Participation Class; this is converted on a monthly basis into a percentage that is calculated on the total equity of the relevant Participation Class at the end of each month. These miscellaneous costs concern servicing and administration of mortgages as well as regular and/or recurring expenses including the costs of: the administration and the reporting (also understood to include the costs of data provision and the processing and calculation of the Fund's financial data, the custody of the assets, the auditor, the supervision, making payments, publications, meetings of participants, as well as external advisors and service providers, such as the Transfer Agent), insofar as these costs are charged to the Fund. The VOK is fixed in the sense that the Manager will take responsibility for all actual costs that may exceed the VOK with the exception of the costs referred to in the following section. On the other hand, the Manager is in all cases entitled to retain the VOK if the actual costs prove to be lower than the VOK received. When determining the amount of the VOK, the Manager also takes account of market conditions and the level of comparable fees at comparable investment institutions and UCITS that are managed by other managers.
3. The cost of transactions in financial instruments (transaction costs) for the purchase and sale of the Investments by the Investment Fund and the interest charges are charged directly to the Fund's Equity. The costs of purchase and sale of Investments are included in the cost price or deducted from the proceeds of the sale of the relevant Investments. Transaction costs include the market risk of the transaction (market impact).
4. Insofar as costs are directly attributable to a specific Participation Class, they are charged directly to the relevant Participation Class. Insofar as costs are not directly attributable to one of more specific Participation Classes, they are charged to all Participation Classes of the Investment Fund by means of an allocation ratio.
5. In addition to the VOK, non-recurring, extraordinary expenses associated with, for example, the implementation of major changes in applicable legislation and regulations and/or as a result of unforeseen circumstances, may be charged to the result of the Fund or the relevant Participation Class. Where appropriate, these expenses will be accounted for in the annual report.

Distributions

Article 15

1. The Manager determines for each of the Participation Classes whether and with which frequency distributions may be made from the Fund's Equity.
2. If it is decided that a distribution may be made in respect of a Participation Class, the following rules apply:
 - (a) At the end of each financial year the Manager will decide what amount will be distributed on each Unit of Participation. Distribution will be made within eight months of the end of the financial year net of any taxes payable. Distributions are charged to the balance of the Fund's Equity attributable to the relevant Participation Class on the final day of the past financial year and paid to the Participants in the Participation Class in question. Distributions will be proportionate to the number of Units of Participation held by each Participant, as disclosed in the register kept by the Manager as at the date on which payment is made.
 - (b) Each Participant will authorise the Custodian Foundation to make payment of the distribution by means of automatic reinvestment in Units of Participation, unless the Participant elects for whole or partial transfer to a cash account held in its name that is suitable for funds transfer. The Manager determines the reinvestment price no later than on the first Valuation Date following the day on which the distribution is made payable. If a Participant elects for transfer



to a cash account, it will notify the Manager thereof in Writing on a timely basis before payment is made, stating the number of the cash account in question and the number of Units of Participation for which it requests such transfer.

- (c) The Manager's decision to make a distribution payable to Participants in the respective Participation Classes, the composition of the distribution and the method of payment will be announced on the Website and/or sent to each Participant's (email) address. Notice to the (email) address of a Participant may be served by means of notification of reinvestment in Units of Participation or by notification of transfer to a cash account held in the name of the Participant or by notification of distribution becoming payable in the sense referred to under b. of this Paragraph.
 - (d) Insofar as permitted by the balance of the Fund's Equity or the part thereof attributable to the relevant Participation Classes, the Manager may make interim distributions. The above provisions of this Article will be applicable mutatis mutandis in so far as possible to such interim distributions.
3. Distributions charged to the Fund's Equity that have not been claimed within five years of being made payable will lapse.

Annual report, semi-annual results and other reports

Article 16

- 1. The financial year of the Investment Fund runs from the first of January until the thirty-first of December.
- 2. Annually, within six months of the end of the financial year, the Manager of the Investment Fund prepares financial statements and an annual report on that financial year in accordance with the provisions in Section 4:37o of the Wft. The financial statements and the annual report are signed by the Manager. Within six months of the end of the financial year, the Manager publishes the financial statements and the annual report of the Investment Fund on the Manager's Website. At the request of Participants, the financial statements and the annual report are provided free of charge to the Participants in question.
- 3. Every year, within nine weeks of the end of the first six months of the financial year, the Manager publishes semi-annual results on the first six months of that financial year with due regard for the provisions in the Decree on Conduct of Business Supervision of Financial Undertakings (*Besluit Gedragstoezicht financiële ondernemingen Wft*). These semi-annual results are drawn up in accordance with the structure of the financial statements. The semi-annual results are published on the Manager's website.
- 4. The financial statements and the annual report are audited by an expert appointed by the Manager in accordance with Article 393(1), Book 2 of the Netherlands Civil Code. The aforementioned expert will report on his audit to the Manager of the Investment Fund and set out the results of his audit in a report.
- 5. Each month the Manager provides the Participants in Writing or otherwise the following reports related to the Investments:
 - (i) Holding Value;
 - (ii) Mortgage arrears report;
 - (iii) Mortgage stratification tables;
 - (iv) Loan-level data of the mortgages through Portal;
 - (v) Cash flow projections;
 - (vi) Monthly Fund reports.



Meeting of Participants

Article 17

1. The Manager will convene a meeting of participants if it considers this to be in the interest of the Participants or if requested by one or more Participants, who severally or jointly represent at least 1/4 of the total number of votes that can be cast. The number of meetings is limited to four times a year.
2. Participants may put forward topics to the Manager about which further information or consultation with other Participants is desired. The agenda of the annual general meeting in any case includes, for information purposes, the financial statements of the Fund.
3. The meeting will be called no later than fifteen days before the date of the meeting by means of a notice placed in one or more national Dutch daily newspapers or sent to the (email) address of each Participant. The notice calling the meeting will state the venue and time of the meeting and the matters to be considered.
4. Each Participant will be entitled to attend the meeting in person or to be represented by Written proxy, and to speak and to exercise its voting right at the meeting, provided it notifies the Manager in Writing of its intention to attend the meeting in person or to be represented by proxy. Such notification is to be given no later than on the date stated for that purpose in the notice calling the meeting, which date may not be earlier than the seventh day before the meeting. In the event of representation by a proxy, the Written proxy must be lodged no later than the time and at the place stated in the notice calling the meeting.
5. Each whole Unit of Participation carries the right to cast one vote in respect of the respective Participation Class; fractions of Units of Participation do not carry any voting rights.
6. The meeting is presided over by a chair designated by the Manager from among the ranks of the Manager. One or more meetings may be presided over by a chair other than the chair designated by the Manager should this be preferred at any time by a majority of the Participants. The matters considered will be minuted by a secretary appointed by the chair of the meeting. The minutes will be adopted by the chair and the secretary, whereafter they will serve as evidence to the Manager and the Participants of that which is stated therein, barring evidence to the contrary.
7. Resolutions are passed by an absolute majority of the votes cast at the meeting, provided that at least two Participants, not being entities/parties affiliated with the Manager, have voted for the resolution on the agenda.
8. Voting will be by means of Written ballot, unless the meeting unanimously decides to vote orally or by acclamation.
9. Blank and invalid votes will be deemed not to have been cast.
10. The chair of the meeting will decide on the attendance of parties other than Participants, their proxies and the Manager.
11. Decisions of the meeting of participants may also be taken without a meeting, provided that this takes place in Writing, all Participants are given the opportunity to cast their votes and none of them objects to this form of adoption.
12. Participants can also attend the meeting electronically (via conference call or Skype). Participants must



be identifiable via the electronic means of communication by the access code provided by the Manager. The Participants need to be able to follow the Meeting live and given the opportunity to exercise their voting right. If participants wish to use this, they must state this when registering.

Amending the Conditions

Article 18

1. The Manager is authorised to amend these Conditions.
2. The Manager informs the Participants within a reasonable period of amendments to these Conditions or a decision that has been taken by virtue of these Conditions, either by means of notification thereof to the (email) address of each Participant or an advertisement in one or more national Dutch daily newspapers or by placing a notice to that effect on the Manager's Website.
3. Amendments to the investment policy and amendments to the Conditions that reduce the rights and securities of Participants or impose burdens upon them cannot be retracted vis-à-vis the Participants until one month after the notification of the proposed amendments. During this period, Participants are entitled to request the Manager to purchase Units of Participation on the basis of the still unamended Conditions.
4. In the case referred to in Paragraph 2 and within the period of one month stated therein, Participants will be allowed, with due regard for Article 11, to withdraw subject to the customary Conditions that are in force up to the moment that the amendment takes effect.
5. In addition to the arrangement described above, the following amendments to these Conditions require approval from the meeting of participants:
 - (i) A decision to amend the Fund's investment policy.
 - (ii) A decision to amend the Mortgage Loan Criteria.
 - (iii) Decisions that reduce the rights or security of Participants.

Termination of management

Article 19

1. If the Manager announces that it intends to relinquish its responsibilities in respect of the Investment Fund, a meeting of Participants will be held within four weeks in order to appoint a new Manager.
2. The Manager may then be replaced by a new Manager appointed subject to the approval of the Manager. Replacement will be effected by means of a resolution passed by the meeting of Participants. The resolution will be passed by an absolute majority of the valid votes cast. The original Manager may not relinquish its responsibilities before the new Manager has assumed its responsibilities.

Liquidation

Article 20

1. If the Manager intends to liquidate the Investment Fund or Participation Classes, it will call a meeting of Participants in order to explain this intention or this will be communicated by means of an advertisement placed in one or more national Dutch daily newspapers or sent to the (email) address of each Participant, unless a Participant has indicated in response to this notification that they would appreciate an



explanation during a meeting of Participants, in which case such meeting will be convened.

2. If the Manager decides to liquidate the Investment Fund or Participation Classes and this decision deviates from the intended decision as referred to in Paragraph 1 of this Article, notification of this decision will be sent to the (email) address of each Participant.
3. Once the liquidation decision has been taken, no more Units of Participation may be issued and Participants will no longer be entitled to sell and/or convert their Units of Participation.
4. The Manager will report and account to the Participants of the relevant Participation Class before it distributes to those Participants.
5. Notwithstanding the provisions of Paragraph 4, the Manager may, even before account and responsibility is rendered, proceed to make payments in advance whenever permitted by the balance of the equity of the relevant Participation Class.
6. During liquidation, the provisions of these Conditions will be applicable insofar as possible.

Applicable law and resolution of disputes

Article 21

1. The Manager is responsible for the proper handling of complaints from Participants. To this end, the Manager has an internal complaints procedure. Disputes relating to the provisions of these Conditions between the Manager on the one hand and one or more Participants on the other will in the first instance be submitted to the competent court in the Netherlands unless the Manager as plaintiff prefers a foreign court.
2. These Conditions are governed by the laws of the Netherlands only.

Final provisions

Article 22

1. Participants will be deemed, through their mere admittance to the Investment Fund, to know and understand and to accept all the provisions of these Conditions.
2. Participants may obtain a copy of the present Conditions free of charge from the offices of the Manager. These Conditions are also available on the Manager's Website.
3. The Manager will decide in cases not provided for by these Conditions.
4. Announcements / notifications to Participants and notices calling meetings will be deemed to be valid if they are sent to the (email) address stated in the register referred to in Article 5, Paragraph 6, or if they are made by means of an advertisement in accordance with these Conditions. The date of dispatch by the Manager applies as the date of announcement/notification. Participants may not derive any rights from their failure to know of any announcement, notification or notice calling a meeting. Announcements / notifications by Participants to the Manager must be made in Writing and by letter to the following address: NN Investment Partners B.V., Postbus 90470, 2509 LL The Hague.
5. For each of the Investment Funds under its management, the Manager provides on its website a prospectus as required by law or any other document that takes its place at any time.



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6. These Conditions may be referred to as the 'Conditions of NN Dutch Residential Mortgage Fund Non NHG'.



Annex 1 Mortgage Loan Criteria for Mortgage Loans

On the date of transfer each Mortgage Loan / Mortgage complies with the following criteria (**the Mortgage Loan Criteria**):

Mortgage acceptance criteria of Venn Hypotheken B.V.:

the Debtor / Borrower is a natural person resident in the Netherlands;

every Mortgage Loan is secured by a first Mortgage or, in the case of Mortgage Loans that are covered by the same real estate, by Mortgages in the first and following lower ranks;

every mortgaged property (Mortgaged Property) which serves to cover a Mortgage Loan is not subject to lease to individuals and is occupied by the Borrower at or around the time of taking out the loan;

interest and other payments are made monthly by direct debit;

every Mortgaged Property is located in the Netherlands;

with the exception of the home construction or improvement accounts, the principal of each Mortgage Loan is paid in full to the relevant Borrower whether or not via the relevant civil-law notary;

none of the Borrowers have, at the time of application, a negative rating from the Credit Registration Bureau (BKR) other than a code that is allowed under the National Mortgage Guarantee terms and conditions in effect at that time;

every Mortgage Loan has a legal term of no more than thirty (30) years and one month;

the Mortgage Loan is not based on a personal income statement or a Borrower's income statement checked by an advisor;

the Remaining Principal Amount of each NHG Mortgage Loan does not exceed the maximum loan amount as stipulated in the NHG Acceptance Criteria at the time of completion;

every Mortgage Loan constitutes the whole of the loan granted to the relevant Borrower, which is covered by the Mortgaged Property and not just one or more Parts of a Loan;

each Mortgage Loan has a positive remaining principal;

Fund's selection criteria:

the Mortgages are:

Straight-line Mortgages;

Annuity Mortgages;

Interest-only Mortgages;

Bridging mortgage; or

Mortgage Loans that form a combination of the above-mentioned types of mortgages;

no Mortgage Loan and no part thereof qualifies as a revolving mortgage;



the Debtor / Borrower is not an employee of the Seller or any of its group companies;

at the time when the Mortgage Loans that have been allocated via the Allocation Mechanism are offered for transfer and thus the List of Loans as referred to in the Mortgage Investment Purchase Agreement has been determined by the Manager and Venn Hypotheken B.V., no amounts are overdue and outstanding that are payable as a result of a Mortgage Loan;

all Mortgage Loans were concluded on or after 1 January 2020;

the total gross Remaining Principal of each Mortgage Loan does not exceed EUR 1,000,000;

at the time of taking out the loan, the Maximum Original Loan-to-Market Value (LTV) is in line with the criteria applying in the Dutch mortgage market. In 2020, this is an LTV of 100%. In the case of energy-saving measures, the LTV may be up to 106%, if the portion above 100% is used in full for this purpose.

Increases are also subject to qualifying criteria as set down in the Mortgage Loan Criteria.



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Annex 2 Application Form

APPLICATION FORM

**NN DUTCH RESIDENTIAL MORTGAGE
FUND Non NHG**



THIS APPLICATION FORM

concerns

the application to acquire Units of Participation in NN Dutch Residential Mortgage Fund Non NHG, a mutual fund under Dutch law (the **Fund**), by the investor (the **Investor**), whose details are included in **Addendum 1** to this form.

1. INTERPRETATION

This Application Form is related to the Fund. The defined terms used in this Application Form, insofar as these are not defined otherwise in the Application Form, have the meaning as assigned to them in the Conditions of the Fund dated 15 December 2022 and as may be amended from time to time (the **Conditions**).

2. ADMITTANCE

1.1 Prior to signing this Application Form, prospective investors should have read the prospectus of the Fund and the Conditions.

1.2 By signing this Application Form, the Investor (i) agrees to accept the Conditions and (ii) comply with the conditions specified in the Conditions.

1.3 Investor confirms that the information concerning its Committed Amount is correctly included in Addendum 1 to this Application Form.

1.4 Investor recognises that the Manager will at all times be entitled to refuse admittance or restrict or alter the right to admittance without stating any reason therefor. The Manager may set additional conditions on admittance.

1.5 Investor agrees to transfer the part of the Committed Amount requested by the Manager within the period specified in the Payment Request pursuant to the provisions in Articles 7 and 9 of the Conditions to the Fund on the account number referred to in the Payment Request.

1. STATEMENTS AND GUARANTEES

The Investor declares and guarantees to the Fund that each of the following statements is correct and accurate and will inform the Fund if this no longer applies.

- (a) The Investor confirms to have received and read the prospectus of the Fund and the Conditions, that there are no provisions that give rise to any legal violation by the Investor and that it will comply with the provisions of this prospectus and the Conditions.



- (b) The Investor declares that it is a qualified investor as defined in the Financial Supervision Act (*Wet op het financieel toezicht*) or any other legal concept taking its place at any time.
- (c) The Investor is aware that an investment in the Fund entails substantial risks. The Investor understands and has considered the risks and determined for itself that an investment in the Fund is a suitable investment.
- (d) The Investor has the financial resources to bear the economic risk, including the entire loss of its investment in the Fund, and has sufficient resources to meet its current needs and unforeseen events and has no need for liquidity with respect to its investment in the Fund.
- (e) The Investor has sufficient knowledge and experience of the activities of the Fund so that it is able to assess the investment strategy of the Fund.
- (f) The Investor has been given the opportunity to ask questions and receive answers from the Fund in respect of the activities that the Fund will undertake, the financial position of the Fund, the conditions of the offer and other issues related to an investment in the Fund. The Investor has been given the opportunity to consult advisors and obtain the necessary additional information in order to verify the accuracy of the information included in the prospectus of the Fund and the Conditions and to assess the investment strategy and risks of the Fund.
- (g) The Investor understands (i) that the Fund invests in illiquid assets, (ii) that it is not possible by virtue of Article 7.4 of the Conditions of the Fund to withdraw a committed amount by submitting the signed application form, (iii) that after admittance investors cannot withdraw from the Fund other than as provided for in Article 11 of the Conditions of the Fund, and (iv) that transfer of the participations in the Fund is restricted. As a consequence of this, the Investor acknowledges that he is aware that he may have to bear the economic risk of his investment until the Fund is dissolved.
- (h) The Investor is aware that the Offer Risk result can be passed on in line with Article 13 of the Conditions, so that the admittance of Incoming Participants is as price-neutral as possible for the Holding Value of the existing Participants.
- (i) The Investor is authorised and qualified to become an investor in the Fund, and authorised to transfer its Committed Amount to the Fund, and the person / persons signing this Application Form and making these statements are authorised to represent the Investor so that this Application Form is valid, binding and enforceable against the Investor.
- (j) The signing of this Application Form, the compliance with the obligations of the Investor towards the Fund are not in conflict with the articles of association or any material agreement to which the Investor is a party.
- (k) Any information that the Investor has provided to the Fund is correct and complete on the date of signing this Application Form and the Investor will inform the Fund if this no longer applies.
- (l) The Investor will provide the information as shown in the **Participation Form** as used at any time by The Bank of New York Mellon S.A./N.V. acting as Transfer Agent on behalf of the Manager, when submitting the Application Form and will also, at the request of the Manager, provide to the Manager or The Bank of New York Mellon S.A./N.V., as Transfer Agent, all further information that the Manager or The Bank of New York Mellon S.A./N.V. requires to comply with the Prevention of Money Laundering and Terrorist Financing Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*).



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Applicable law

This Application Form and the rights and obligations and relationship between the Investor and the Fund and any non-contractual obligations arising in connection with this Application Form, the prospectus of the Fund and the Conditions are governed by Dutch law and any dispute arising or resulting from this Application Form, the prospectus of the Fund and/or the Conditions will in the first instance be submitted to the competent court in the Netherlands, unless the Manager as plaintiff prefers a foreign court.



ADDENDUM 1

COMMITTED AMOUNT OF THE INVESTOR

Name of Investor:

Committed Amount: EUR , in words:

- ☐ *NN Dutch Residential Mortgage Fund Non NHG – I* *ISIN Code [TBC]*
☐ *NN Dutch Residential Mortgage Fund Non NHG – Z* *ISIN Code [TBC]*

Date:

Signed by or on behalf of the Investor by:

Name: Signature:

Position:

and

Name: Signature:

Position:

To facilitate an investment in the Fund, an account must be opened with the Fund's Transfer Agent: The Bank of New York Mellon SA/NV. In addition to the Participation Form as referred to in Article 3(k), this form must be completed and signed. These duly completed and signed forms must be sent, together with the necessary appendices, to:

The Bank of New York
Mellon SA/NV 2-4 Rue
Eugène Ruppert
L-2453 Luxembourg

The Transfer Agent acting on behalf of the Manager of the Fund will confirm receipt of this 'Commitment' to the Investor.

The consequences of early payment by the Investor, prior to the payment date specified in the Payment Request, are entirely for the account and risk of the Investor, including associated costs. With respect to possible costs, the official rates of the Transfer Agent will apply and the Investor will receive a separate invoice for these where appropriate.

If you have any questions about the above, please contact the account manager at NN Investment Partners (+31 (0)70 378 1051) or the Transfer Agent (+32 2280 3404, F: +32 2280 4071).