

Winning Funds

Société d'Investissement à Capital Variable
3, rue Jean Piret – L-2350 Luxembourg
R.C.S. n° B 78.249
(the “Company”)

NOTICE TO SHAREHOLDERS

The board of directors of the Company (the “Board of Directors”) would like to inform the shareholders of the amendment to be made to the prospectus of the Company (the “Prospectus”) to be dated December 2018, mainly consisting in the following:

1. **To update the Prospectus for grammatical, harmonisation, clarification and compliance with new regulation purposes.**

2. **To insert/update/remove the following definition within the Glossary of the Prospectus (strikethrough of removal):**

“Benchmark Regulation: Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. According to the Benchmark Regulation, the AIFM has produced and maintains written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided. Those written plans may be obtained free of charge at the Company’s registered office. An overview of indices of the Company’s Sub-Funds, including confirmation whether the administrators of the indices are registered or intend to get themselves registered by 1st January 2020 at the latest with the competent authority under the Benchmark Regulation, is available in the Appendix II of the Company’s Prospectus.”

“Index (and collectively “Indices”): When a Sub-Fund invests into an Index, such Index should satisfy the requirements applicable to “financial indices” as defined in article 9 of the Luxembourg Grand Ducal Regulation of 8 February 2008 and in CSSF Circular 14/592.”

“MiFID II: Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.”

“Cut-off time: Cut-off time for receipt of subscription, redemption and conversion requests: before 15:30 CET each Valuation Day, unless otherwise stated in the Sub-Fund factsheet.”

“Share-Class Overlay: A portfolio management technique applied on a Share-Class for Currency Hedge Share-Classes and Duration Hedged Share-Classes. The purpose of the Share-Class Overlay is to group all types of techniques that can be applied at Share-Class level.”

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

“Performance Fee: The performance related fee payable by a Sub-Fund to the Investment Manager”.

3. **To amend the provision within part I, chapter II “Information on investments”, to update the section “General”, in order to include tobacco restriction in the “Responsible Investment Framework Policy” (addition in bold and strikethrough of the deletions);**

*“The Company applies the ~~“Defence policy”~~**Responsible Investment Framework Policy**” of NN Group. **In line with this policy, the Company which** aims, wherever legally possible, not to invest **directly**, among others **but not limited to**, in companies directly involved in the development, production, maintenance or trade of controversial weapons **or companies directly involved in the production of tobacco products** as defined in the **above mentioned said-policy**. **With respect to investments in third party funds (including ETFs and index funds), the exclusions defined by “Responsible Investment Framework Policy” of NN Group cannot be imposed upon these funds. NN Investment Partners will engage proactive discussions with these third parties to maximize adherence to the policy following applicable local laws and regulations.** Additional information concerning the ~~“Defence policy”~~**Responsible Investment Framework Policy**” of NN Group is available for consultation on the website www.nn-group.com.”*

4. **To insert within part I, chapter III “Subscriptions, redemptions and conversions” the new section below:**

“Restrictions on Subscriptions and Conversions:

In order to inter alia protect existing Shareholders, the Board of Directors (or any delegate duly appointed by the Board of Directors) may, at any time, decide to close a Sub-fund or a Share-Class and not to accept any further subscriptions and conversions into the relevant Sub-fund or Share-Class (i) from new investors who have not yet already invested into the said Sub-fund or into the said Share-Class (“Soft Closure”) or (ii) from all investors (“Hard Closure”).

Decisions taken by the Board of Directors or its delegate on a closure may have immediate or non-immediate effect and be effective for non-determined period of time. Any Sub-fund or Share-Class may be closed to subscriptions and conversions without notice to Shareholders.

In relation thereto, a notification will be displayed on the website www.nnip.com and if applicable on other NN Investment Partners websites, and will be updated according to the status of the said Share-Classes or Sub-funds. The closed Sub-fund or Share-Class may be re-opened when the Board of Directors or its delegate deems the reasons to have the latter closed no longer applying.

The reason for a closure may be, without being restricted thereof, that the size of a given Sub-Fund has reached a level relative to the market it is invested into above which the Sub-fund cannot be managed according to the defined objectives and investment policy.”

5. **To amend, the provisions, within part I, chapter IV “Fees, expenses and taxation”, section A “Fees payable by the Company” related to the management fees by adding the following wording:**

“[...] The AIFM pays the fees to the Investment Manager(s) and for certain Share-Classes, the AIFM reserves the right, at its discretion, to reallocate a part of the management fee to certain Distributors, including the Global Distributor, and/or Institutional Investors in compliance with applicable laws and regulations.[...]”.

6. To amend, the provisions, within part I, chapter IV “Fees, expenses and taxation”, section A “Fees payable by the Company” related to the fixed service fee, as follows (addition in bold and strikethrough of the deletions):

“a. The Fixed Service Fee shall cover:

i. costs and expenses ~~related to~~**for** services rendered to the Company by ~~the AIFM related to services not covered by the Management Fee as described above and by service providers other than the AIFM~~ to which the AIFM may have delegated functions related to the daily Net Asset Value calculation of the Sub-Funds, and other accounting and administrative services, registrar and transfer agency functions, costs related to the distribution of the Sub-Funds, and to the registration of the Sub-Funds for public offering in foreign jurisdictions including fees due to supervisory authorities in such countries. [...] In setting the level of the Fixed Service Fee the overall competitiveness in terms of ongoing charges and/or total expense ratio is considered in comparison with similar investment products, **which may lead to a positive or negative margin for the AIFM.**”

7. To amend, the provisions, within part I, chapter IV “Fees, expenses and taxation”, section A “Fees payable by the Company” related to other fees as follows (addition in bold and strikethrough of the deletions):

“Other fees

1. **The AIFM and/or the Investment Manager may receive compensation from the trading initiated by them on behalf of the Company 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 AIFM and/or Investment Manager’s best execution policies, the AIFM and/or the Investment Managers will be permitted to cause the Company to pay higher transaction costs with one Counterparty than another Counterparty might have charged because they receive research or research commissions from that Counterparty. This can take the following forms:**

a. **Bundled brokerage fees** – In these cases, the Counterparties embed the price for their proprietary research, such as analysts’ opinions, comments, reports, analytics, or trade ideas, in the transaction costs for most financial instruments, including fixed income. In some cases, they may provide this service free of charge. The Counterparties do not explicitly price their research as a distinct service and therefore do not require their customers, such as the Company, AIFM and/or Investment Manager, to enter into contractual agreements to engage in any specific business with them. The Company, AIFM 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 AIFM and/or Investment Manager 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 Company’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 AIFM and/or the Investment Manager are able to purchase from independent research providers. CSA’s are generally not available for fixed income transactions.

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

~~Subject to the principles of best execution, brokerage commissions on portfolio transactions for the Company may be paid by the AIFM and/or the Investment Managers, as the case may be, as consideration for research related services provided to them as well as for services rendered in relation to the execution of orders. This may include the use of Commission Sharing Arrangements. When using Commission Sharing Arrangements the Company agrees with the broker at forehand that costs associated with investment research are separated from costs associated with the execution of orders. The Company subsequently allows the broker to purchase investment research from certain indicated specialized research providers having specific expertise in investment research. The separation of the costs associated with investment research from the costs related to order execution allows the Company to select the broker with the best order execution ability whilst combining it with research from the best investment research providers.~~

~~2. In line with Luxembourg law sales commissions and trail commissions may be paid to sales partners out of the Management Fee and reimbursements may be granted to investors.”~~

8. To amend, the provisions, within part II, section “Currency Hedged Share-Classes” as follows (addition in bold and strikethrough of the deletions):

~~“[...] Investors should be aware that any currency hedging process may not give a precise hedge, and may lead to over-hedged or under-hedged positions, which and may involve additional risks as described in Part III “Additional Information” of the Company’s Prospectus, Chapter III. “Risks linked to the investment universe: detailed description”. The AIFM ensures that hedged positions do not exceed 105% and do not fall below 95% of the portion of the net asset value of the Currency Hedged Share-Class which is to be hedged against currency risk. There is no assurance or guarantee given that the hedging will be effectively achieved. Furthermore, investors invested should note that an investment in the a Currency Hedged Share-Classes may have remaining exposure to currencies other than the currency against which assets the Share-Class is are hedged. Furthermore, investor’s attention is drawn to the fact should note that the hedging pat Share-Class level is distinct from the various hedging strategies that the Investment Manager may use at portfolio level. [...]”~~

9. To amend, the provisions, within part II, in order to update the “Investment objective and policy” of the sub-funds “Winning Funds Full Equity” and “Winning Funds Medium Equity” as follows (addition in bold and strikethrough of the deletions):

Winning Funds Full Equity:

~~“The objective of this Sub-Fund is to outperform, over a period of several years, its Benchmark composed as follows: MSCI Europe Net (50%), MSCI North America Net (30%), MSCI Japan Net (10%) and MSCI Emerging Markets Net (10%) the Index as listed in the Appendix II of the Company’s Prospectus.”~~

Winning Funds Medium Equity:

~~“The objective of this Sub-Fund is to outperform, over a period of several years, its Benchmark index composed as follows: MSCI Europe Net (22.5%), MSCI North America Net (13.5%), MSCI Japan Net (4.5%), MSCI Emerging Markets Net (4.5%), JPMorgan EMU (45%), S&P Developed Property Net (5%) and Euribor 1M (5%) the Index as listed in the Appendix II of the Company’s Prospectus.”~~

10. To amend, the provisions, within part III, chapter “XII: Net Asset Value” by adding the following wording (additions in bold and deletions in strikethrough):

~~“[...] Breakdown of asset value within a Share-Class.~~

~~The Company’s Board of Directors may, at its own complete discretion, authorise the use of an alternative valuation method if it considers that such a valuation better reflects the fair value of any asset of the Company. In any event Under all circumstances, the Company’s the Board of Directors of the~~

Company will ensure the proper independent valuation of the assets of each Sub-Fund. Where the nature of the assets of a Sub-Fund requires expert valuation, an external valuer will be appointed by the Company in accordance with the provision that the assets of each Sub-Fund are independently valued in an appropriate manner. If the nature of a Sub-Fund's assets requires a valuation by an expert, an external valuer will be appointed by the Company in accordance with the Law

of 12 July 2013. The external valuer **shall perform its functions impartially and with the requested due skill, care and diligence, and shall delegate the valuation function to act in a competent and diligent manner, and not to outsource such valuation services to a third party.** The external valuer will value the assets using a **format set of guidelines on the bases of widely accepted series of directives based on widely established valuation standards, adapted as necessary to respect individual market considerations and practices.** ~~required to the practices of the market concerned. [...]~~"

11. To amend, the provisions, within part III, chapter XV: General meetings" as follows (additions in bold and deletions in strikethrough):

"The annual general meeting of Shareholders ~~will~~ shall be held in Luxembourg, either at the Company's registered office or at any other location in Luxembourg specified in the convening notice, on the second Thursday of April at 10:00 a.m. CET each calendar year. ~~In case this~~ If this day is not a Business Day in Luxembourg the annual general meeting ~~will~~ shall be held on the first next following Business Day. The annual general meeting may be held abroad if the Board of Directors, acting with sovereign powers, decides that exceptional circumstances warrant this.

[...]

The convening notices for every general meeting shall contain the agenda and shall take the form of announcements filed with the RCS and published on the RESA and in a newspaper published in Luxembourg at least fifteen (15) days before the meeting. The convening notices shall be communicated to registered Shareholders at least eight (8) days before the meeting. Such communication shall be made by post unless the addressees have individually agreed to receive the convening notice by way of another facsimile electronic or physical mean of communication (including, but limited to fax, telex or e-mail). No proof shall be given that this formality has been complied with.

Where all the shares are in registered form, the Company may for any general meeting communicate the convening notices at least eight (8) days before the meeting by registered letters only, without prejudice to other physical or electronic means of communication which need to be accepted on an individual basis by their addressees and to warrant notification. The provisions prescribing the publication of the convening notices on the RESA or in a Luxembourg newspaper shall not apply in such case.

~~Convening notices of ordinary and extraordinary general meetings will be communicated to the Shareholders as deemed appropriate by the Company's Board of Directors. The convening notices will be published in countries in which the Shares are available to the public, provided such publication is legally required in these countries. In Luxembourg, in the case of ordinary meetings, the convening notices will be published in the RESA and in a Luxembourg daily newspaper and, in the case of extraordinary meetings, in the RESA and in a Luxembourg newspaper (first meeting) or in two Luxembourg newspapers (if the first meeting is not competent to pass resolutions). Letters will be sent to registered Shareholders at least eight days before the meeting, without having to prove that this formality has been fulfilled. When all the Shares are registered Shares, the meetings may be convened by registered letter alone. Notices to attend any general meeting will contain the agenda.~~

~~[...] The convening participation, quorum, execution and majority required for any general meeting are those stipulated in by Articles 67 and 67-1 of the Luxembourg Law of 10 August 1915, as amended and in the Company's Articles.~~

~~The meeting may be laid abroad if the Company's Board of Directors considers that exceptional circumstances require it."~~

12. To amend, the provisions, within part III, chapter "XVI: Dividends" as follows (additions in bold and deletions in strikethrough):

*"Dividends not claimed within five years of the Payment Date shall be forfeited and will revert to the **Share-Class(es) issued in respect of the** relevant Sub-Fund of the Company. ~~No interest shall be paid on a Dividend declared by the Company and kept by it at the disposal of its beneficiary."~~*

13. To amend, the provisions, within part III, chapter XVII "Liquidation, mergers and contributions of Sub-Funds or Share-Classes" in order to provide investors with more information on conditions to be respected in case of liquidation, mergers and contributions of sub-funds or classes of shares. The new wording is the following:

"The Board of Directors may decide each time (i) the value of the net assets of any Share-Class within a Sub-Fund has decreased to, or has not reached, the minimum level for such Sub-Fund, or such Share-Class, to operate in an economically efficient manner, or (ii) in case of a substantial modification in the political, economic or monetary situation, or (iii) as a matter of economic/business rationalization to:

- a) *redeem all the Shares of the relevant Share-Class or Share-Classes of the Sub-Fund at the net asset value per share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect,*
- b) *convert one or several Share-Class(es) at the net asset value per share calculated on the Valuation Day which such conversion shall take effect (the "Conversion Date"), into another Share-Class(es) within the same Sub-Fund or with another Sub-Fund. In such case the Shareholders will be informed in writing by the Company, by a notice sent to the holders of the relevant Share-Class(es) at least one (1) month before the proposed Conversion Date. The Shareholders will have at least one (1) month to redeem their Shares, free of charges. At the Conversion Date the Shareholders who didn't redeem their Shares, will receive new Share-Classes types issued at the net asset value per share calculated on that Valuation Day.*

In accordance with the Law the Company must inform the (registered) Shareholders in writing of the reasons and the redemption/conversion procedure before the compulsory redemption/conversion enters into force. If decision is made to liquidate a Sub-Fund or a Share-Class, such notice will be released through registered letter.

Unless decided in the interest of, or in order to ensure equal treatment between Shareholders, the Shareholders of the Sub-Fund or the Share-Class concerned may continue to request the redemption/conversion of their Shares free of charge (but taking into account the costs of liquidation as well as the sale prices of investments and expenses relating thereto) prior the effective date of the compulsory redemption/conversion. The issue of Shares will be suspended as soon as the decision is taken to liquidate a Sub-Fund or a Share-Class.

Notwithstanding the powers conferred on the Company's Board of Directors by the preceding paragraph, the general meeting of Shareholders of the class or classes of Shares issued in any Sub-Fund may, under all circumstances and upon proposal by the Company's Board of Directors, redeem all the Shares of the relevant class or classes issued in this Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account the sale prices of investments and expenses relating thereto) calculated on the Valuation Day on which such decision takes effect. There will be no quorum requirements for such general meetings of Shareholders and resolutions may be passed by a simple majority vote of those present or represented and voting at such meetings.

Assets which could not be distributed to their beneficiaries upon implementation of the redemption will be deposited with the Depositary of the Company for a period of six (6) months thereafter; after such period, the assets will be deposited with the Luxembourg Caisse de Consignation on behalf of the persons entitled thereto.

The Board of Directors may decide, in compliance with the procedures laid down in the Luxembourg laws and regulations, to allocate/merge the assets and liabilities of any Share-Class or Sub-Fund to those of another Share-Class of another Sub-Fund within the Company or within another UCITS/UCI, as

amended, and to transfer the asset and liabilities of the absorbed Sub-Fund/Shares-Classes into Shares-Classes of the new or existing receiving Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). The Shareholders of the Sub-Funds or Share-Classes absorbed will be notified in accordance with the provisions of the laws.

A merger that has as a result that the Company ceases to exist needs to be decided at a general meeting of Shareholders. There will be no quorum requirements for such general meetings of Shareholders and resolutions may be passed by a simple majority vote of those present or represented and voting at such meetings."

14. To amend, the provisions, within part III, chapter XVIII: "Dissolution of the Company" as follows (additions in bold and deletions in strikethrough):

*"The Company may **at any time** be dissolved by a **resolution** ~~decision taken of~~ **at** the general meeting **of Shareholders subject to the quorum and majority requirements** ~~ruling in the same manner as for the amendment of the Articles~~, as provided for under the law. [...] **Whenever the share capital would fall below two-thirds of the minimum capital required by law, the question of the dissolution of the Company should be referred to the general meeting by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the votes of the shares represented at the meeting.** ~~If the share capital falls to below two-thirds of the minimum capital required by law, a general meeting convened by the Company's Board of Directors, which will propose the dissolution of the Company, will be held within forty days of this fact coming to light. The meeting for which no quorum shall be required shall decide by simple majority of the votes of the Shares represented. The question of the dissolution of the Company shall further be referred to the general meeting whenever the share capital falls below one-fourth of the minimum capital. If the share capital of the Company falls to below one fourth of the minimum capital, the Directors must propose the Company's dissolution to a general meeting within the same timeframe;~~ **In such an event the general meeting shall ~~deliberate~~ be held** without any quorum requirement and the dissolution may be decided upon by the Shareholders holding one-fourth of the votes of the Shares represented at the meeting. **The meeting must be convened so that it is held within a period of forty days from ascertainment that the net assets of the Company have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.** In the event of the dissolution of the Company, the liquidation shall be carried out by one or more liquidators, who may be natural persons or legal entities and who shall be appointed by the general meeting of Shareholders. The latter will determine their powers and compensation. **The liquidator(s) shall convene the general meeting of shareholders so that it is held within a period of one month where shareholders representing one tenth of the corporate capital require them to do so by means of a written request with an indication of the agenda [...]."***

15. To create an "appendix II" which includes information, per sub-fund, related to their respective indice(s) (if applicable).

The above changes will be reflected in the new version of the Prospectus to be dated December, **2018**. The Prospectus and the relevant Key Investor Information Documents (KIIDs) will be available upon request free of charge at the registered office of the Company.

Luxembourg, 27th November 2018

The Board of Directors