

CHALLENGE FUNDS
FIRST ADDENDUM TO PROSPECTUS

This First Addendum dated 1 December, 2022 should be read in conjunction with and forms part of the Prospectus for CHALLENGE Funds (the "Fund") dated 9 November, 2022 (the "Prospectus").

The Directors of Mediolanum International Funds Limited (the "**Manager**"), the manager of the Fund, are the persons responsible for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this First Addendum.

The Directors of the Manager of the Fund wish to advise Unitholders of the following changes to the Prospectus:

Updates relating to Integration of Sustainability Risks and Principal Adverse Impact Reporting

The Directors of the Manager of the Fund wish to advise Unitholders of the following changes to the Prospectus:

- (i) the following new definition shall be inserted after the definition "**AIMA**" in section 1 of the Prospectus entitled "**Definitions**":

"Annex" means the template pre-contractual disclosure for the financial products referred to in Article 8 and Article 9 of Regulation (EU) 2019/2088"

- (ii) the sub-section headed "**Integration of Sustainability Risks**" in section 3 of the Prospectus entitled "**The Fund**" shall be amended by the addition of the following new paragraph before the last paragraph of that sub-section:

"Further information on the sustainability risks that may be deemed relevant to each Sub-Fund and the likely impacts of the sustainability risks faced by each Sub-Fund shall be set out in the investment policies of each Sub-Fund in the Sub-Fund Information Card."

- (iii) the following new sub-section shall be inserted after the sub-section headed "**Integration of Sustainability Risks**" in section 3 of the Prospectus entitled "**The Fund**":

"Principal Adverse Impact Reporting

Unless otherwise stated in the Sub-Fund Information Card or Annex in respect of a particular Sub-Fund, the Manager does not consider principal adverse impacts of investment decisions on sustainability factors within the framework of the SFDR in respect of the Sub-Funds as each such Sub-Fund does not categorise itself as a financial product which promotes specific environmental or social characteristics or which pursues an objective of sustainable investment. The objective of each such Sub-Fund is to achieve capital appreciation over a specified investment horizon through employing the policies outlined in the investment policies of each such Sub-Fund in the Sub-Fund Information Card."

- (iv) The sub-section headed “**Taxonomy Regulation**” in section 3 of the Prospectus entitled “**The Fund**” shall be deleted in its entirety and replaced with the following text:

“Taxonomy Regulation

Unless otherwise stated in the Sub-Fund Information Card or Annex in respect of a particular Sub-Fund, the investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.”

Unitholders are advised that the above changes to the Prospectus shall, unless otherwise specified herein, be effective as and from 1 December, 2022 and shall, in the event of conflict with the corresponding provisions of the Prospectus, have precedence over the Prospectus.

Dated: 1 December, 2022