

CHALLENGE FUNDS

(UCITS authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)

NOTICE TO UNITHOLDERS

Mediolanum International Funds Limited (“MIFL”), manager of CHALLENGE Funds, wishes to notify Unitholders of CHALLENGE Solidity & Return (the “**Sub-Fund**”) that the Sub-Fund will no longer invest in equities, narrowing the sector focus of the Sub-Fund from multi-asset to a more fixed-income focus. The Sub-Fund was established as a multi-asset fund product albeit with a flexible investment policy (for example to invest up to 100% in any one asset class) but the current focus is investment in fixed-income securities, which MIFL now wish to clarify in the investment policies of the Sub-Fund. Therefore, the following disclosures contained in the investment policies of the Sub-Fund shall be amended to remove references to equities as indicated by the strikethrough text below:

1. The Sub-Fund may also invest in Money Market Instruments such as time deposits, commercial paper, certificates of deposit, ~~equity securities and securities of issuers that are principally engaged in or related to the property industry~~, as well as exchange traded notes (ETNs) and exchange traded commodities (ETCs), all of which are listed or traded on Recognised Exchanges worldwide.
2. ~~The Sub-Fund may also invest in REITs. REITs are pooled investment vehicles which invest in income producing real property or real property related loans or interests listed, traded or dealt in on Recognised Exchanges worldwide. It is not anticipated that investment in REITs will constitute a significant proportion of the Sub-Fund's portfolio.~~
3. ~~The Sub-Fund is not subject to any specific limits in relation to its allocation of assets across the various asset types and any one asset type, including Russian traded equities, may account for up to 100% of the net assets of the Sub-Fund at any given time.~~
4. The Sub-Fund may also hold or maintain ancillary liquid assets, including but not limited to, time deposits, master demand notes, ~~equity linked notes~~, variable rate demand notes and short-term funding agreements.

Notwithstanding the above amendment to the investment policy of the Sub-Fund, for the purposes of the performance fee calculation, the Sub-Fund will remain categorised by MIFL as a “Multi-Asset” sub-fund type (with a 3% hurdle rate). For the avoidance of doubt, there will therefore be no change in performance fee for Unitholders in the Sub-Fund.

The Prospectus will be updated to reflect the above changes on or about 9 November 2022, a copy of which will be available at <http://www.mifl.ie/products/challenge-funds>

Mediolanum International Funds Limited

Dublin, 21 October 2022