

KEY INVESTOR INFORMATION



This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

Challenge International Income Fund (the "Sub-Fund") is a Sub-Fund of Challenge Funds (the "Fund").

Mediolanum International Income L Hedged Class A Units ("LHA Class") - ISIN: IE0004880591

Mediolanum International Income L Hedged Class B Units ("LHB Class") - ISIN: IE0004880609

Mediolanum International Income S Hedged Class A Units ("SHA Class") - ISIN: IE0004404913

Mediolanum International Income S Hedged Class B Units ("SHB Class") - ISIN: IE0004405092

Mediolanum International Funds Limited (part of the Mediolanum Banking Group) is the Manager of the Fund.

Objectives and Investment Policy

- The Sub-Fund's objective is to achieve short-medium term capital growth while limiting fluctuations in the amount originally invested.
- The Sub-Fund invests in global high quality fixed income securities (such as bonds issued by companies or governments) either directly and/or indirectly (e.g. by investing in derivatives).
- The fixed income securities invested in may be investment grade (by a generally recognised international rating agency) or if unrated, will be of similar quality.
- The Sub-Fund may use financial derivative instruments (FDIs) whose performance is linked to that of underlying security(s) or asset class(es). Their use may be for efficient portfolio management, hedging and/or direct investment purposes.
- The Sub-Fund may enter into securities lending transactions.
- The Sub-Fund is actively managed (meaning that the Manager has full discretion over the composition of the Sub-Fund's portfolio of assets) and is not managed with reference to any benchmark.
- The Sub-Fund is appropriate for investors with a short-medium term investment horizon.
- The product is compatible with investors that can bear and/or afford to fully or partially lose the capital invested and are comfortable with no capital guarantee.
- FDIs are used to remove the impact of exchange rate movements (hedging) which may affect the value of these Classes of Units.
- Income and gains generated by the LHB Class and SHB Class of Units will be distributed periodically in the form of a dividend.
- All income and gains generated by the LHA Class and SHA Class of Units will be reinvested. No dividends will be paid.
- Units can be bought or sold on any business day from the Fund's Administrator.
- Please refer to the Prospectus and Sub-Fund Information Cards, in the sections titled 'Investment Objectives and Policies' for more detailed information.

Risk and Reward Profile



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- The risk category is based on historical data and may not be a reliable indication for the future.
- It is not guaranteed and may change over time.
- The lowest category does not mean 'risk free' investment.
- The Sub-Fund is classified in the risk category above due to the nature of its investments. The risk level is measured by the volatility of the Sub-Fund's past returns (or from the past returns of a suitable model portfolio if a full 5 year history is unavailable).

■ The sub-fund invests in sufficiently liquid markets although, under stressed market conditions, it may only be able to sell assets at a discount.

■ Emerging market securities are generally more sensitive to economic and political instability, scarcity of public information, market volatility, and local regulations. Other factors include lower liquidity, higher default risk, restrictions on investments or transfer of assets, and failed/delayed delivery of securities or payments to the sub-fund.

A complete description of risks is set out in the Prospectus of the Fund in the section entitled 'Risk Factors'.

The following risks are considered material and may not be fully captured by the risk and reward indicator:

Charges

The charges you pay are used to pay the costs of running the Sub-Fund, including the costs of marketing and distributing it.

These charges reduce the potential growth of your investment.

The entry charge shown is a maximum figure. In some cases you might pay less.

The ongoing charges figure is based on expenses for the year ending 31 December 2021.

This figure may vary from year to year. It excludes:

- Performance Fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Sub-Fund when buying or selling units in another fund.

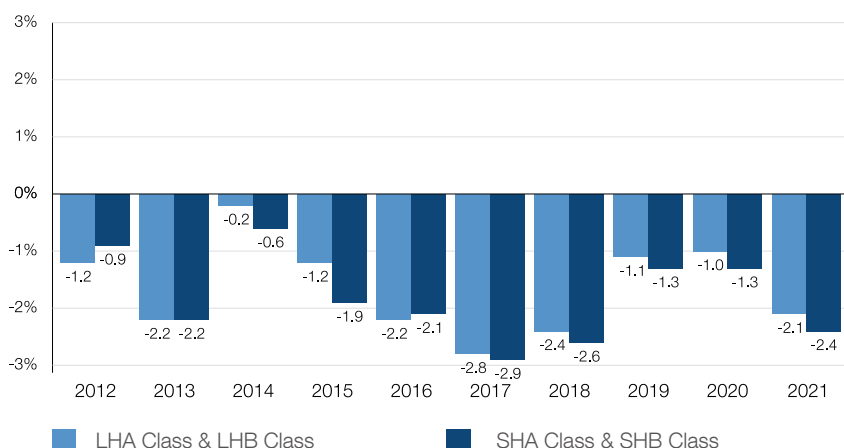
The maximum Switch Fee payable for each switch is half the Entry Fee applicable to new units.

For more information on charges and in particular the performance fees, please see the Class Information Cards in the Prospectus.

*The Performance Fee figure reflects the actual performance fee charged in 2021.

One-Off charges taken before or after you invest:				
Entry charge	Up to 3.00%			
Exit charge	None			
This is the maximum that might be taken out of your money before it is invested.				
	IE0004880591 LHA Class	IE0004880609 LHB Class	IE0004404913 SHA Class	IE0004405092 SHB Class
Charges taken from the Sub-Fund over a year:				
Ongoing charge	1.51%	1.54%	1.74%	1.74%
Charges taken from the Sub-Fund under certain specific conditions:				
Performance Fee	Maximum fee is 1% annually, calculated as 20% of the increase of the net asset value in excess of the High-Water-Mark plus a hurdle rate of 1%.			
Actual performance fee*	0.00%	0.00%	0.00%	0.00%

Past Performance



- The Sub-Fund, including LHA Class and LHB Class, was launched in 1998.
- Past performance is not an indicator of future returns.
- Past Performance takes account of all fees and ongoing charges, excluding entry and exit charges.
- SHA Class and SHB Class were launched in 2001.
- Past performance has been calculated in EUR.

Practical Information

- The Sub-Fund's assets are held with RBC Investor Services Bank S.A., Dublin Branch and are segregated from the assets of other sub-funds of the Fund.
- Further information about the Sub-Fund (including the current unit prices), are available at www.mifl.ie. The current prospectus, the most recent financial statements and other unit class versions of this document are available free, in the official language for each country, at www.mifl.ie, from the Distributors or by writing to Mediolanum International Funds Limited, 4th Floor, The Exchange, George's Dock, IFSC, Dublin 1, D01 P2V6, Ireland.
- Details of the Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are determined and awarded, the associated governance arrangements, and the identity of persons responsible for awarding the remuneration and benefits are available at www.mifl.ie/products. A paper copy is available free of charge upon request from the registered company.
- The Sub-Fund is subject to taxation legislation in Ireland, which may have an impact on your personal tax position as an investor in the Fund.
- Mediolanum International Funds Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the Fund.
- You may convert units in the Sub-Fund for units in other sub-funds of the Fund. Further information and provisions are in the Prospectus in the section titled 'Switching'.