

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 Cyclical Equity Fund (the “Sub-Fund”) is a Sub-Fund of Challenge Funds (the “Fund”)

Mediolanum Cyclical Equity L Class A Units (“LA Class”) - ISIN: IE0004462408

Mediolanum Cyclical Equity S Class A Units (“SA Class”) - ISIN: IE0004464008

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 long term capital growth.
- The Sub-Fund invests in global equities (listed shares) and equity related securities focusing on sectors whose performance is linked to the economic cycle in normal market conditions (such as consumer and media).
- The Sub-Fund may use financial derivative instruments (FDIs) whose performance is linked to that of underlying security(s) or asset class(es).
- The Investment Manager has flexibility to change the Sub-Fund’s asset allocation (% of the portfolio invested in equities/FDIs etc) at any time and has discretion to select investments within each asset class.
- The Sub-Fund is appropriate for investors with a long term investment horizon.
- All income and gains generated by the LA Class and SA 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 Card for more detailed information.

Risk and Reward Profile

Lower Risk ← Higher Risk
Typically lower returns ← Typically higher returns

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

- Financial Derivative Risk - FDI values may rise and fall at a greater rate than underlying securities or instruments. Some derivatives may result in gains or losses that are greater than the original amount invested.
- Counterparty Risk - The risk that a counterparty will not fulfil their contractual obligations resulting in a potential loss to the Sub-Fund.

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

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 2016.

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

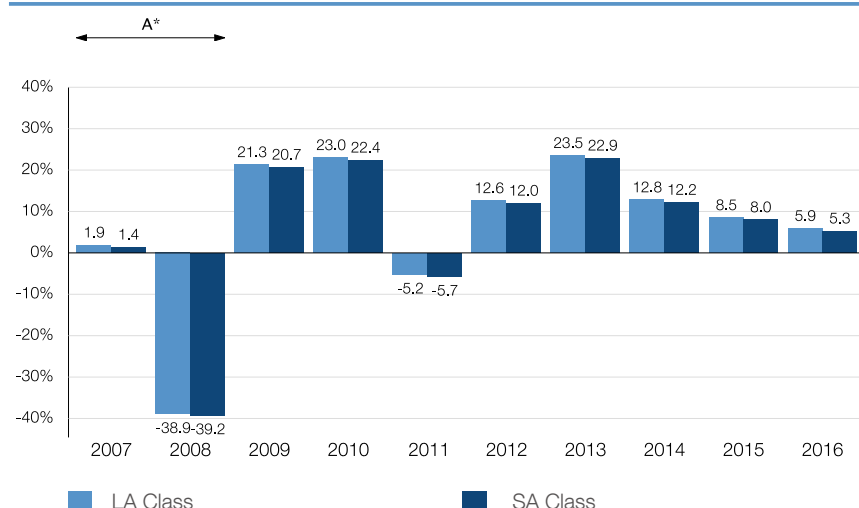
- Performance Fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Sub-Fund when buying or selling units in another fund.

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

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

One-Off charges taken before or after you invest:		
Entry charge	5.00%	
Exit charge	None	
This is the maximum that might be taken out of your money before it is invested.		
	IE0004462408 LA Class	IE0004464008 SA Class
Charges taken from the Sub-Fund over a year:		
Ongoing charge	1.77%	2.28%
Charges taken from the Sub-Fund under certain specific conditions:		
Performance Fee	Maximum fee is 5% of the difference between the annualised increase of the asset values above 1.5 times 3 month Euribor (Euro Interbank Offered Rate).	
Actual performance fee	0.98%	0.99%

Past Performance



A*: Due to a Sub-Fund merger, the Sub-Fund performance prior to this date was achieved under circumstances that no longer apply.

- The Sub-Fund, including LA Class, was launched in 2000.
- Past performance is not an indicator of future returns.
- Past Performance takes account of all fees and ongoing charges, excluding entry and exit charges.
- SA Class was 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, 2 Shelbourne Buildings, Shelbourne Road, Dublin 4, Ireland.
- Details of the Manager's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits are available at www.mifl.ie. A paper copy is available free of charge upon request.
- 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.