

## CHALLENGER CAPITAL NOTES 3 OFFER AND REPURCHASE INVITATION OPEN REPLACEMENT PROSPECTUS LODGED

**Challenger Limited (ASX: CGF)** (Challenger) today announced the opening of the Challenger Capital Notes 3 offer (Offer) and Repurchase Invitation for Challenger Capital Notes issued on 9 October 2014 (ASX: CGFPA) (Challenger Capital Notes 1 or CCN1).

### Challenger Capital Notes 3

As announced on Tuesday 20 October 2020, Challenger has allocated \$305 million of the Challenger Capital Notes 3 on a firm basis under the Broker Firm Offer and the Institutional Offer, and the Margin has been set at 4.60% per annum. Investors should note that the Margin is set for the life of Challenger Capital Notes 3 regardless of any deterioration or improvement in market conditions.

The final size of the Offer will depend on the volume of Applications received and accepted under the Reinvestment Offer and the Securityholder Offer and will be determined following the close of those offers, which is expected at 5:00pm (Sydney time) on Friday 13 November 2020. Challenger reserves the right to allocate Challenger Capital Notes 3 and scale back Applications if necessary, as outlined in the Prospectus.

A replacement Prospectus (including the Margin and increased Offer size) has been lodged today with the Australian Securities and Investment Commission (ASIC) and Australian Securities Exchange (ASX).

Eligible holders of Challenger Capital Notes 1 will receive a Prospectus and a personalised Application Form together with a copy of the Repurchase Booklet.

Applications for Challenger Capital Notes 3 under the Offer can only be made, after the Offer opens, by completing the Application Form accompanying the Prospectus or the online Application Form. The Offer is now open and closes at 5:00pm (Sydney time) on Friday 13 November 2020.

A copy of the Prospectus, including a personalised Application Form for Eligible Securityholders (including Eligible CCN1 Holders), can be obtained by:

- calling the Offer & Repurchase Information Line (details are provided below); or
- registering at [www.challengercapitalnotes.com.au](http://www.challengercapitalnotes.com.au), where a copy of the Prospectus is also available for download.

Investors should read and consider the Prospectus in full before deciding whether to invest in Challenger Capital Notes 3. Challenger strongly recommends that investors seek professional advice from a licensed adviser which takes into account their particular investment objectives and circumstances before deciding whether to participate in the Offer.

### **Repurchase Invitation**

In addition to the Offer (including the Reinvestment Offer), Eligible CCN1 Holders have the opportunity to participate in the Repurchase Invitation and have all of their Challenger Capital Notes 1 repurchased for their face value of \$100 each, payable in cash on Wednesday 25 November 2020. The Repurchase Invitation is now open and closes at 5:00pm (Sydney time) on Wednesday 18 November 2020. After Friday 13 November 2020, applications under the Repurchase Invitation must be submitted via the online Application Form (not paper).

Full details of the Repurchase Invitation are included in the Repurchase Booklet, which can be accessed via [www.challengercapitalnotes.com.au](http://www.challengercapitalnotes.com.au).

### **For further enquiries**

#### **Offer & Repurchase Information Line**

1800 780 782 (within Australia) or  
+61 3 9415 4065 (outside Australia)  
Monday to Friday, 8:30am to 5:00pm (Sydney time)

#### **Website**

[www.challengercapitalnotes.com.au](http://www.challengercapitalnotes.com.au)

This release has been authorised by Challenger's Continuous Disclosure Committee.

ENDS

**About Challenger**

Challenger Limited (Challenger) is an investment management firm focusing on providing customers with financial security for retirement.

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited is Australia's largest provider of annuities.

**For more information contact**

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## Further information about the Offer

Terms used but not defined in this announcement are defined in the Challenger Capital Notes 3 Prospectus.

### The Offer comprises:

- Institutional Offer to certain Institutional Investors;
- Broker Firm Offer made to Australian resident retail and high net worth clients of Syndicate Brokers;
- Reinvestment Offer made to Eligible CCN1 Holders; and
- Securityholder Offer made to Eligible Securityholders.

There is no general public offer.

## Indicative timetable

Key dates for the Challenger Capital Notes 3 Offer	Date
Lodgement of replacement Prospectus with ASIC	21 October 2020
Opening Date for the Offer	21 October 2020
Closing Date for the Offer (5:00pm Sydney time)	13 November 2020
Issue Date of Challenger Capital Notes 3	25 November 2020
Commencement of trading on ASX (normal settlement basis)	26 November 2020
Holding Statements dispatched by	27 November 2020
Key dates for Challenger Capital Notes 3	Date
First Distribution Payment Date <sup>1</sup>	25 February 2021
Optional Exchange Date <sup>2</sup>	25 May 2026
Scheduled Mandatory Conversion Date <sup>3</sup>	25 May 2028

<sup>1</sup> Subject to the absolute discretion of Challenger to pay the Distribution and no Payment Condition existing on 25 February 2021.

<sup>2</sup> With APRA's prior written approval, Challenger may elect to Exchange the Challenger Capital Notes 3 on 25 May 2026. Holders should not expect that APRA's approval will be given for any optional Exchange. This date assumes the Issue Date is 25 November 2020.

<sup>3</sup> Challenger Capital Notes 3 will Convert into Ordinary Shares on 25 May 2028 (subject to the Mandatory Conversion Conditions being satisfied and only if, prior to that date, Challenger Capital Notes 3 have not been Exchanged with APRA's prior written approval or Written-Off). This date assumes the Issue Date is 25 November 2020.

<b>Key dates for the Repurchase Invitation</b>	<b>Date</b>
Opening Date for the Repurchase Invitation	21 October 2020
Closing Date for the Repurchase Invitation (5:00pm Sydney time)	18 November 2020
Repurchase Date and payment of cash proceeds	25 November 2020

### **Dates may change**

These dates are indicative only and may change without notice.

Challenger and the Joint Lead Managers may at their discretion agree to vary the timetable, including extending any Closing Date, closing the Offer early without notice or accepting late Applications, whether generally or in particular cases, or withdrawing the Offer at any time before Challenger Capital Notes 3 are issued.

You are encouraged to apply as soon as possible after the Opening Date.

### **Disclaimer**

This announcement does not constitute an offer of any securities (including Challenger Capital Notes 3) for sale or issue or for the purchase of any securities (including Challenger Capital Notes 1). No action has been taken to register or qualify Challenger Capital Notes 3 or the Offer or the Repurchase Invitation, or invitation to purchase Challenger Capital Notes 1, outside Australia. In particular, this announcement does not constitute an offer of securities for sale, or invitation to purchase securities, in the United States. Neither Challenger Capital Notes 3 nor the Challenger Capital Notes 1 have been or will be registered under the US Securities Act or the securities laws of any state of the United States, and they may not be offered or sold in the United States. Challenger Capital Notes 3 are being offered and sold in the Offer solely outside the United States pursuant to Regulation S under the US Securities Act.