

CHALLENGER ISSUES CHALLENGER CAPITAL NOTES 4

Challenger Limited (ASX:CGF) today announced it has successfully completed the Challenger Capital Notes 4 offer (the Offer), raising \$350 million through the issue of 3.5 million Challenger Capital Notes 4 for \$100 each. Unless otherwise defined, capitalised terms in this announcement have the meanings given in the Challenger Capital Notes 4 Prospectus dated 15 March 2023 (Prospectus).

Allocation Policy

Allocations under the Offer to Syndicate Brokers and Institutional Investors were determined under the Bookbuild, with priority given to Applicants under the Reinvestment Offer. Allocations to individual Applicants by each Syndicate Broker were at the discretion of the Syndicate Broker. Applicants should confirm their allocation of Challenger Capital Notes 4 under the Offer with their Syndicate Broker.

Trading on the ASX and confirmation of Allocations

Challenger Capital Notes 4 were issued today, 5 April 2023, and are expected to begin trading on the ASX on a normal T+2 settlement basis at approximately 10:00am (Sydney time) on 6 April 2023 under the ASX code "CGFPD".

Applicants are responsible for confirming their allocation before trading Challenger Capital Notes 4. Applicants who sell their Challenger Capital Notes 4 before receiving their Holding Statement do so at their own risk. Holding Statements confirming the Challenger Capital Notes 4 issued to successful Applicants are expected to be dispatched by 11 April 2023.

First Distribution

The first Distribution will be \$1.97 per Challenger Capital Note 4 and is expected to be paid on 25 August 2023 (subject to no Payment Condition existing). The Distribution is expected to be fully franked.

The Distribution Rate for the first Distribution, which is for the Distribution Period from (and including) 5 April 2023 and ending on (but excluding) 25 August 2023 (being a period of 142 days), will be 5.0702% per annum. The Distribution Rate has been determined under the terms of the Challenger Capital Notes 4 (as contained in the Prospectus) as follows:

3 month BBSW Rate on 5 April 2023	3.6431% p.a.
Plus Margin	3.6000% p.a.
Equivalent unfranked distribution rate	7.2431% p.a.
Multiplied by (1 – Tax Rate)	x 70%
Fully franked Distribution Rate	5.0702% p.a.

Maximum Conversion Number

For the purposes of the Conversion calculations, the Issue Date VWAP is \$6.52 and the initial Maximum Conversion Number is 30.6748 with respect to Mandatory Conversion, and 76.6871 with respect to Conversion in all other circumstances. The Maximum Conversion Number may be adjusted at a future date in relation to divisions or consolidations of Ordinary Shares (among other matters) in the manner described in the Prospectus.

For details about the calculation of these numbers and how they affect Challenger Capital Notes 4, refer to the Prospectus.

Participation by Challenger Directors and their related persons

No Challenger Capital Notes 4 have been issued to Challenger Directors and their related persons (being their spouses, parents, children and associates).

Holder of Challenger Capital Notes 4

Attached to this announcement is a list of the twenty largest holders of Challenger Capital Notes 4 and a schedule illustrating the distribution of Challenger Capital Notes 4 Holders.

Transfer and redemption of Reinvestment CCN2

Today, approximately 2.24 million Reinvestment CCN2 were repurchased for \$100 each by the CCN2 Nominated Purchaser. Challenger redeemed all Reinvestment CCN2 in the hands of the CCN2 Nominated Purchaser by payment to the CCN2 Nominated Purchaser of an amount equal to the total face value in respect of the Reinvestment CCN2.

Following the completion of the Reinvestment Offer, approximately \$236 million of Challenger Capital Notes 2 (ASX:CGFPB) remain on issue. Challenger today issued a Redemption Notice in accordance with the terms of Challenger Capital Notes 2 (CCN2 Terms), confirming that on 22 May 2023, all outstanding Challenger Capital Notes 2 will be redeemed by Challenger for their face value of \$100 per Challenger Capital Note 2.

Challenger Capital Notes 2 distributions

The First CCN2 Pro Rata Distribution has today been paid on all Challenger Capital Notes 2 held on the record date of 28 March 2023, regardless of whether they have been reinvested in Challenger Capital Notes 4 today.

All remaining holders of Challenger Capital Notes 2 (being Challenger Capital Notes 2 holders who chose not to participate in the Reinvestment Offer) will receive the Second CCN2 Pro Rata Distribution on 22 May 2023 (subject to no payment condition existing, as defined in the CCN2 Terms).

All payments have been, or will be, made in accordance with the payment instructions recorded for a Challenger Capital Notes 2 holder on the Challenger Capital Notes 2 register.

Additional information

For further enquiries, please call the Offer Information Line on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia), Monday to Friday, 8:30am to 5:00pm (Sydney time), or contact a Syndicate Broker.

ENDS

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

About Challenger

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

Challenger operates a fiduciary Funds Management division, an APRA-regulated Life division and an APRA-regulated authorised deposit-taking institution. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

For more information contact:

Mark Chen

General Manager Investor Relations
Mob +61 423 823 209
machen@challenger.com.au

Jane Keeley

Head of External Communication
Mob +61 402 663 522
jkeeley@challenger.com.au

Irene Xu

Investor Relations Manager
Mob +61 451 822 326
ixu@challenger.com.au

Important information: This announcement does not constitute an offer of any securities (including Challenger Capital Notes 4) for sale or issue. No action has been taken to register or qualify Challenger Capital Notes 4 or the Offer or to otherwise permit a public offering of Challenger Capital Notes 4 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither Challenger Capital Notes 4 nor the Ordinary Shares have been or will be registered under the U.S. 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 4 have been offered and sold under the Offer solely outside the United States pursuant to Regulation S under the U.S. Securities Act.

Challenger Capital Notes 4 (CCN4)

20 Largest Holder list as at 5 April 2023

Rank	Investor	No. of CCN4	% of total CCN4 issued
1	HSBC Custody Nominees (Australia) Limited	294,900	8.43%
2	Citicorp Nominees Pty Limited	230,434	6.58%
3	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>	181,808	5.19%
4	Netwealth Investments Limited <Wrap Services A/C>	77,523	2.21%
5	J P Morgan Nominees Australia Pty Limited	61,387	1.75%
6	BNP Paribas Nominees Pty Ltd <Pitcher Partners DRP>	60,603	1.73%
7	Mutual Trust Pty Ltd	53,929	1.54%
8	National Nominees Limited	52,014	1.49%
9	Trustees of Church Property for the Diocese of Newcastle <Savings & Development A/C>	29,270	0.84%
10	Berne No 132 Nominees Pty Ltd <684168 A/C>	28,280	0.81%
11	G C F Investments Pty Ltd	20,000	0.57%
12	Netwealth Investments Limited <Super Services A/C>	19,217	0.55%
13	Bowen Family Super Co Pty Ltd <Bowen Family Super Fund A/C>	15,150	0.43%
14	Invia Custodian Pty Limited <A/M Unit A/C>	14,400	0.41%
15	Nome Investments Pty Ltd <Hua Family Superfund A/C>	12,990	0.37%
16	Mrs Lynette Maree Rex	12,900	0.37%
17	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	12,850	0.37%
18	Jilrift No 2 Pty Ltd	12,770	0.36%
19	James O'Neil Mayne Estate <Income A/C>	12,150	0.35%
20	Pupgall Pty Ltd	11,640	0.33%
Total		1,214,215	34.69%
Total number of Challenger Capital Notes 4 on issue		3,500,000	

Challenger Capital Notes 4 (CCN4)

Distribution of Holders as at 5 April 2023

Range (CCN4)	No. of Holders	No. of CCN4	% of total CCN4 issued
1 to 1,000	3,795	1,102,748	31.51%
1,001 to 5,000	448	909,307	25.98%
5,001 to 10,000	31	231,686	6.62%
10,001 to 100,000	21	549,117	15.69%
100,001 and over	3	707,142	20.20%
Total	4,298	3,500,000	100.00%