

# Market Release

14 March 2024

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## Challenger investor discussion pack – March 2024

**Challenger Limited (ASX:CGF)** attaches a copy of the presentation that will be provided at the Barrenjoey and Forsyth Barr G'Day HK – Australia Corporate Day in Hong Kong from 14 – 15 March 2024.

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 is Australia's largest provider of annuities.

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# Challenger Limited

Investor discussion pack

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MARCH 2024

challenger 



# Overview

**1** Australian retirement market

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**2** Challenger business overview

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**3** Business and strategy update

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# Australian retirement market



# Challenger positioned to meet the retirement challenge

Focus moving to retirement phase, underpinned by longevity and public policy settings

## Structural drivers

**\$3.5tn**

### Significant retirement savings

Australian super assets expected to increase to \$9.0tn+ in next 20 years<sup>1</sup>

### Evolving retirement market



Government focus

Superfunds developing retirement products

Financial advice reforms

## Customer drivers

**\$145bn**

### Demand for guaranteed lifetime income

Superannuation that should be allocated to a guaranteed lifetime income to provide income certainty<sup>2</sup>

**66%**

### Need for inflation protection

Australian retirees concerned with rising cost of living<sup>3</sup>

**2.5m**

### Ageing population

Australians moving to retirement phase over next 10 years<sup>4</sup>

challenger  |  fidante

**~30**  
years

Track record providing lifetime income



Trusted and recognised brand



Innovative retirement income partnerships



Leading multi-affiliate platform



Customer-centric model



Leading origination capability



Exceptional distribution footprint

1. Deloitte Dynamics of the Australian Superannuation System: The Next 20 Years to 2041.  
2. Estimate of super that should be allocated to guaranteed lifetime income based on 55-74 year old Australians superannuation, Capital Preferences 2023.

3. NSSS-11 respondents that are extremely concerned/somewhat concerned, National Seniors Australia, The Cost of Living and Financial Wellbeing, September 2023, p 10.  
4. Treasury modelling, Retirement phase of superannuation Discussion Paper December 2023.

# Australian superannuation system

## Attractive market with long-term structural drivers

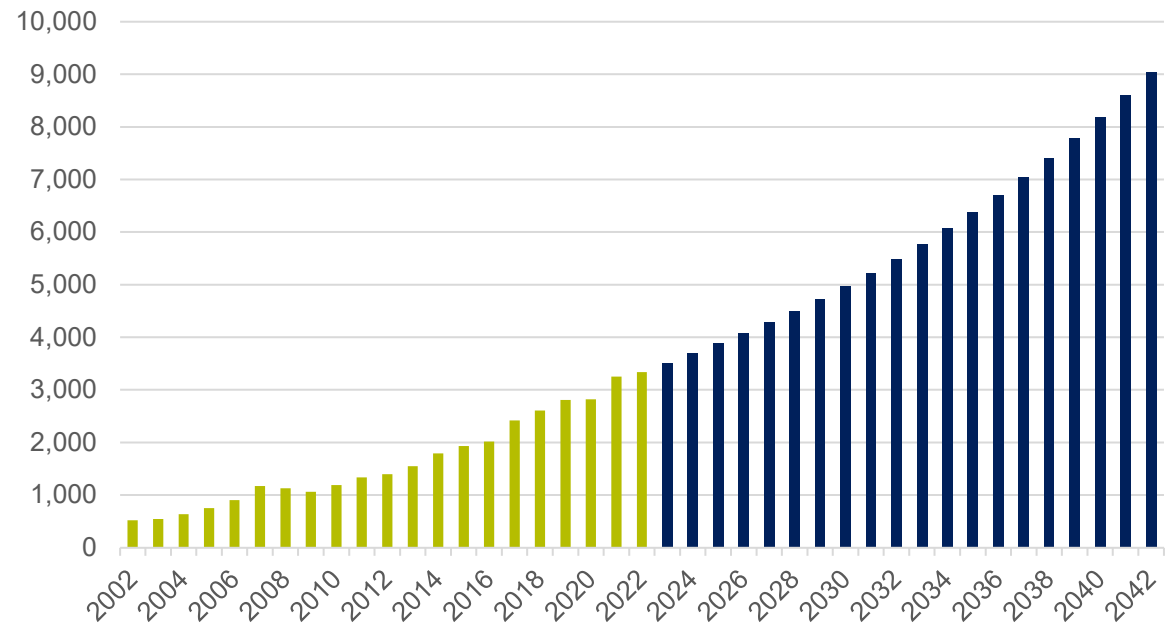
### Market growth supported by

- Mandatory and increasing contributions
- Earnings and contributions compounding
- Population growth and ageing demographics

### Resulting in

- 10% CAGR growth over last 20 years<sup>1</sup>
- 5th largest global pension market<sup>2</sup>
- Assets expected to increase from \$3.5 trillion<sup>3</sup> to over \$9 trillion over next 20 years<sup>4</sup>

### Australian superannuation growth<sup>3,4</sup> (\$bn)



1. APRA Annual Superannuation Bulletin.

2. Thinking Ahead Institute Global Pension Assets Study 2023.

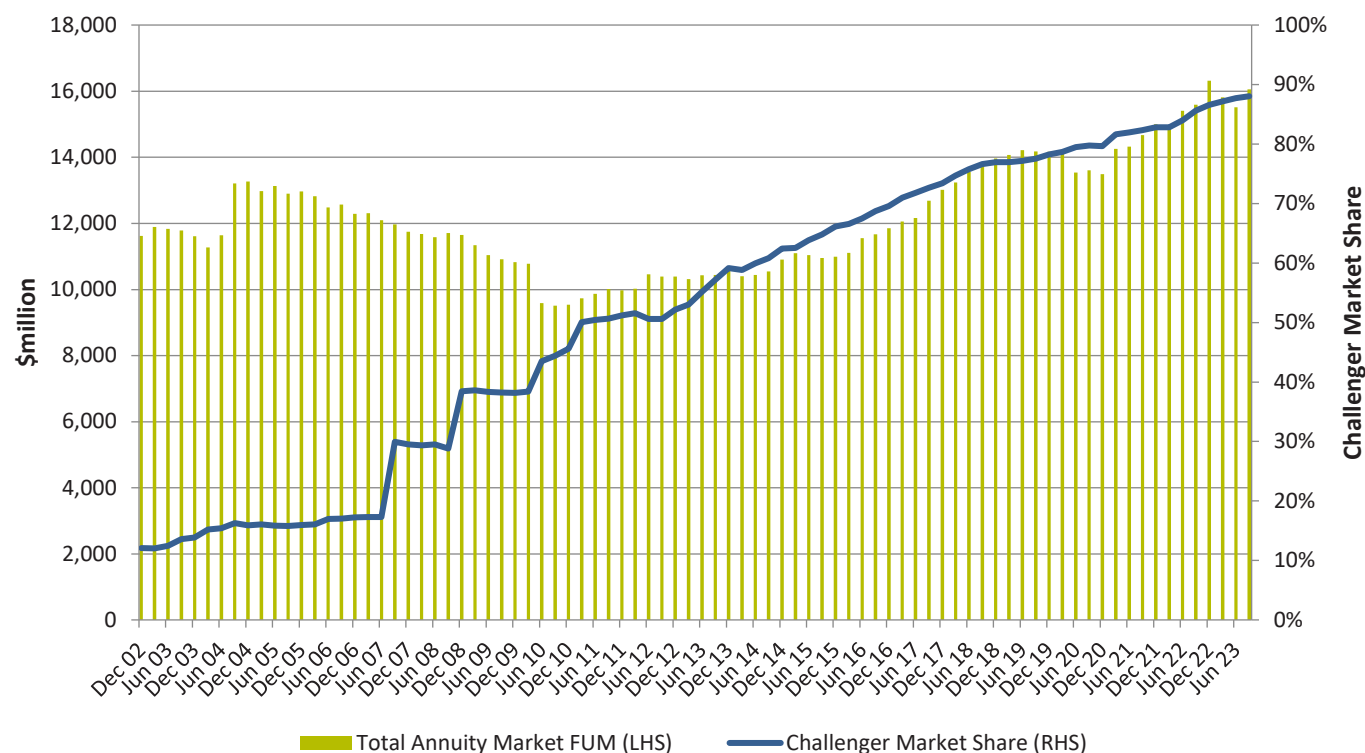
3. APRA Quarterly Superannuation Performance as at September 2023.

4. Deloitte Dynamics of the Australian Superannuation System: The Next 20 Years to 2041.

# Australian annuities market

## Challenger Life is Australia's leading provider of annuities

### Total annuity market FUM<sup>1</sup>



### Key observations

- Domestic annuity market size ~\$16bn<sup>2</sup>
- 6% CAGR over last 3 years<sup>2,3</sup>
- Challenger dominant market position ~88% market share<sup>2</sup>
- Annuity represent only a small part of the retirement phase representing less than 2% of the annual transfer to the retirement phase<sup>4</sup>

1. Source: Plan for Life – September 2023 (note that “Annuity” volumes exclude GSA products).

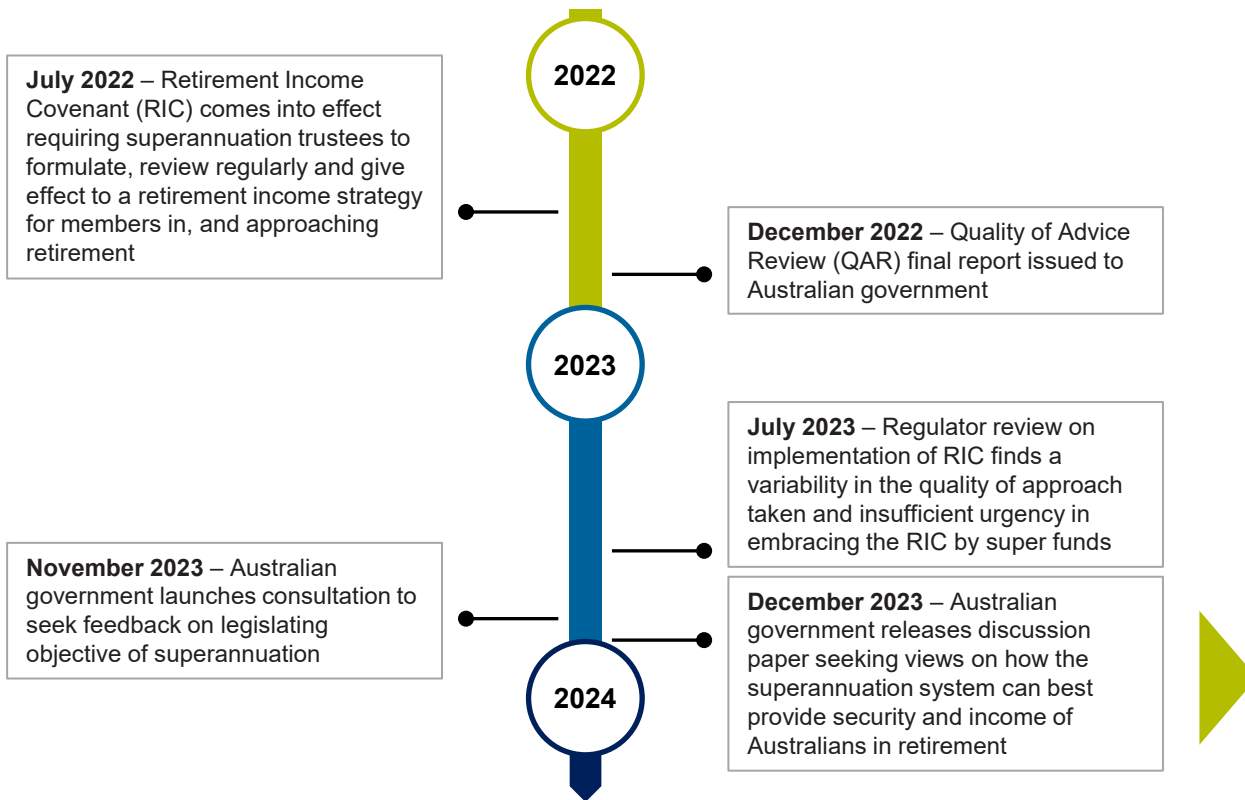
2. Plan for Life – September 2023.

3. Compound annual growth rate from 30 September 2020 to 30 September 2023.

4. Based on Taxation Statistics 2020-21 from Australian Taxation Office, with annual transfer from savings phase of superannuation to the retirement phase estimated to be ~\$87 billion in 2022.

# Regulatory update

## Australian government progressing range of reforms to enhance the retirement phase



### Treasury Retirement Phase of Superannuation discussion paper

#### Supporting members to navigate the retirement income system

- Providing better tools, information and guidance to members
- Changing mindset from 'nest egg' to retirement income
- Assisting and defaulting members to better settings by Funds

#### Supporting funds to deliver better retirement income products and services

- Improving accessibility of products and services better suited to retiree's needs
- Supporting Funds to achieve their goals under the RIC
- Developing market for retirement income products

#### Making lifetime income products more accessible

- Managing different risks in retirement (investment and sequencing risk, inflation risk, longevity risks) compared to accumulation
- Utilising Lifetime income products to insure against risks



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# Challenger business overview



# Challenger overview

Providing customers with financial security for a better retirement

## Challenger Limited (ASX:CGF)<sup>1</sup>

### Life

#1 Australian retirement income business<sup>2</sup>

challenger 

Guaranteed<sup>3</sup> retirement income products

Japanese reinsurance partner

Longevity risk transfer business

### Funds Management

One of Australia's largest active fund managers<sup>4</sup>

fidante

Affiliate investment manager platform

challenger 

Originates and manages assets for Life and third-party clients



758

Full-time employees<sup>5</sup>



APRA

Regulated<sup>6</sup>



ASX100

Listed



1. Australian Securities Exchange (ASX) and trades under code CGF.  
2. Plan for Life – September 2023 – based on annuities under administration.  
3. The word 'guaranteed' means payments are guaranteed by Challenger Life Company Limited (CLC) from assets of its relevant statutory fund.

4. Calculated from Rainmaker Roundup, September 2023 data. As of 31 December 2023.  
5. As of 31 December 2023.  
6. Australian Prudential Regulation Authority (APRA).

# Challenger purpose and strategy

**Our purpose is to  
provide customers with  
financial security for a  
better retirement**

Challenger has four strategic priorities to ensure it achieves its purpose



Broaden customer  
access across  
multiple channels



Leverage the  
combined capabilities  
of the group



Expand the range  
of financial products  
and services for a  
better retirement



Strengthen resilience  
and sustainability  
of Challenger

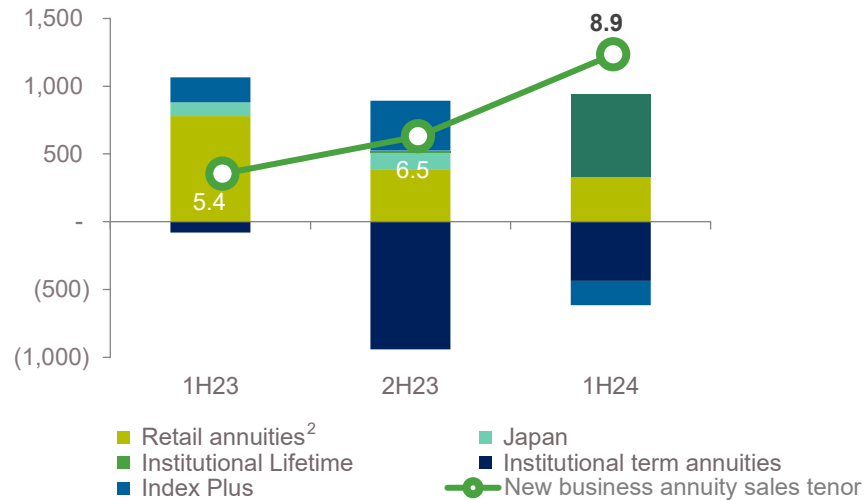
# Life and Funds Management growth

## Successful strategy across Life and Funds Management

### Life

#### Remixing sales to longer more valuable business

Net flows by channel (\$m) and New Business Tenor (years)<sup>1</sup>

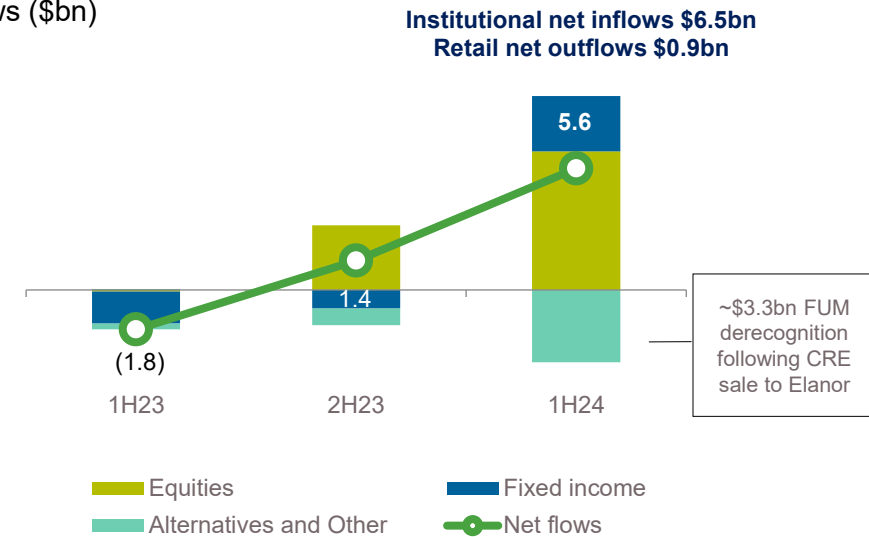


- Higher quality longer duration annuity sales – 90% greater than 2 years<sup>3</sup>
- +6.8% book growth excluding institutional term annuities
- New business annuity tenor growing to 8.9 years (1H23 5.4 years)

### Funds Management

#### Launching new alternative offerings

Net flows (\$bn)



- Continuing to expand alternative offerings
- Strong growth in FUM reflecting strong institutional net inflows
- Earnings momentum – 1H24 closing FUM +15% higher

1. Based on new business annuity sales, including term annuities and Lifetime annuities, excluding reinvestments.  
 2. Includes Lifetime and CarePlus annuity sales.  
 3. Based on domestic new business annuity sales, including term annuities and Lifetime annuities, excluding reinvestments and Japanese sales.

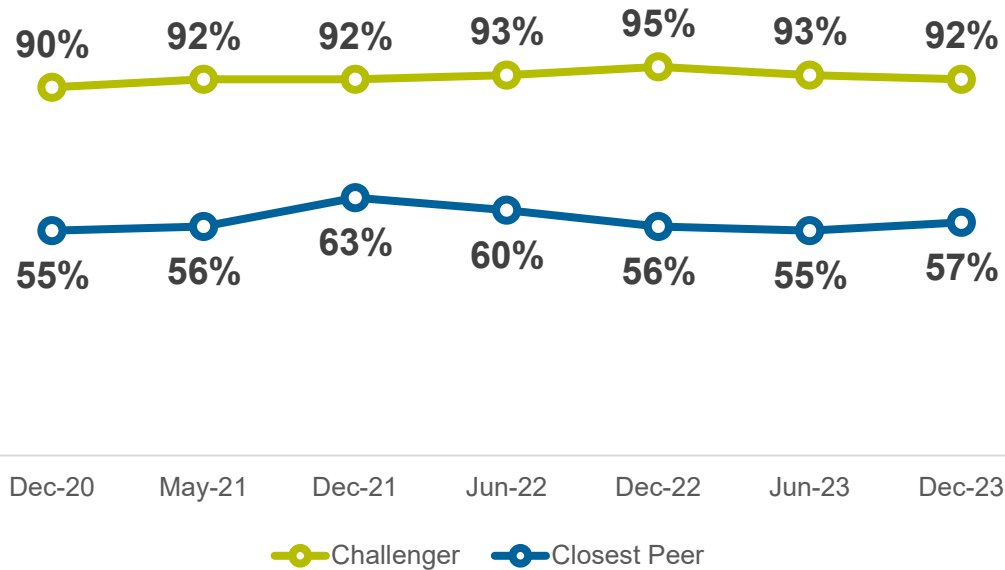
# Life – clear leader in retirement incomes

Strong Challenger reputation within the market

## Brand strength



Leader in Retirement Income<sup>1</sup>



## Market Leader in Australian retirement incomes



'Annuity Provider of the Year'<sup>2</sup>



Winner of the Plan for Life Overall Longevity Cover Excellence Award 2023

1. Marketing Pulse Adviser Study December 2023 based on (% agree / strongly agree).  
2. Association of Financial Advisers 'Annuity Provider of the Year' for the last 15 years.



# Funds Management – multiple brands and strategies

Unique multi-asset platform supporting better customer outcomes

## Investment managers, strategies and asset classes

Fixed Income \$52bn <sup>1</sup>	challenger 	 ARDEA Investment Management	Kapstream – JANUS HENDERSON –	 BENTHAM ASSET MANAGEMENT	 ARES   ARES AUSTRALIA MANAGEMENT <sup>2</sup>
Equities \$53bn <sup>1</sup>	Australian equities	 alphinity INVESTMENT MANAGEMENT	WaveStone CAPITAL	 MERLON CAPITAL PARTNERS	 LENNOX CAPITAL PARTNERS
	Global, regional & EM equities	 alphinity INVESTMENT MANAGEMENT	 NOVAPORT CAPITAL	 eiger capital	
	Sustainable investments	 alphinity INVESTMENT MANAGEMENT	 OX CAPITAL MANAGEMENT	 NOMURA	
Alternatives and Property \$2bn <sup>1</sup>	challenger 	 RESONANCE ASSET MANAGEMENT	 PATRIZIA	 PROTERRA INVESTMENT PARTNERS	 cultiv8
				 Elanor	 APOLLO

## Strong market position

#2 Domestic active manager<sup>2</sup>

#1 Fixed income manager<sup>3</sup>

#6 Domestic equity manager<sup>3</sup>



1. Funds Under Management (FUM) as at 31 December 2023.  
2. Calculated from Rainmaker Roundup, September 2023 data.  
3. Plan for Life – September 2023 – based on fund size.

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# Business and strategy update



# Operating highlights

## Broadening customer access and offerings

## Leveraging strategic partnerships

### Customer channel



*Deepen and broaden our reach with a solutions approach*

### Customer solutions



*Grow through innovative offerings leveraging our core capability*

### Capability



*Investment excellence, financial resilience and scalability*

**challenger**

**Life – Retirement income**



'In' platform annuities



DB partnership



Retirement income partnerships



Reinsurance arrangement extended to include Yen denominated annuities

#1

'Best Overall Longevity Cover' Award<sup>1</sup>

\$3bn

Payments made to customers<sup>2</sup>

63

Advisor roadshows, workshops and webinars attended by ~2,700 advisers

\$3bn

Fixed income purchases in the half – \$0.7bn directly originated

APOLLO

Origination strategic partnership



Exclusive naming rights partner



New external client wins

accenture

Technology partnership and modernisation of customer technology

**fidante**

**challenger Investment Management**

**Funds Management**



Established Capital Markets Team – Successful capital raise for Elanor<sup>3</sup>



Fidante – Distributor of the year<sup>4</sup>



New alternative offerings



Launch of Global ABS Fund

1. Plan For Life Annual Longevity Cover Awards 2023.

2. 1H24 annuity interest and capital payments to retail and institutional customers across Lifetime, CarePlus and Term products (excl. IndexPlus).

3. Fidante successfully completed a \$109 million capital raising for Elanor in December 2023 as part the establishment of the 55 Elizabeth Street (Brisbane) Fund to acquire the property 55 Elizabeth Street, Brisbane.

4. Fidante awarded 2023 Zenith Investment Partners 'Distributor of the year'.

# Transformation partnership

**Improving customer experience**

**Unlocks additional growth opportunities**

- Accenture will become Challenger's long-term technology partner – initial 7-year agreement
- Accenture will run Challenger's technology platform and modernise Life's customer technology
- Modernisation program to replace Life's core annuity registry system with Accenture's global insurance system ALIP<sup>1</sup> and to provide new customer portals



## Strategic rationale

- Making it easy for our customers to do business with us
- Supports innovation and speed to market
- Accessing world-class automation and AI
- Significant operating efficiencies



## Financials

**\$90m**

Operating savings expected  
over 7 years commencing FY25

1. Accenture Life Insurance and Annuity Platform.

# Key priorities

**Maintain momentum in core businesses**  
**Deliver shareholder value**



Continue to advocate for better retirement outcomes



New **retirement income partnerships**



Continue strong momentum in FM sales



Deliver **transformation program** and capture efficiencies



Finalise **Bank sale**



Continue progress towards **ROE target**



4

# 1H24 financial results



# Financial performance

Strong performance with benefits of longer duration sales emerging  
Expect FY24 earnings in top half of guidance range



## Normalised NPBT<sup>1</sup>

**\$290m**

▲ 16%

Life EBIT +15%

FM EBIT -7%

## Group AUM

**\$117bn**

▲ 18%

▲ Life AUM +4%

▲ FM FUM +15%

## Group ROE (pre-tax)<sup>1,2</sup>

**15.0%**

▲ 270 bps

▲ Life +330bps

▼ FM -300bps

## Dividend

**13.0cps**

▲ 8%

Payout ratio 44%

## Statutory NPAT

**\$56m**

▲ 80%<sup>3</sup>

Includes investment  
experience -\$145m

## Life sales

**\$5.3bn**

▼ 4%

▲ New business tenor 8.9 years<sup>4</sup>

▲ 90% new business annuity  
sales greater than 2 years<sup>5</sup>

## CLC PCA ratio<sup>4</sup>

**1.50x**

▼ 0.09x<sup>6</sup>

1. Normalised profit before tax and Group ROE (pre-tax) exclude Discontinued Operations (Bank) in 1H24. Prior periods are not restated to exclude Discontinued Operations (Bank).  
2. Net assets includes the transition impact of AASB 17 in 1H24.  
3. 1H23 statutory net profit after tax has been restated to reflect the application impact of AASB 17.

4. New business annuity sales by tenor include Japanese sales.  
5. Based on new business annuity sales, including term annuities and Lifetime annuities, excluding reinvestments and Japanese sales.  
6. 1H24 PCA down 0.09x (FY23 1.59x).

# Group snapshot

## Strong profit growth from Life margin expansion and disciplined expense focus

	1H24 <sup>1</sup>	Change
Net income	\$447m	9%
Expenses	(\$155m)	(2%)
<b>EBIT</b>	<b>\$293m</b>	<b>16%</b>
Interest & borrowing	(\$2m)	15%
<b>Normalised NPBT</b>	<b>\$290m</b>	<b>16%</b>
Normalised tax	(\$90m)	8%
<b>Normalised NPAT</b>	<b>\$201m</b>	<b>20%</b>
Investment experience after tax	(\$145m)	8% <sup>2</sup>
Significant items after tax	\$4m	n.a
Other items after tax <sup>3</sup>	(\$4m)	n.a
<b>Statutory NPAT<sup>4</sup></b>	<b>\$56m</b>	<b>80%<sup>2</sup></b>
Group AUM	\$117bn	18%
Normalised EPS	29.3cps	20%
Normalised ROE (pre-tax)	15.0%	270bps
Dividend	13.0cps	8%

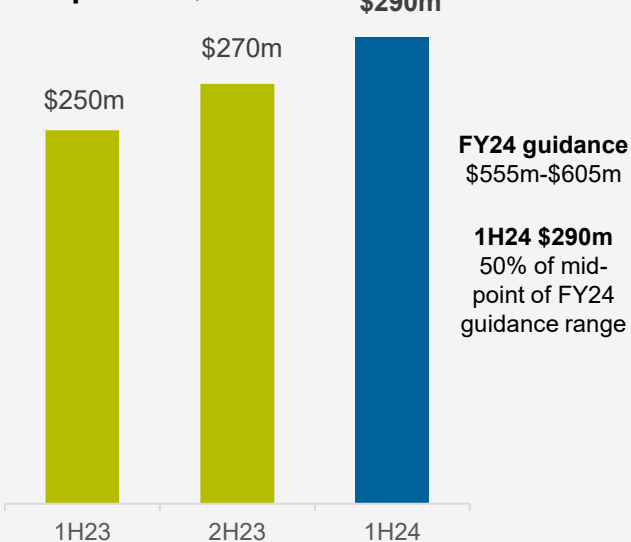
### Normalised NPBT<sup>1</sup>

**\$290m +16%**

Life \$302m +15%

FM \$29m -7%

Corporate -\$40m

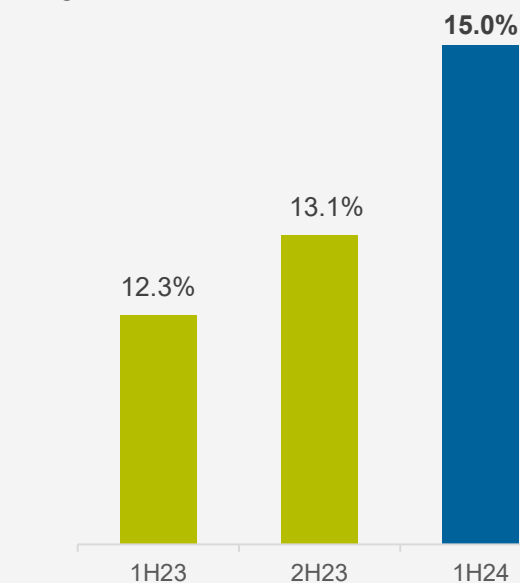


### Normalised ROE<sup>1</sup>

**15.0% +270bps**

ROE tailwind from Life

ROE headwind from FM



1. 1H24 normalised metrics exclude Discontinued Operations (Bank). Prior periods have not been restated to exclude Discontinued Operations (Bank).

2. 1H23 statutory net profit after tax has been restated to reflect the impact of AASB 17.

3. Includes Bank discontinued operations.

4. Normalised profit framework and a reconciliation to statutory net profit after tax is disclosed in the 2024 Interim Financial Report – Operating and Financial Review.

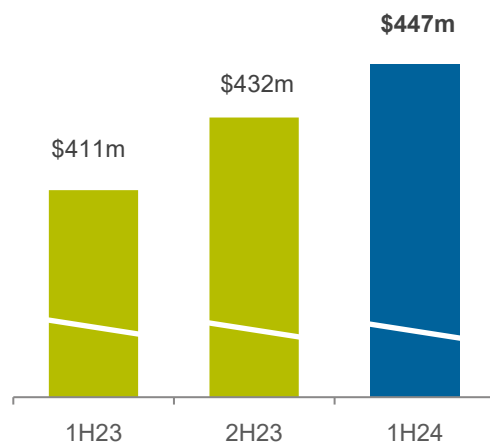
# Earnings drivers<sup>1</sup>

Life margin driving income growth

Remaining disciplined on costs

## Income benefitting from Life margin

\$447m +9%



### Life

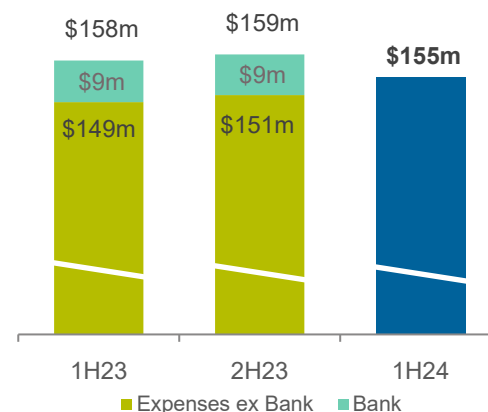
Average AUM +3%  
COE<sup>2</sup> \$360m +13%  
COE margin +28 bps

### Funds Management

Average FUM +7%  
Net income \$87m -1%

## Disciplined cost management

\$155m -2% (+4% ex Bank)



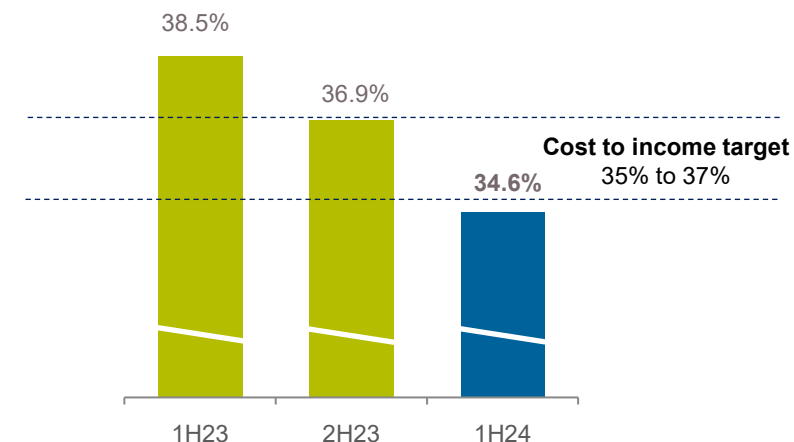
**Life (+\$4m)** – driven by inflationary impacts

**FM (+\$2m)** – increase administration costs, partially offset by savings from sale of commercial real estate business

**Bank (-\$9m)** – derecognition of the Bank

## Outperforming cost to income target

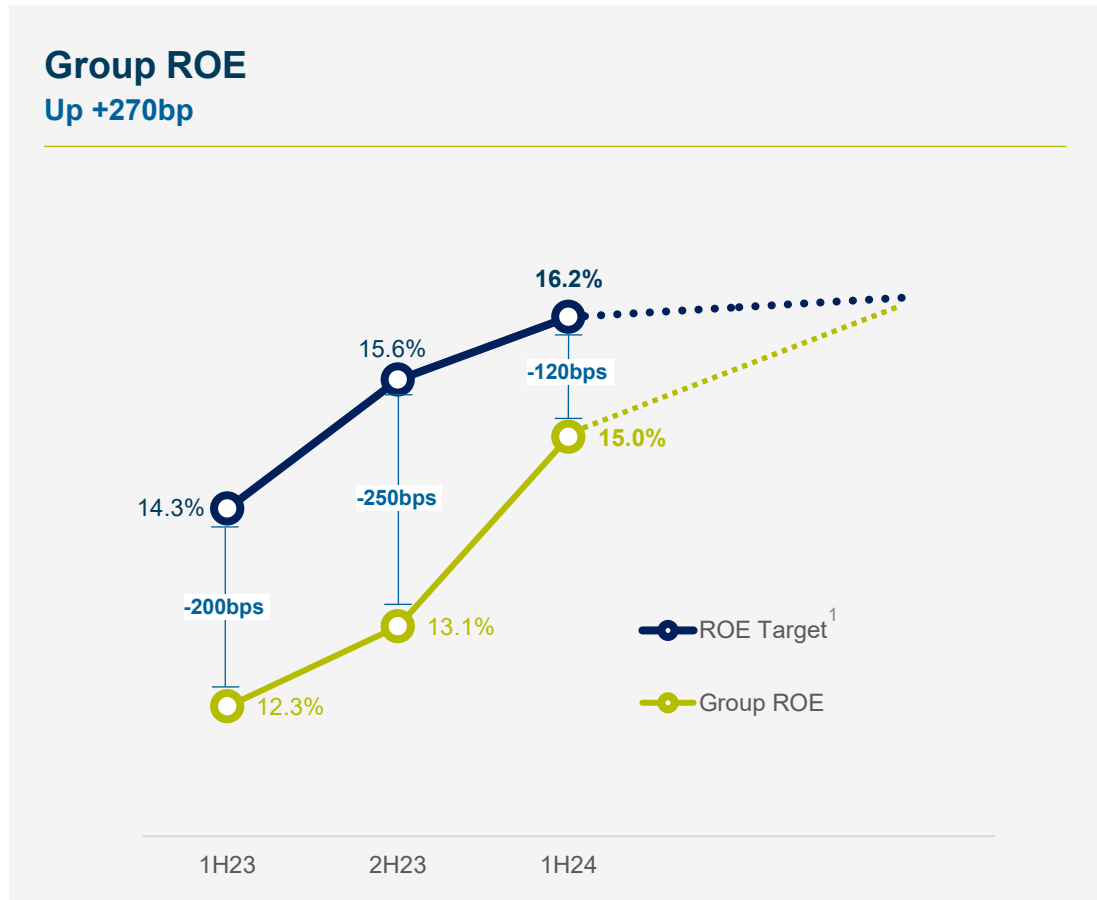
34.6% -390bps



**FY24 Cost to income ratio** – expected to be at bottom end of target range

# Delivering higher sustainable ROE

Clear progress with Group ROE benefitting from Life margin expansion  
Narrowing gap to ROE target in 1H24



## HIGHER ROE DRIVERS

- Continued Life momentum
- Higher Funds Management earnings contribution
- Artega efficiencies
- Transformation partnership benefits from FY25



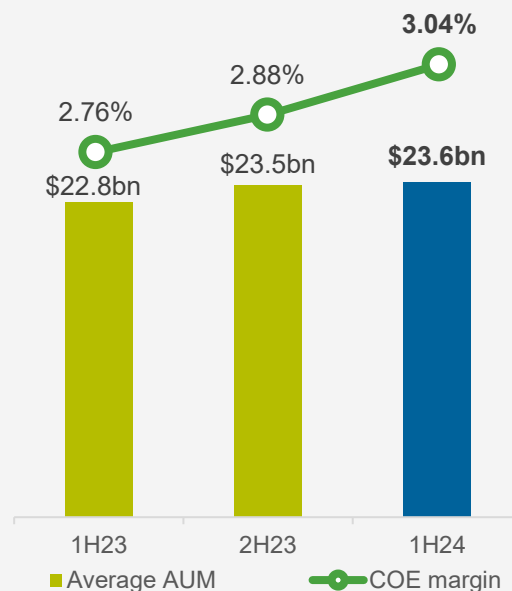
# Life performance

Earnings benefitting from AUM and margin growth  
Strong growth in ROE

	1H24	Change
COE <sup>1</sup>	\$360m	13%
Expenses	(\$58m)	8%
<b>EBIT</b>	<b>\$302m</b>	<b>15%</b>
COE <sup>1</sup> margin	3.04%	28bps
ROE pre-tax	18.1%	330bps
PCA <sup>2</sup> ratio	1.50x	(0.09x)
Lifetime sales	\$1.1bn	190%
New business annuity sales tenor (years) <sup>3</sup>	8.9	3.5
Maturity rate	17%	(1pp)

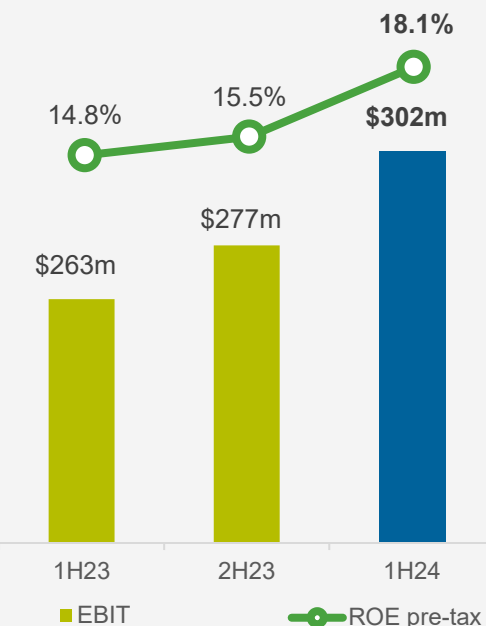
**Average AUM +3%**  
**COE margin +28bps**

**Average investment assets (\$bn)**  
**Cash Operating Earnings margin (%)**



**Life EBIT +15%**  
**ROE +330bps**

**EBIT (\$m)**  
**Normalised ROE (pre-tax) (%)**

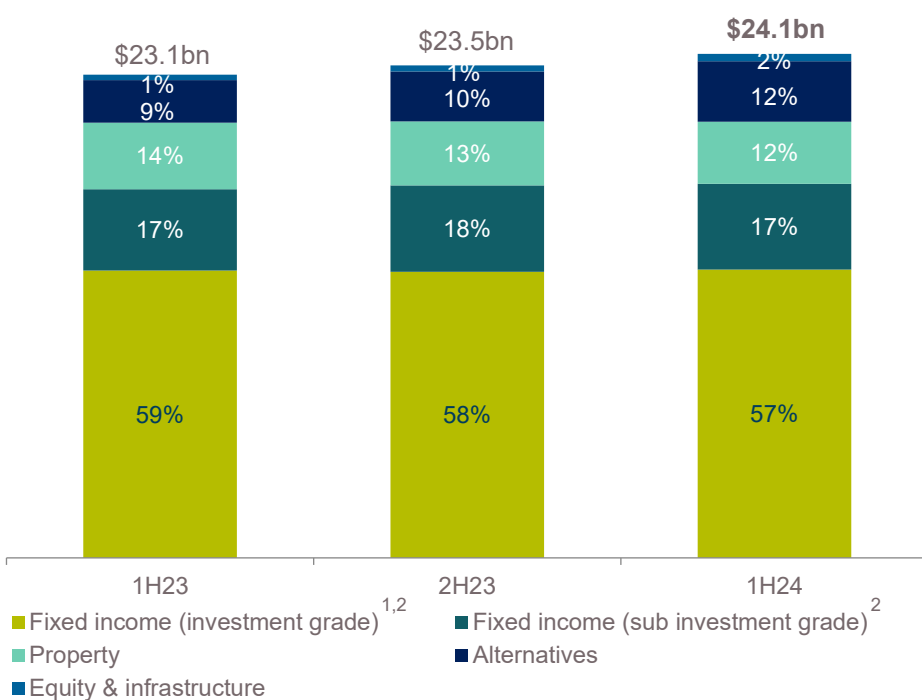


# Life investment portfolio

Continuing to diversify balance sheet

Investment experience reflective of market conditions

## Life AUM (\$bn)



24

1. Includes Cash & equivalents.  
 2. Investment grade represents BBB or higher.  
 3. Investment grade iTraxx Australia decreased by ~11bps and sub-investment grade CDX North America High Yield index decreased by ~73bps from 30 June 2023 to 31 December 2023.  
 4. Credit default experience of -\$26m (-15bps) recognised in 1H24 investment experience. It is Life's policy to consider all investments rated below B- in default.

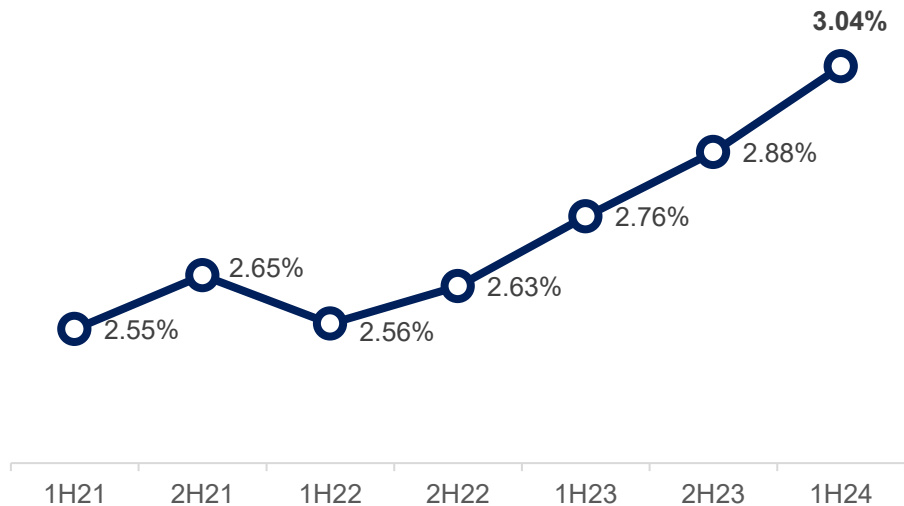
## Investment experience (pre-tax)

Category	Value	Investment Experience
ASSET	Fixed income	\$143m Narrowing credit spread in 1H24 <sup>3</sup> (positive impact) Credit defaults <sup>4</sup> -\$26m (-15bps) including 1 default and 1 downgrade
	Property	-\$157m All properties valued in December 2023 (62% independent) 3% write-down reflects cap rate expansion 92% occupancy rate at 31 December 2023 54% Leases expiring in FY28 and beyond
	Equities & Infrastructure	-\$11m Equities now largely represent beta investments
	Alternatives	-\$104m Returns broadly consistent with indices
LIABILITY	New business strain	-\$58m Includes Aware Super group lifetime policy
	Policy	-\$15m Illiquidity premium -\$47m Life Risk impact from AASB 17 +\$26m Other movements +\$6m
<b>Total</b>	<b>-\$202m</b>	<b>-\$145m after tax</b>

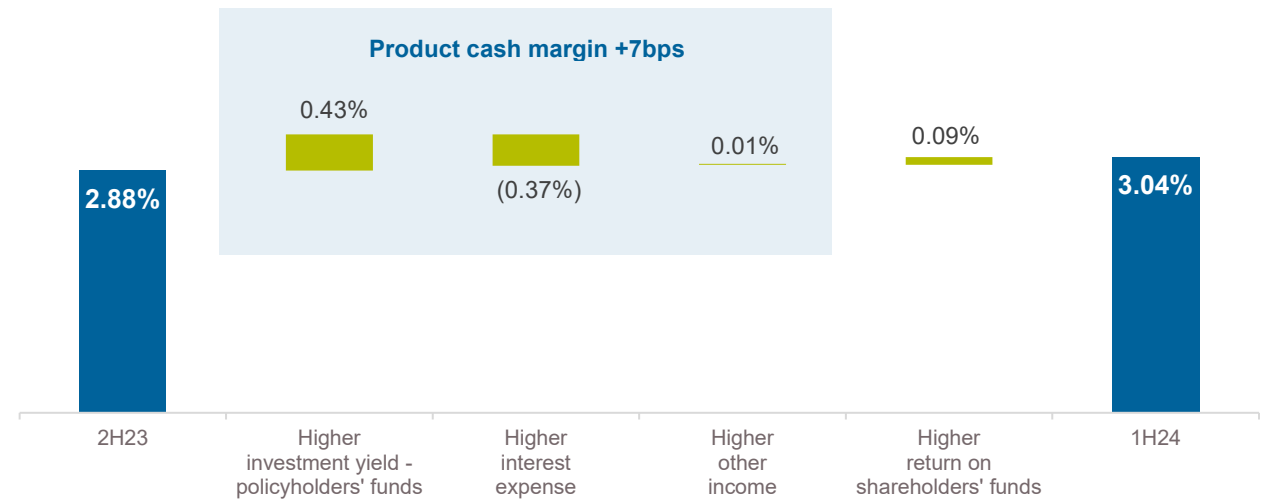
# Life COE margin

Longer duration sales supporting margin

## COE<sup>1</sup> margin (%)



## 1H24 COE<sup>1</sup> margin (%) up 16bps



# Funds Management performance

Resilient franchise with strong growth potential

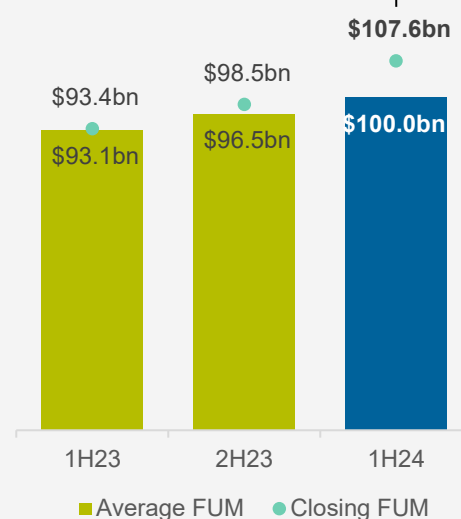
Earnings reflect business mix and higher administrative costs

	1H24	Change
FUM-based income	\$79m	(4%)
Performance & transaction fees	\$8m	49%
Net income	\$87m	(1%)
Expenses	(\$59m)	3%
<b>EBIT</b>	<b>\$29m</b>	<b>(7%)</b>
Income margin	17.4bps	(1.3bps)
FUM-based margin	15.8bps	(1.8bps)
ROE pre-tax	18.1%	(300bps)
Average FUM	\$100bn	7%

**Average FUM**  
\$100.0bn +7%

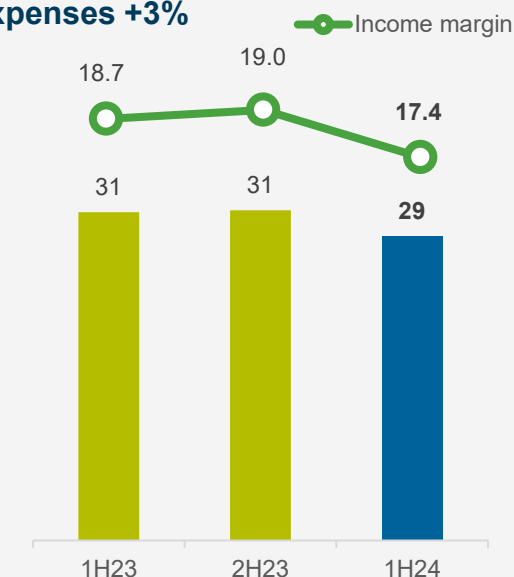
**Fidante \$83bn +15%**  
**CIM \$17bn -18%<sup>1</sup>**

Includes impact from  
~\$3.3bn FUM  
derecognition following  
CRE sale to Elanor



**FM EBIT**  
\$29m -7%

**Net income -1%**  
**Expenses +3%**



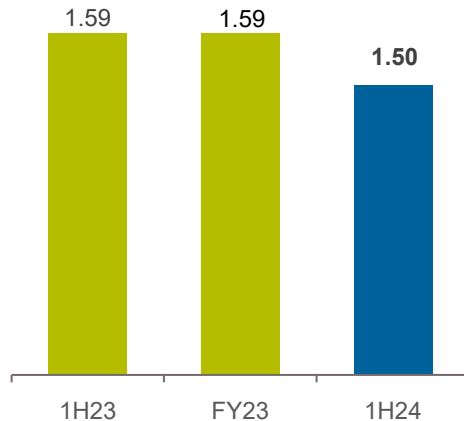
# Capital management

Remain well capitalised

Dividend benefitting from strong earnings growth

## Challenger Life PCA ratio<sup>1</sup>

Operating within the target range  
1.30x to 1.70x<sup>2</sup>



## Continued to be rated highly

**S&P credit rating**

**Challenger Life 'A'**

stable outlook

**Challenger Limited 'BBB+'**

stable outlook

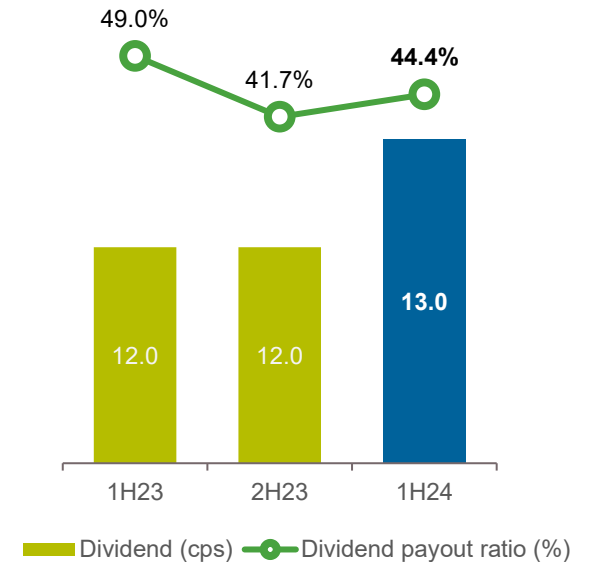
**Group debt facility**

**Undrawn**

\$400m committed facility

## Dividend

Dividend payout ratio<sup>3</sup> 44%  
within payout ratio target range<sup>4</sup>



1. The PCA ratio represents total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.
2. Challenger does not target a specific PCA ratio and the target PCA ratio range is a reflection of internal capital models, not an input to them and reflects asset allocation, business mix, capital composition and economic circumstances. The target surplus produced by these internal capital models currently corresponds to a PCA ratio of between 1.30 times to 1.70 times. This range may change over time and different constraints can apply including CET1 requirements.
3. Normalised dividend payout ratio represents dividend per share divided by normalised earnings per share (basic).
4. From 1H24, Challenger targets a dividend payout ratio of between 30% and 50% of normalised profit after tax.



# FY24 guidance and targets

Earnings expected to be in top half of guidance range



**Normalised net profit before tax**




## Considerations

- **~\$10m investment** across a range of initiatives, including Artega's operating platform<sup>1</sup>, branding, risk and cybersecurity

## Excludes

- **Bank** – Heartland accountable for operating losses from November 2023. Gain on sale to be treated as significant item
- **Transformation Partnership** – ~\$25m investment across FY24/FY25 treated as a one-off significant item (\$4m incurred in 1H24)



**Through the cycle targets**

### Normalised ROE target

- RBA cash rate plus margin of 12% (pre-tax)
- Expected to be below target in FY24 due to lower contribution from FM
- Focused on improving ROE

### Cost to income ratio

- 35% - 37% cost to income ratio
- FY24 expected to be at bottom end of range

### Dividend payout ratio

- Dividend payout ratio to target 30% to 50%<sup>2,3</sup>

### Capital

- Expect to operate within CLC PCA target range 1.30x to 1.70x<sup>4</sup>
- Target surplus framework and risk appetite unchanged

1. Reflected in Artega equity accounted profits (Other Income in Corporate financial results).

2. Normalised dividend payout ratio represents dividend per share divided by normalised earnings per share (basic).

3. Dividend subject to market conditions and capital management priorities.

4. Challenger does not target a specific PCA ratio and the target PCA ratio range is a reflection of internal capital models, not an input to them and reflects asset allocation, business mix, capital composition and economic circumstances. The target surplus produced by these internal capital models currently corresponds to a PCA ratio of between 1.30 times to 1.70 times. This range may change over time and different constraints can apply including CET1 requirements.

# 5

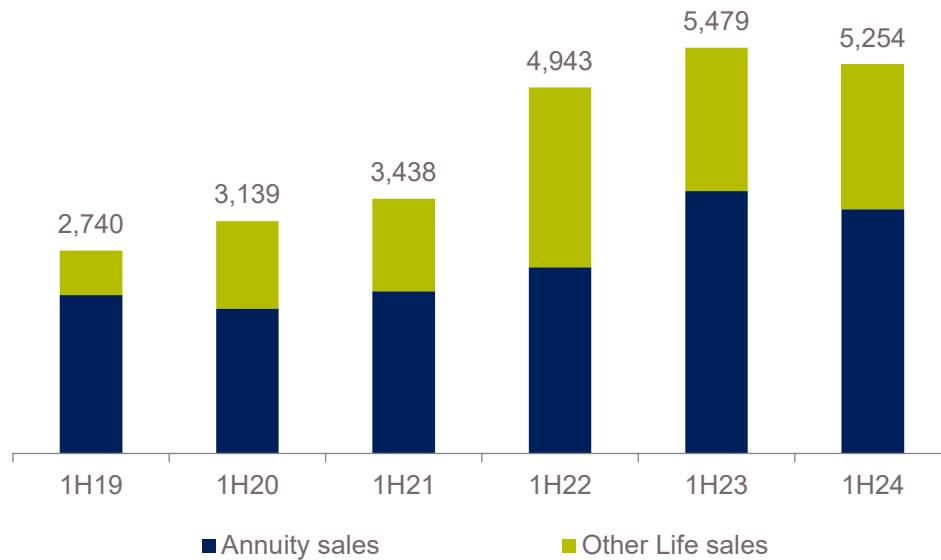
## Appendix

ADDITIONAL BACKGROUND  
INFORMATION

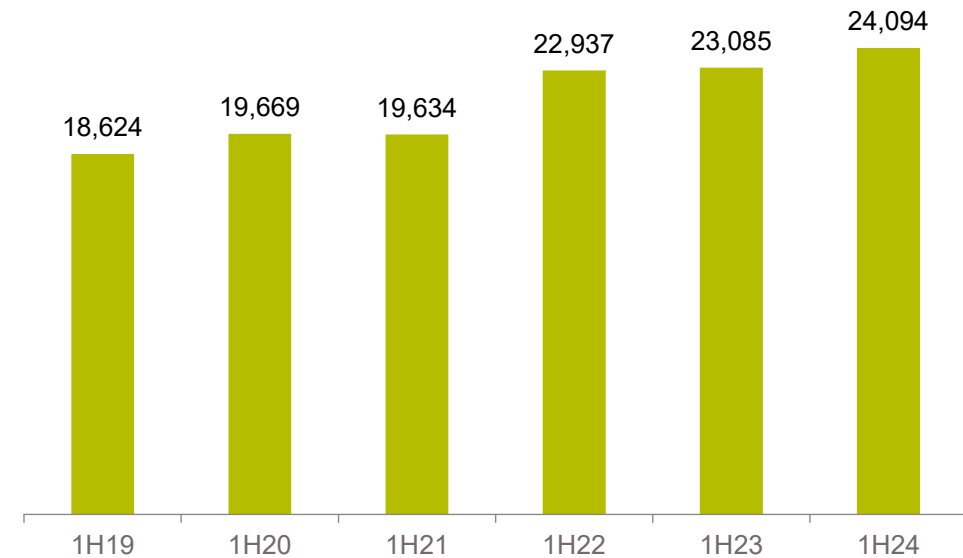
# Life

## Diversified distribution driving sales and AUM growth

**Total Life sales (\$m)**  
14% 5-year CAGR



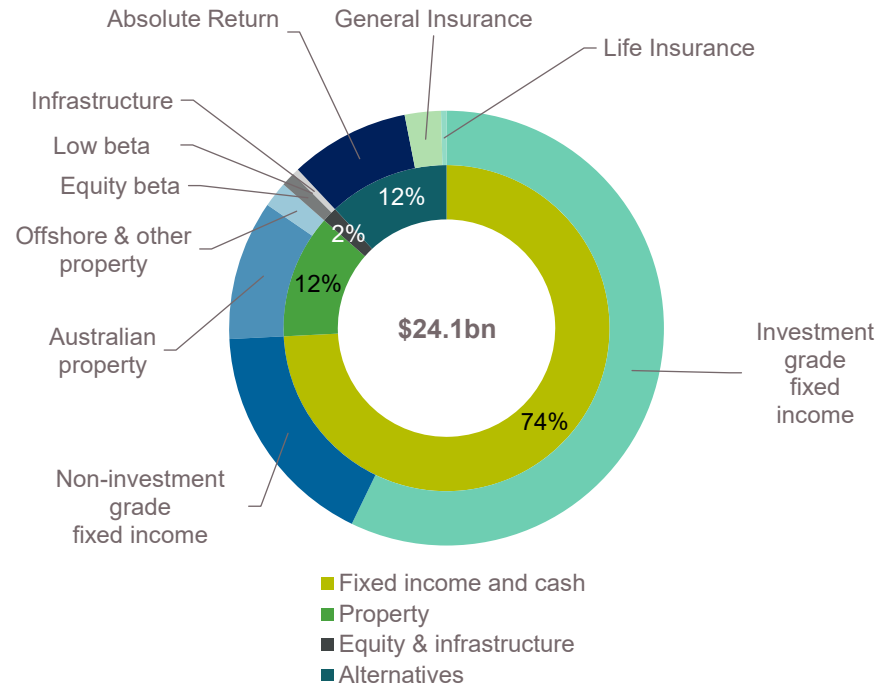
**Life AUM (\$m)**  
5% 5-year CAGR



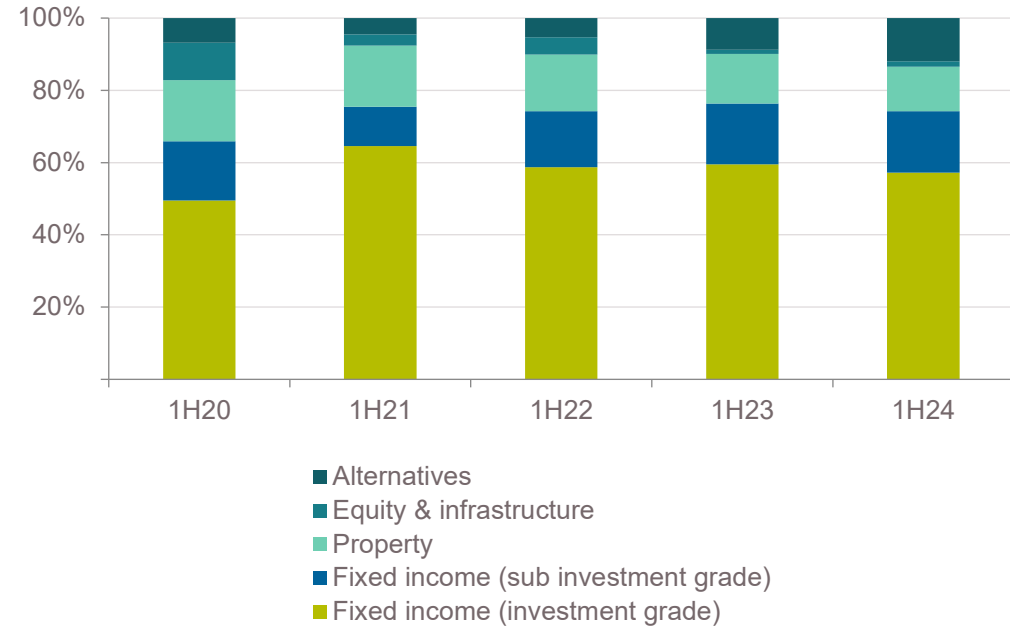
# Life investment portfolio

High quality portfolio providing reliable income

## Life investment portfolio<sup>1</sup>



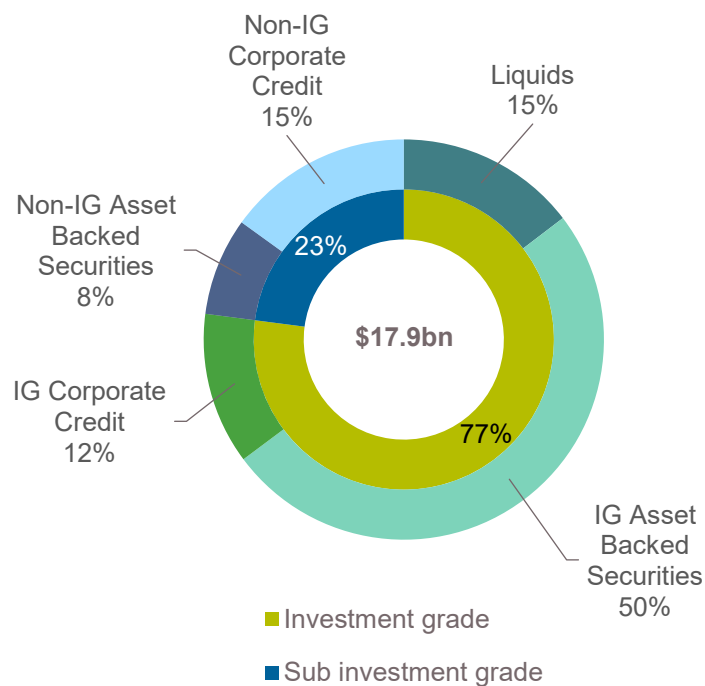
## Life investment portfolio – asset allocation



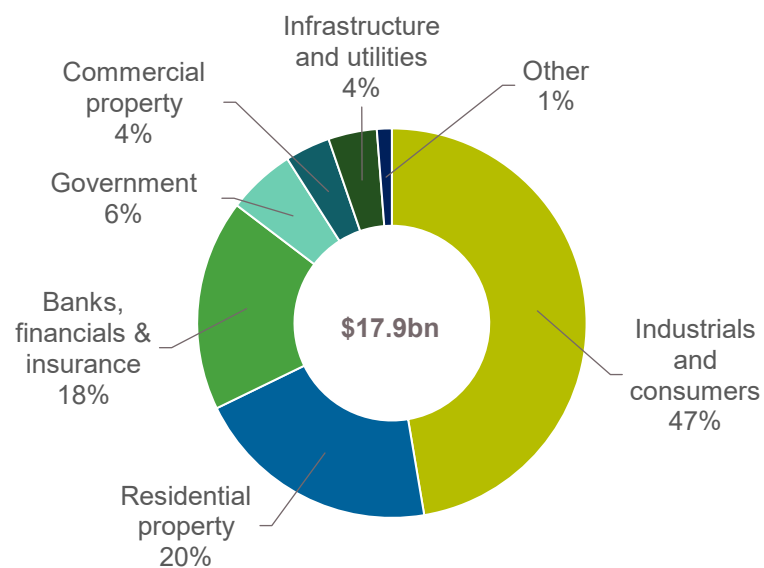
# Fixed income portfolio

Represents 74% of portfolio<sup>1</sup> with 77% investment grade

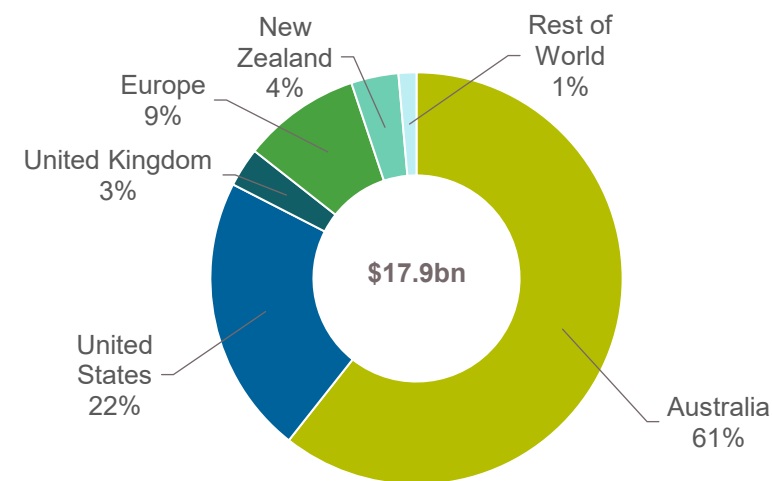
## Fixed income portfolio by asset class<sup>1</sup>



## Fixed income portfolio by sector<sup>1</sup>



## Fixed income portfolio by geography<sup>1</sup>

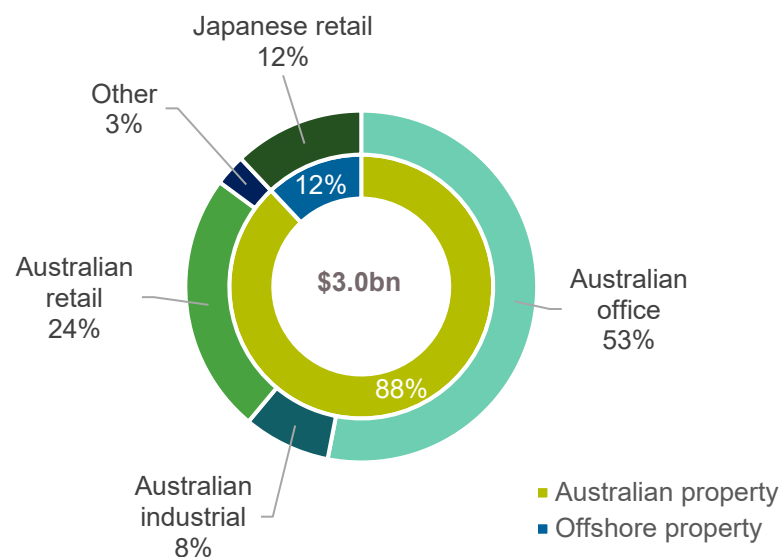


# Property portfolio

Represents 12% of portfolio

Defensive property portfolio with a focus on long-term income streams

## Property portfolio<sup>1</sup>



- Occupancy rate 92%
- Long WALE 5.7 years
- 54% leases expiring FY28+

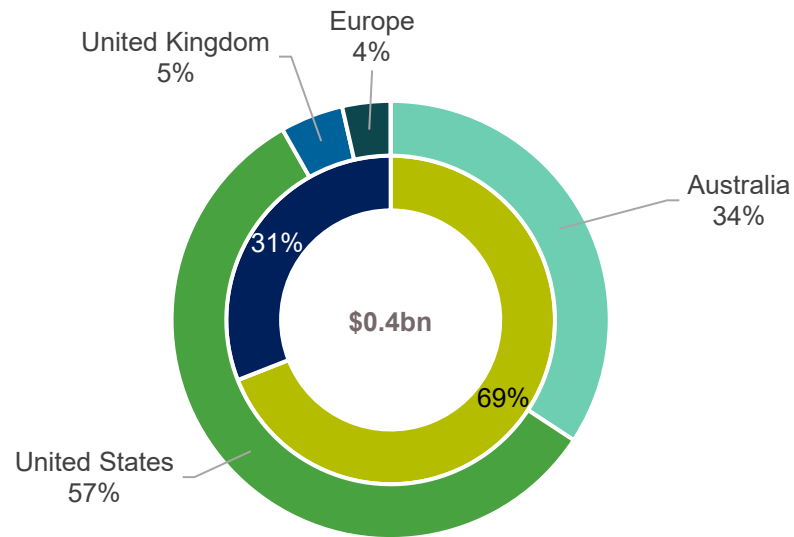
Key metrics	Australian office	Australian retail	Australian industrial	Japan
# properties	10	8	3	20
% of total portfolio <sup>2</sup>	53%	24%	8%	12%
Rental income	~54% from higher quality, single tenanted government	~50% from convenience and essential service based tenants	-	~50% from supermarkets and pharmacies
WALE <sup>3</sup>	5.4 years	5.3 years	6.7 years	7.2 years
Average cap rate <sup>4</sup>	5.9% (+30bps)	6.6% (+30bps)	5.5% (+50bps)	4.9%

1. Property portfolio as at 31 December 2023.  
 2. 3% of Other Property not included in this table.  
 3. Weighted Average Lease Expiry as at 31 December 2023. Assume tenants do not terminate leases prior to expiry of specified lease terms.  
 4. All percentage movements compare 1H24 to 2H23 unless otherwise stated.

# Life investment portfolio

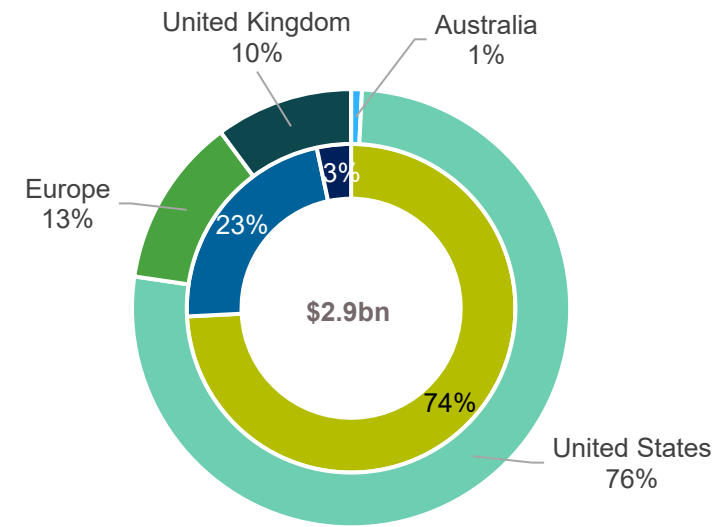
Equity and infrastructure 2% of portfolio; Alternatives 12% of portfolio

## Equity and Infrastructure portfolio<sup>1</sup>



■ Equity beta ■ Low Beta ■ Infrastructure

## Alternatives portfolio<sup>1</sup>



■ Absolute return funds ■ General insurance ■ Life insurance



# Funds Management

## Strong FUM growth track record

### Fidante

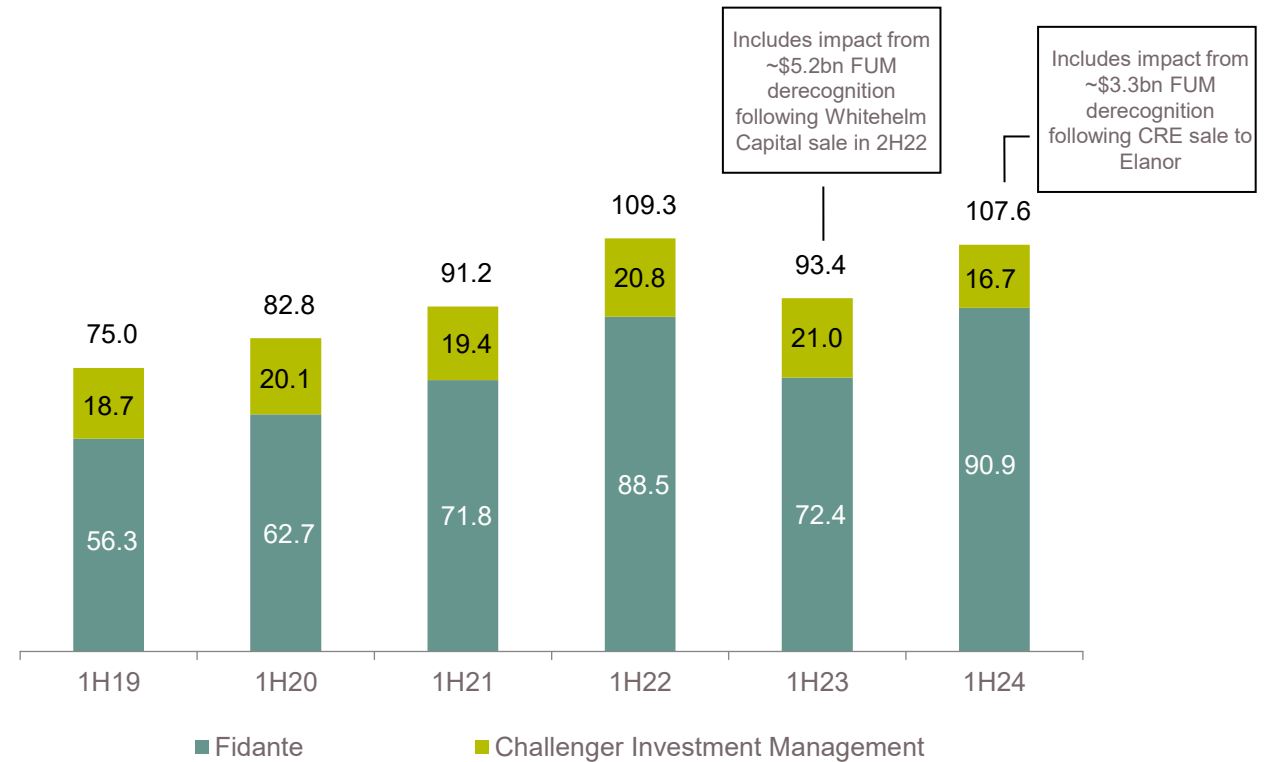
- Growing multiple boutique platform
- Located in Australia, UK, Europe and Asia
- Asset class diversification

### Challenger Investment Management

- Proven track record in asset origination
- Strong investment performance
- Growing third party credit and property offerings

## Funds Under Management (FUM) (\$bn)

7% 5-year CAGR



# IMPORTANT NOTE

The material in this presentation is general background information about Challenger Limited group's activities and is current at the date of this presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with professional advice when deciding if an investment is appropriate.

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The 2024 Interim Financial Report is available from Challenger's website at [www.challenger.com.au/shareholder](http://www.challenger.com.au/shareholder).

This presentation is not audited. The statutory net profit after tax has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Challenger's external auditors, Ernst & Young, have reviewed the statutory net profit after tax. Normalised net profit after tax has been prepared in accordance with a normalised profit framework. The normalised profit framework is disclosed in Note 4 Segment Information of Challenger Limited 2024 Interim Financial Report. The normalised profit after tax has been subject to a review performed by Ernst & Young. Any additional financial information in this presentation which is not included in Challenger Limited 2024 Interim Financial Report was not subject to independent review by Ernst & Young.

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Unless otherwise indicated, all numerical comparisons are to the prior corresponding period.