

challenger 

Annual Review
2024



Providing financial security for a better retirement drives everything we do. It is our purpose.

“Bringing more Australians financial security as they save for, enter, and live through retirement matters. To deliver this we are orientating our business around the customer - making it easier to do business with us, broadening our reach and delivering an innovative offering to meet more customer needs.”

This Annual Review provides information about your company in an easy-to-read document. Included in the Annual Review is a performance update, message from the Chairman and Chief Executive Officer, and information on the environmental, social and governance matters that affect your company.

All numbers are as at 30 June 2024 unless otherwise stated.

Challenger acknowledges the Traditional Owners of Country throughout Australia and we pay our respects to Elders past and present. We recognise the continuing connection that Aboriginal and Torres Strait Islander peoples have to this land and acknowledge their unique and rich contribution to society.

Challenger is regulated by the Australian Prudential Regulation Authority (APRA), the Australian banking, superannuation and insurance regulator. Challenger's activities are also subject to supervision by other regulatory agencies both in Australia and the other offshore markets in which it operates.



KEY DATES

18 SEPTEMBER 2024

Final dividend payment date

24 OCTOBER 2024

2024 Annual General Meeting

18 FEBRUARY 2025

Half year financial results

18 MARCH 2025

Interim dividend payment date

19 AUGUST 2025

Full year financial results

17 SEPTEMBER 2025

Final dividend payment date

30 OCTOBER 2025

2025 Annual General Meeting

➤ **FULL LISTING OF KEY DATES AVAILABLE AT:**
challenger.com.au/shareholder/shareholder-information/key-dates

ANNUAL GENERAL MEETING

DATE

24 October 2024

TIME

9.30am (Sydney time)

LOCATION

The 2024 AGM will be held as a 'hybrid' meeting which will enable shareholders to attend either physically or virtually.

Venue: Wesley Conference Centre,
220 Pitt Street, Sydney NSW.

Full details of the meeting will be included in your Notice of Annual General Meeting, which will be sent to shareholders in September 2024.

Dates may be subject to change. Any change in dates will be advised to the Australian Securities Exchange.

BOARD NOMINATIONS

The closing date for receipt of nominations for the Challenger Limited Board is 22 August 2024.

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OUR REPORTING SUITE

Our full reporting suite, which includes this 2024 Annual Report can be viewed online at the following links:

➤ 2024 ANNUAL REVIEW

The 2024 Annual Review can be viewed online at Challenger's online Shareholder Centre at

challenger.com.au/annualreview2024

2024 ANNUAL REPORT

challenger.com.au/annualreport2024

2024 CORPORATE GOVERNANCE STATEMENT

challenger.com.au/corporategovernance2024

2024 SUSTAINABILITY REPORT

challenger.com.au/sustainabilityreport2024

Message from the Chair

Challenger is a strong, well capitalised business, with a clear path to driving long-term sustainable growth and shareholder returns, while delivering strong outcomes for our customers.



2024 has seen further progress in the development of a retirement income system with the potential to deliver social and economic benefits on par with our superannuation accumulation system. We have seen meaningful policy discussion and consultation around the purpose of superannuation, affordable financial advice and retirement income design. The need to continue with this program of reform and deliver co-ordinated policy has never been greater and we look forward with optimism.

Challenger is Australia's leading retirement income brand, with a clear purpose to provide customers with financial security for a better retirement. We see a significant opportunity to play our part in providing financial security to more Australians as they save for, enter and enjoy retirement.

STRONGER SHAREHOLDER OUTCOMES

Your Board remains very focused on driving shareholder value over the long term. We are therefore pleased to see that Challenger delivered a strong financial performance this year, with normalised net profit before tax increasing 17% to \$608 million, and above our guidance range. This reflects our focus on growing longer dated, more valuable business, that in turn supported our normalised return on equity (ROE) to increase by 290 basis points to 15.6%. Challenger has made significant progress towards achieving its ROE target and is on track to achieve this in the 2025 financial year.

Given Challenger's strong financial outcomes and confidence in the business' growth strategy, the Board determined a full-year dividend of 26.5 cents per share, up 10% on last year.

CORPORATE GOVERNANCE

Maintaining strong corporate governance, including having the right people and practices in place, in a dynamic and rapidly changing environment is key.

We have continued to benefit from the expertise and capability of our two strategic partners, MS&AD and Apollo.

Our Directors bring a compelling and diverse skillset to ensure effective oversight of our business and we were delighted to have Lisa Gray and Matthew Michelini join the Board in late 2023. We continue to evaluate the skills and expertise necessary to guide our strategy at Board level.

We recognise the many benefits of building a high-performing, diverse and inclusive workforce. This year, Challenger achieved its gender diversity targets across the business, including on the Board, Leadership Team and in management.

The Board has maintained its focus on closely aligning shareholder interests with our reward framework and delivering appropriate performance-based outcomes. Short-term incentives this year reflect our business' strong performance and progress in executing our strategy. Long-term incentives granted in 2020 will also likely vest this year for the first time since 2018, demonstrating strong alignment of shareholder outcomes and an executive's realised reward over the performance period. As at 30 June 2024, indicative Total Shareholder Return (TSR) outcomes for the LTIs granted in 2020 is 65%.

This year, we also updated our reward framework to reflect regulatory changes and ensure we continue to effectively motivate and incentivise our executives to drive growth and build a growth focused, risk-aware culture.

SUSTAINABILITY

Our purpose highlights the important role that Challenger plays in creating a sustainable future for our customers, people, shareholders and wider stakeholders.

Challenger's 2024 Sustainability Report outlines our progress in addressing our most significant environment, social and governance risks and opportunities, as well as our key priorities for the coming year. This includes our operational emissions reduction strategy to address and minimise the environmental impact of our operations, with a target to be net zero across our Scope 1 and 2 emissions from the 2025 financial year.

We play a vital role in supporting retirees and communities, advocating for retirement income reform, as well as working with a range of organisations that make a positive impact on local communities.

Challenger is a strong, well capitalised business, with a clear path to driving long term sustainable growth and shareholder returns, while delivering strong outcomes for our customers.

On behalf of the Challenger Board, thank you to our customers and shareholders for your ongoing support in 2024.

I would also like to thank our CEO, Nick Hamilton, his Leadership Team and all Challenger employees for working so hard for our business, customers and shareholders with the trademark skill and professionalism that the business is known.

DUNCAN WEST

Independent Non-Executive Director and Chair

Message from the CEO

Challenger has a unique opportunity to leverage our purpose, capabilities, brand and expertise to be Australia's trusted partner in retirement.



This past year has been very successful for Challenger as we start to see the benefits of our refreshed strategy in our financial results. We have the right business model to capture significant future growth. Challenger has an incredible opportunity to provide even more Australians with financial security so they can confidently live their best retirement.

Challenger delivered a strong performance this year, as we continued to execute our strategy to build long-term sustainable growth and orientate the business around the customer - making it easier to do business with us, broadening our reach and delivering retirement income to meet more customer needs.

MEETING MORE CUSTOMER NEEDS

In our Life business, we have broadened our customer sales channels and strengthened the role we play in the retirement phase of superannuation. We see an opportunity to support superannuation funds to meet their members' needs into and through retirement. This year we formed a retirement partnership with Commonwealth Super Corporation (CSC) and our retirement partner TelstraSuper launched its lifetime pension, that was designed in partnership with Challenger.

To strengthen our brand as a retirement leader and engage more directly with those preparing for and in retirement, we unveiled a new brand sponsorship strategy with the Professional Golfers Association of Australia (PGA) and Melbourne International Flower and Garden Show.

Our Funds Management business has performed well in a challenging market. We've continued to innovate, adding new alternative investment strategies to meet growing client demand. And our fixed income platform, Challenger Investment Management, expanded its offering as private credit and lending grows in Australia and overseas.

CREATING LONG-TERM SUSTAINABLE GROWTH

To support our strategy and deliver long-term sustainable growth, we have also focused on simplifying the business, whilst diversifying the balance sheet and leveraging our strategic partners.

We made strategic decisions to focus on our core capabilities in retirement and investment management, including the completion of the sale of the Bank. We have also broadened our investment capability in private credit origination and diversified our balance sheet while remaining strongly capitalised.

This year, we formed a long-term technology partner with Accenture, under which we will implement a new customer experience uplift program. This will facilitate easier integration of our capabilities with advisers, platforms and superannuation funds, as well as making it easier for customers to do business with us.

Our strategic partnerships are progressing well, as we leverage their scale and capabilities. We're delighted to have extended our reinsurance agreement with Mitsui Sumitomo Primary for another five years and our relationship with Apollo has also expanded, with several asset origination transactions completed.

LOOKING AHEAD

In the 2025 financial year, we'll maintain momentum in our Life business and grow Funds Management. Across the business, we'll deliver a great customer experience and simplify how advisers and institutions engage with us, which will in turn drive growth.

Challenger has a unique opportunity to leverage our purpose, capabilities, brand and expertise to be Australia's trusted partner in retirement. This will see us meet the growing demand for a broader range of retirement income solutions across all of our distribution channels.

Thank you to the committed and capable team at Challenger – the driving force of our success.

I look forward to executing on the exciting growth opportunity ahead that will drive long-term sustainable growth and shareholder returns.

NICK HAMILTON

Managing Director and
Chief Executive Officer

Highlights

OVERVIEW

Challenger delivered a strong financial performance this year with normalised earnings surpassing our guidance range.

Our growth strategy is driving momentum and we made strategic investments around the customer that will make it much easier for them to do business with Challenger and enable long-term sustainable growth.

Financial

STATUTORY NET PROFIT AFTER TAX

\$130m

NORMALISED NET PROFIT BEFORE TAX

\$608m

FY24

FY23

\$521m

FY22

\$472m

GROUP ASSETS UNDER MANAGEMENT

\$127bn

FY24

FY23

\$105bn

FY22

\$99bn

TOTAL LIFE SALES

▼6% on FY23

\$9.1bn

NORMALISED GROUP ROE (PRE-TAX)

▲290bps

15.6%

FULL YEAR DIVIDEND

▲10% on FY23

26.5cps

CAPITAL POSITION

1.67x

CLC PCA RATIO¹
FY23 1.59x

1. Challenger Life Company (CLC) PCA ratio represents CLC total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount (PCA).

Strategic

Delivering on our strategy

Retirement leader



Developed

Innovative retirement income partnerships

Launched

Brand sponsorship strategy

>230

Adviser roadshows, workshops and webinars on how Challenger can help their clients in retirement

95%

Of advisers consider Challenger as a leader in retirement incomes¹

Extended

MS Primary reinsurance partnership

Investment excellence



Expanded

Private market and alternatives offerings

Investing

Into credit origination platforms to expand asset origination

Formed

Apollo asset origination partnership

Award winning

Affiliates

Established

High net wealth and family office distribution team to expand addressable market

Talented team and capability



>120

Employee learning and development sessions

Transitioned

Technology services to Accenture

Customer experience

Uplift strategy underway

Simplified business

Bank sale completed

Achieved

Gender diversity across the business – Board Leadership Team and management

1. Marketing Pulse Adviser Study June 2024 based on (% agree / strongly agree).

About Challenger

Challenger was founded in 1985 and is Australia's largest annuity provider¹ as well as one of its largest active fund managers.²

Our purpose

To provide our customers with financial security for a better retirement.

Our values

I

Act with integrity

We do things the right way

A

Aim high

We deliver outstanding results

C

Collaborate

We work together to achieve shared goal

T

Think customer

We make decisions with our end customers front of mind



Challenger has offices in Australia, London and Tokyo.

Challenger is regulated by the Australian Prudential Regulation Authority (APRA), the Australian banking, superannuation and insurance regulator. Challenger's activities are also subject to supervision by other regulatory agencies both in Australia and the offshore markets in which it operates.



London



Tokyo



Australia

ESTABLISHED
1985

676
FULL-TIME
EMPLOYEES³

APRA
REGULATED LIFE
COMPANY

S&P/ASX 100
LISTED⁴

1. Plan for Life - March 2024 - based on annuities under administration.

2. Calculated from Rainmaker Roundup, March 2024 data.

3. Number of people employed on a full-time equivalent (FTE) basis at 30 June 2024. 694 FTE when including employees on extended unpaid leave.

4. Australian Securities Exchange (ASX) and trades under code CGF.

Our strategic pillars

Challenger has three strategic pillars to ensure that it achieves its purpose of providing customers with financial security for a better retirement.



Retirement leader

Broaden customer access across multiple channels

Delivering better outcomes for our customers

Trusted and well-known brands

Leading voice on all things related to retirement income

Expanding our products and partners to meet more customer needs



Investment excellence

Superior outcomes and financial resilience

Strongly capitalised so we can always deliver on our promises

Superior risk-adjusted investment performance for our customers and shareholders

Enabled by a scalable operating and investment platform



Talented team and capability

Outstanding skills and ways of working

Invest in our people to maximise their potential

Building a growth-focused and inclusive culture

Leverage technology to make it easy to do business with us

We make good risk-aware commercial decisions



Our business

Life

#1 Australian retirement income business¹

challenger 

Guaranteed² retirement income products

Japanese reinsurance partner

Longevity risk transfer business

Funds Management

One of Australia's largest fund managers³

fidante

Affiliate investment managers

Challenger Investment Management

Originates and manages assets for Life and third-party clients

1. Plan for Life - March 2024 - based on annuities under administration.
 2. The word 'guaranteed' means payments are guaranteed by Challenger Life Company (CLC); from assets of its relevant statutory fund.
 3. Calculated from Rainmaker Roundup, March 2024 data.

Life business

“ We are driving growth across a range of customer channels and see a significant opportunity to support superannuation funds to meet their members’ needs into and through retirement.”

ANTON KAPEL
Chief Executive, Life and Solutions

Life focuses on the retirement phase of superannuation, with products helping customers convert retirement savings into safe, secure and reliable retirement income.

As Australia’s largest provider of annuities, Challenger Life’s annuity products appeal to retirees as they provide security and certainty of guaranteed¹ income that ensures customers have more confidence to spend in retirement.

The Life business includes Challenger Life Company Limited (CLC), an APRA-regulated life insurance company.

Challenger is Australia’s leading retirement income brand² and has won the Association of Financial Advisers ‘Annuity Provider of the Year’ for the last 15 years, along with Plan for Life’s ‘Overall Longevity Cover Excellence Award’ in 2023 for a fifth consecutive year.

The Life business has been broadening its customer sales channels. Its products in Australia are distributed via independent financial advisers, financial adviser administrative platforms, superannuation funds and directly.

In Japan, Life has an annuity relationship with Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary), a leading provider of annuity products in Japan and part of MS&AD Insurance Group Holdings Inc., to reinsure Australian dollar, US dollar denominated and Japanese yen denominated annuities.

Challenger sees a significant opportunity to support superannuation funds develop retirement income solutions that meet their members’ needs into and through retirement. In FY24, Challenger formed a retirement partnership with Commonwealth Super Corporation (CSC) and its retirement partner TelstraSuper launched its lifetime pension that was designed in partnership with Challenger.

LIFE’S 2024 FINANCIAL PERFORMANCE

AVERAGE INVESTMENT ASSETS (\$BN)

FY22	22
FY23	23
FY24	24

Value of assets managed by Life
Growth driven by strong Life sales

NORMALISED EBIT³ (\$M)

FY22	472
FY23	541
FY24	634

Preferred measure of business performance
FY24 earnings driven by improved quality of Life sales and margin expansion

1. The word ‘guaranteed’ means payments are guaranteed by CLC from assets of either its relevant statutory fund or shareholder funds.
2. Plan for Life - March 2024 - based on annuities under administration.
3. Earnings before interest and tax (EBIT).

ENHANCING CHALLENGER'S BRAND

Enhancing our brand to engage more directly with our customers

In FY24, Challenger launched its new sponsorship strategy designed to enhance Challenger's brand, showcase Challenger's retirement credentials and ensure Challenger is the trusted 'go to' brand for retirement.

In October 2023, Challenger announced its first partnership in Australian sport with the Professional Golfers Association of Australia (PGA). As part of the three-year partnership with the PGA, Challenger will be the

exclusive naming rights partner. With over seven million viewers across the year, and a sport of choice for those aged 45 and over, which is Challenger's target market, the partnership represents an exciting opportunity to showcase Challenger's brand and retirement credentials as it focuses on taking a broader stance in retirement.

Committed to further enhancing the brand, in March 2024 Challenger sponsored the Melbourne International Flower and Garden Show. This sponsorship allows Challenger to reach new customers and educate and support them on retirement income matters.



EXPANDING STRATEGIC PARTNERSHIPS

Leveraging the scale and capabilities of our strategic partners

Challenger continues to progress a range of strategic partnerships with best-in-class operators to ensure it can focus on its core franchise – Life and Funds Management – while leveraging the scale and capabilities of its strategic partners that delivers meaningful value for shareholders.

In FY24, Challenger extended its highly successful and collaborative reinsurance agreement with MS Primary for a further five years and commenced reinsurance of Japanese yen-denominated annuities, in addition to Australian dollar and US dollar denominated annuities issued in Japan.

Under the renewed agreement commencing 1 July 2024, MS Primary will provide Challenger Life an annual amount of reinsurance of at least ¥50 billion per year (equivalent to ~A\$490 million)¹ for the next five years.²

Challenger also expanded its strategic relationship with Apollo through a new origination partnership which provides Challenger Life with access to Apollo's high-quality, privately originated global credit and alternative opportunities that will help support customer annuity rates and returns for Challenger investors.

Challenger is undertaking a customer experience uplift program that will support its future growth by enabling easier integration of our capabilities with advisers, platforms and superannuation funds,

as well as making it easier for customers to do business with us. To enable this, Challenger has appointed professional services firm Accenture as its long-term technology partner.

Mitsui Sumitomo Primary Life Insurance

MS&AD INSURANCE GROUP

APOLLO

accenture

1. Based on 3-month average exchange rate at 30 June 2024.

2. Subject to review in the event of a material adverse change for either MS Primary or Challenger Life.



Funds Management business

//
The Funds Management business delivered another solid performance notwithstanding tougher industry conditions. We have consistently outperformed peers over many years and are widely recognised for our investment capability."

VICTOR RODRIGUEZ
Chief Executive, Funds Management

Funds Management focuses on wealth accumulation, predominantly in the pre-retirement phase of superannuation, through supporting customers to build savings by providing contemporary investment strategies and products that seek to deliver superior investment returns.

Funds Management is one of Australia's largest active fund managers¹ with funds under management (FUM) of \$117 billion, which has more than doubled over the last 8 years (up from \$57 billion in 2016).

Funds Management comprises Fidante and Challenger Investment Management, with operations in Australia, the United Kingdom, Europe and Japan.

Fidante's business model involves taking minority equity interests in separately branded affiliate funds management firms, with Challenger providing distribution services, business support and investment administration services, leaving investment managers to focus entirely on managing investment portfolios.

Fidante has been successful in attracting and building active equity, active fixed income and alternative investment managers, while also maintaining strong investment performance.

Fidante is focused on broadening its product and investment offering, which includes partnering with best-in-class managers, and accessing new distribution channels.

Challenger Investment Management (CIM) is one of Australia's largest fixed income originators specialising in public and private credit markets. CIM manages investments on behalf of Challenger Life and other like-minded investors across a range of strategies focused on generating consistent income whilst managing capital volatility.

Funds Management continues to innovate, with Fidante adding new alternative investment strategies to meet growing client demand and Challenger Investment Management expanding its offering by establishing a whole loan and mortgage servicing platform that will help its private loan investment capabilities.

FUNDS MANAGEMENT'S 2024 FINANCIAL PERFORMANCE

AVERAGE FUNDS UNDER MANAGEMENT (\$BN)

FY22	104
FY23	95
FY24	106

Value of assets managed

Average FUM up 12% reflective of strong institutional flows and positive market movements

FUNDS MANAGEMENT EBIT² (\$M)

FY22	83
FY23	62
FY24	55

Preferred measure of business performance

Lower earnings reflect change in business mix

1. Calculated from Rainmaker Roundup, March 2024.
2. Earnings before interest and tax (EBIT).

EXPANDING FIDANTE'S OFFERING

Fidante has grown its alternatives products and distribution capability in response to increasing demand from investors for high-quality alternative investment capabilities

In July 2023, Challenger formed a strategic real estate partnership with Elanor Investors Group (ASX:ENN), which includes an exclusive distribution arrangement whereby Fidante would distribute Elanor's existing and new funds and Elanor became a new Fidante affiliate manager.

Fidante successfully completed capital raises for Elanor throughout the year, including the acquisition of 55 Elizabeth Street, Brisbane, for \$109 million in December 2023.

In July 2023, Fidante acquired an equity stake in Resonance Asset Management (Resonance) and now has 35% ownership of the UK-based specialist infrastructure company.

In October 2023, UK-based Impax Asset Management (Impax), a specialist asset manager focused on the transition to a more sustainable economy, launched its Global Opportunities Fund in Australia. The Fund seeks to achieve long-term capital growth by investing in companies with competitive advantages and strong alignment with a more sustainable global economy.

In September 2023, Fidante commenced distributing the Apollo Aligned Alternatives (AAA) strategy to the Australian market. AAA is positioned as an equity replacement product and will provide clients with access to a diversified portfolio of private market opportunities.

In June 2023, Fidante expanded its existing distribution arrangement with Proterra Investment Partners Asia (Proterra Asia), a leading private equity investor focused on the Asian food and agribusiness sectors.

Under an expanded relationship, Fidante has a 12.5% revenue share in Proterra Asia, along with an exclusive distribution

agreement, and will commence raising capital for Proterra Asia's next vintage fund, Food Fund 4, in FY25.

APOLLO

Elanor

IMPAX Asset Management

PROTERRA ASIA

WHOLE LOAN AND MORTGAGE SERVICING PLATFORM LAUNCHED

Expanding our offering as private credit and lending grows in Australia and overseas

Whole loans include mortgages, personal loans and asset finance. The whole loans asset class is a large and significant asset class both in Australia and globally.

Challenger has established a platform that will help originate large scalable pools of domestic whole loans for Challenger Life and institutional investors. CIM has also established a servicing business that will service pools of existing mortgages that will enhance its private loan investment capabilities.



Sustainability

Providing customers with financial security for a better retirement is at the heart of what we do. To help deliver on this, we seek to invest responsibly, support the financial resilience of our customers and communities, do the right thing by our customers, people, shareholders and environment and advocate for the financial security of retirees.

Our unique business model ensures we can support customers throughout their working lives and retirement, helping to provide them with financial security for a better retirement.

Challenger Life is the country's leading guaranteed retirement income business. We provide customers with reliable and secure income streams, for either a fixed term or for life, ensuring they have financial peace of mind throughout their retirement.

Our Funds Management business is one of Australia's largest active managers and helps clients save for retirement through a range of growth and income strategies. Fidante, our multi-affiliate platform and Challenger Investment Management provide customers with high-quality and superior returning investment products.

Our sustainability strategy

Challenger's sustainability strategy reflects our most material social, environmental and governance opportunities.



In FY25, we will continue to build on the progress we've made this year as we play our role in creating a sustainable future for our customers, people, shareholders and wider stakeholders.

Challenger’s materiality assessment

BETTER UNDERSTANDING OUR ESG RISKS

In FY24, we assessed the associated risks for our most material sustainability topics, including risks at our annual Board strategy day and individual risks within our risk register, and then considered mitigating actions.

This was a particularly relevant exercise in relation to climate change, which will become an increasing focus as Challenger implements its climate risk work program in FY25.

SUSTAINABLE DEVELOPMENT GOALS

We recognise the role that organisations like Challenger can play in aligning and contributing to the delivery of the Sustainable Development Goals (SDGs), 17 goals that create a blueprint for achieving a more sustainable future by 2030.







In FY24, Challenger undertook an assessment to identify the goals where we believe we can have greatest impact. This included assessment of the goals against our material topics and the policies, processes and initiatives that we have in place, as well as how our strategy, products and customer focus align to the fulfilment of the SDGs.

Challenger believes that we have the greatest impact through our business activities on the five goals below, which we have aligned to the four pillars of our sustainability strategy:

-  **Gender equality**
-  **Decent work and economic growth**
-  **Reduce inequalities**
-  **Climate Action**
-  **Partnerships for the goals**

OUR FY24 MATERIAL TOPICS

MATERIAL TOPICS

-  **Sustainable retirement income system and adequacy**
 - Designing products with the wellbeing of individuals in mind and contributing to discussions that improve the sustainability of Australia’s retirement income system.
-  **Customer experience**
 - How we’re building a customer-centric business.
 - Delivering a high-quality service to customers, improving processes and responding to customer feedback.
-  **Representation of products and investment strategies**
 - Acting in customers’ best interests, including transparency, accuracy, and clarity of marketing statements, advertising, and labelling of products and investment strategies.
-  **Digital technology and innovation**
 - Using digital technology and innovation to make it easier to do business with us.
-  **Data privacy and cyber security**
 - Strengthening our cyber security capabilities to protect our business and customers and minimise the risk of evolving threats.
-  **Employee wellbeing, diversity and inclusion**
 - Promoting a diverse and inclusive workplace, in a psychologically safe and fair environment.
 - Expectation that our people act in line with our IACT values.
-  **Talent development**
 - Attracting and retaining leading talent and supporting our people to realise their full potential, which is key to how we can create value for customers and shareholders.
-  **Accountable and transparent business**
 - Maintaining high standards of corporate governance, conduct and compliance, as well as how we manage risks surrounding ethical conduct of business.
-  **Investing responsibly**
 - Incorporating ESG considerations into our investment process to drive long-term value and engaging with companies to improve their ESG performance where we can make a difference.
-  **Climate change**
 - How Challenger identifies and manages climate-related risks and opportunities through its investment decisions and own operations.

LINKING MATERIAL ESG TOPICS TO OUR RISKS AND MITIGANTS

RISKS

MITIGATING ACTIONS

<ul style="list-style-type: none"> – Failure to understand customers and their needs – Poor recognition and accommodation of vulnerable customer needs 	<ul style="list-style-type: none"> – Product Lifecycle Policy – Customer strategy review – Market intelligence and analysis – Product Governance Committee 	<ul style="list-style-type: none"> – Review of Financial Abuse of Elders and Vulnerable Customers Framework – Customer Experience Uplift
<ul style="list-style-type: none"> – Product misaligned to customer needs – Systems and processes inadequate in servicing customers 	<ul style="list-style-type: none"> – Review and simplification improvement of customer journeys – Target market determination review, monitoring and reporting – Product Governance Committee 	<ul style="list-style-type: none"> – Complaints management process – Customer feedback quarterly forums – Customer Experience Uplift
<ul style="list-style-type: none"> – False or misleading information or marketing – Incorrect or misleading corporate messaging 	<ul style="list-style-type: none"> – All marketing material subject to approval process – Product disclosure review and approvals 	<ul style="list-style-type: none"> – Compliance reporting for distribution activities – Marketing Compliance Policy and training
<ul style="list-style-type: none"> – Unsustainable or insufficient execution capability 	<ul style="list-style-type: none"> – Accenture Technology Partnership – Customer Experience Uplift 	<ul style="list-style-type: none"> – AI governing principles
<ul style="list-style-type: none"> – Unauthorised access, disclosure or use of data and personal information – Risk of a cyber security incident 	<ul style="list-style-type: none"> – Information security controls (including access management and third-party due diligence) to monitor and maintain a secure technology platform – Phishing and education campaigns to mitigate social engineering 	<ul style="list-style-type: none"> – Information Security Policy – Information Retention and Storage Policy – IT Acceptable Use Policy – Privacy Policy
<ul style="list-style-type: none"> – Inadequate support for employee health, safety and wellbeing 	<ul style="list-style-type: none"> – Employee Value Proposition review – Remuneration practices approved by management and Challenger's Board – Ongoing analysis of employee engagement and feedback to action and improve employee experience 	<ul style="list-style-type: none"> – Gender targets at group, management, leadership and Board level reported in Annual Report – Employee-led Diversity and Inclusion networks – Range of employee events to support diversity – Employee Assistance Program
<ul style="list-style-type: none"> – Inability to attract and retain talented people – Unsustainable or insufficient execution capability 	<ul style="list-style-type: none"> – Employee Value Proposition review – Learning & Development strategy – Succession planning 	<ul style="list-style-type: none"> – Ongoing analysis of employee engagement and feedback to action and improve employee experience
<ul style="list-style-type: none"> – Conduct misaligned to community expectations and regulatory environment – Fraudulent activities by third-party-managed investments – Fraudulent activities within key operational or financial teams – Fraud, bribery or corruption with respect to major transactions – Conflicts of interest – Insider trading on confidential information 	<ul style="list-style-type: none"> – Conflicts of Interest Policy – Information Barriers Policy – Related Party Transactions Policy – Staff Trading Policy – Delegated Authorities Policy – Conduct Risk and Consequence Management Framework 	<ul style="list-style-type: none"> – Risk culture assessments and action planning – Ongoing review of Conflicts of Interest Register – Ongoing review of Gifts and Entertainment Register – Regulatory and compliance training – Consequence Management Committee
<ul style="list-style-type: none"> – Sub-optimal investment decisions due to lack of ESG considerations – Reputational damage or regulatory intervention due to insufficient ESG considerations in investment decisions 	<ul style="list-style-type: none"> – Responsible Investment Policy – ESG Implementation Statement – Challenger Life Company 	<ul style="list-style-type: none"> – ESG Implementation Statement – CIM Fixed Income

Board of Directors



DUNCAN WEST
Independent Non-Executive
Director and Chair

Duncan became Chair in October 2022. He has been an Independent Non-Executive Director since 2018 and is a member of the Group Risk Committee, Group Audit Committee, Group People and Remuneration Committee, Independent and Related Party Committee and Nomination Committee.



LISA GRAY
Independent Non-Executive
Director

Lisa became an Independent Non-Executive Director in 2023 and is a member of the Group Risk Committee, Group Audit Committee, Independent and Related Party Committee and the Nomination Committee.



JOHN M. GREEN
Independent Non-Executive
Director

John has been an Independent Non-Executive Director since 2017 and was Chair of Challenger Bank Limited to 30 April 2024. He is a member of the Group Risk Committee, Group Audit Committee, Group People and Remuneration Committee, Independent and Related Party Committee and Nomination Committee.



NICK HAMILTON
Managing Director and
Chief Executive Officer

Nick was appointed Managing Director and CEO of Challenger Limited in January 2022 and has held a number of senior executive roles at Challenger since joining in 2015, including Chief Executive, Funds Management. Prior to this, Nick held senior leadership roles at top financial services businesses across Australia, the United States and the United Kingdom.



MASAHIKO KOBAYASHI
Non-Executive Director

Masahiko has been a Non-Executive Director since 2019 and is a member of the Nomination Committee. Masahiko is currently a director and managing executive officer (Corporate Planning, Risk Management and Finance) of Mitsui Sumitomo Primary Life Insurance (MSP), a subsidiary of MS&AD.



MATTHEW MICHELINI
Non-Executive Director

Matthew became a Non-Executive Director in 2023 and is a member of the Nomination Committee. Matthew is currently Partner, Head of Asia Pacific at Apollo Global Management and is a member of its Leadership Team.



DR HEATHER SMITH
Independent Non-Executive
Director

Heather has been an Independent Non-Executive Director since 2021 and is the Chair of the Group Audit Committee and a member of the Group Risk Committee, Group People and Remuneration Committee, Independent and Related Party Committee and the Nomination Committee.



JOANNE STEPHENSON
Independent Non-Executive
Director

JoAnne has been an Independent Non-Executive Director since 2012 and is Chair of the Group People and Remuneration Committee and a member of the Group Risk Committee, Group Audit Committee, Independent and Related Party Committee and Nomination Committee.



MELANIE WILLIS
Independent Non-Executive
Director

Melanie has been an Independent Non-Executive Director since 2017 and is Chair of the Group Risk Committee and a member of Group Audit Committee, Independent and Related Party Committee and Nomination Committee.

Leadership Team



NICK HAMILTON
Managing Director and
Chief Executive Officer

Nick was appointed Managing Director and CEO of Challenger Limited in January 2022 and has held a number of senior executive roles at Challenger since joining in 2015, including Chief Executive, Funds Management. Prior to this, Nick held senior leadership roles at top financial services businesses across Australia, the United States and the United Kingdom.



ALEX BELL
Chief Financial Officer

Alex was appointed Chief Financial Officer (CFO) in December 2022, having previously held a number of senior roles at Challenger including Group Deputy CFO and CFO, Funds Management. Alex was previously a Partner in KPMG's CFO Advisory Practice and has extensive experience across life insurance and wealth management.



ANTON KAPEL
Chief Executive, Life and Solutions

Anton was appointed as Chief Executive, Life and Solutions in June 2022, having previously held the role of Challenger Life's Chief Financial Officer and Appointed Actuary since 2018. Prior to joining Challenger, Anton held a Chief Actuary role, following a 20-year consulting career.



STUART KINGHAM
Chief Commercial Officer

Stuart was appointed Chief Commercial Officer in January 2022. Stuart has held a number of senior roles since joining Challenger in 2012, including Head of Investor Relations, and Acting Chief Executive, Customer. Stuart began his career as a Chartered Accountant, working in investment banking and senior finance roles in Australia and the United Kingdom.



MANDY MANNIX
Chief Executive, Customer

Mandy joined Challenger in November 2022 as Chief Executive, Customer. Prior to this, Mandy was General Manager, Asset Management Distribution at MLC Wealth. Mandy has also held senior roles in Australia and London at BMO Global Asset Management, CQS UK, Nomura, and Merrill Lynch Investment Managers (now BlackRock).



CHRIS PLATER
Chief Risk Officer

Chris was appointed Chief Risk Officer in May 2024. Chris joined Challenger in 2003 and has held a number of key leadership roles across the business including CEO of the Joint Venture between Challenger and Apollo; Deputy CEO; Chief Executive, Technology and Operations; and Chief Executive of Challenger Life Company Limited.



LOUISE ROCHE
Chief Human Resources Officer

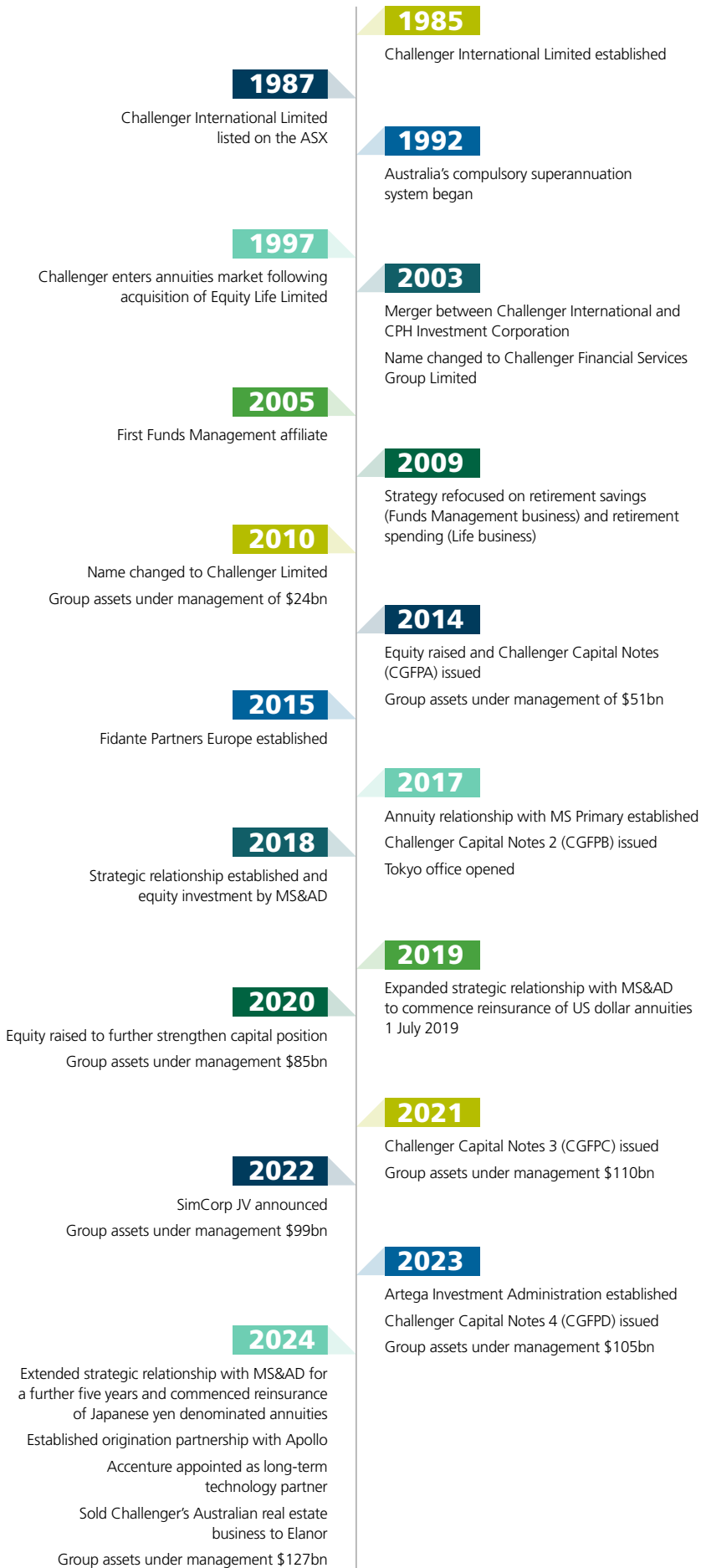
Louise joined Challenger in 2019 and was appointed Chief Human Resources Officer in January 2022. Prior to this, Louise was General Manager, Human Resources.



VICTOR RODRIGUEZ
Chief Executive, Funds Management

Victor was appointed Chief Executive, Funds Management in August 2022 following five years as Head of Fixed Income within the Challenger Investment Management business. Prior to Challenger, Victor held investment leadership roles at Aberdeen Asset Management in Singapore and Australia, and Credit Suisse Asset Management.

Our history



ADDITIONAL INFORMATION

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE IN AUSTRALIA

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Investor services: 13 35 66

COMPANY SECRETARY

Linda Matthews

WEBSITE

challenger.com.au

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Telephone: 02 8234 5000

GO ELECTRONIC

Challenger can deliver all of your shareholder communications electronically, by updating your details via Computershare Investor Services.

computershare.com.au

Unless otherwise specified, all amounts are in Australian dollars.

The information, including all amounts, in this Annual Review are current as at 30 June 2024, and unless stated otherwise, any comparison is based on the prior corresponding period.

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