

Market Release

16 September 2024

Challenger investor discussion pack – September 2024

Challenger Limited (ASX:CGF) attaches a copy of the presentation that will be provided to investors as part of an offshore non-deal roadshow from 16 – 24 September 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 and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

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Challenger Limited

Investor discussion pack

SEPTEMBER 2024

challenger 



Overview

1 Australian retirement market

2 Challenger business overview

3 Strategy update

4 FY24 financial result

5 Appendix

1

Australian retirement market



Australian superannuation system

Australians are living longer and demand for financial security is increasing

AGEING POPULATION



2.5m 

Australians set to retire over next 10 years¹

\$11.2tn 

Australian super assets expected to increase from \$3.9tn² over next 20 years³

DEMAND FOR FINANCIAL SECURITY



72% 

Australian retirees would be much happier with guaranteed income for life in retirement⁴

65% 

Australian retirees say cost of living has impacted their financial security⁴

REGULATORY SUPPORT



Government focus 

- Retirement Income Covenant
- Financial advice reforms
- Objective of superannuation

Innovative retirement products and solutions required 

1. Treasury modelling, Retirement phase of superannuation Discussion Paper December 2023.

2. The Australian Prudential Regulation Authority (APRA), as at June 2024.

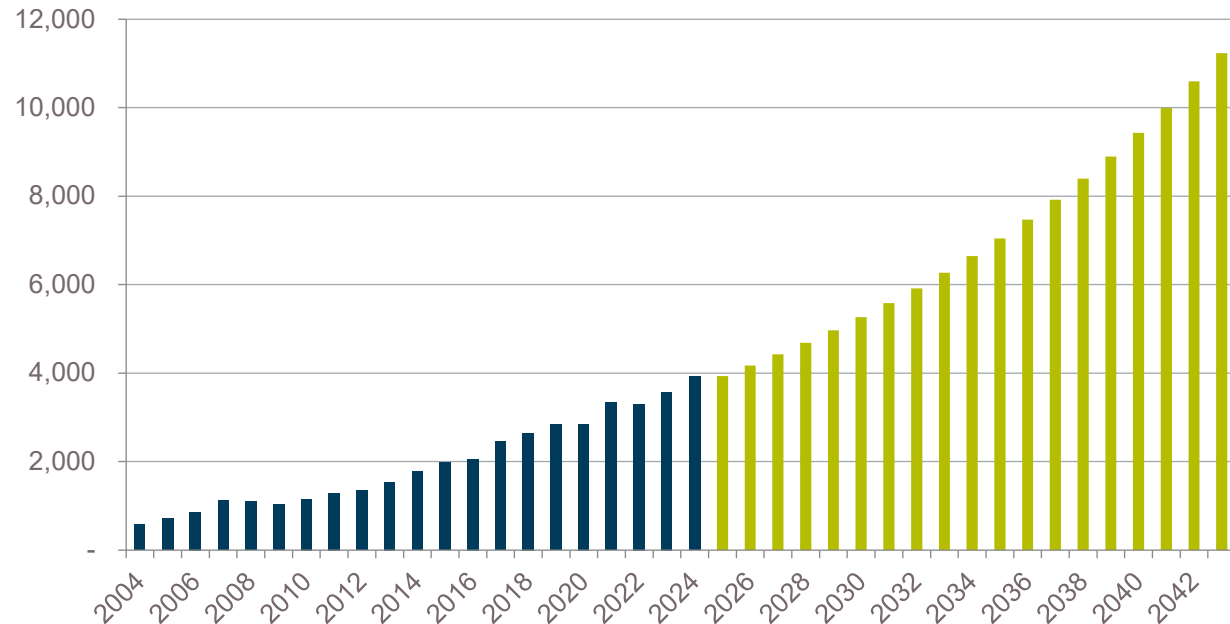
3. Deloitte Superannuation Market Projections Report 2023.

4. Research undertaken by YouGov in February 2024, surveying a nationally representative sample of 1,049 Australians aged 60 and above. Current as at 12 March 2024.

Australian superannuation system

Attractive market with long-term structural drivers

AUSTRALIAN SUPERANNUATION GROWTH^{1,2} (\$BN)



Market growth supported by

- Mandatory and increasing contributions³
- Earnings and contributions compounding
- Population growth and ageing demographics

Resulting in

- 10% CAGR growth over last 20 years⁴
- 4th largest global pension market⁵
- Assets expected to increase from \$3.9 trillion¹ to over \$11 trillion over next 20 years²

1. The Australian Prudential Regulation Authority (APRA), as at June 2024.

2. Deloitte Superannuation Market Projections Report 2023.

3. Superannuation guarantee rate increased to 11.5% on 1 July 2024 and increases by 0.5% p.a. until reaching 12% on 1 July 2025.

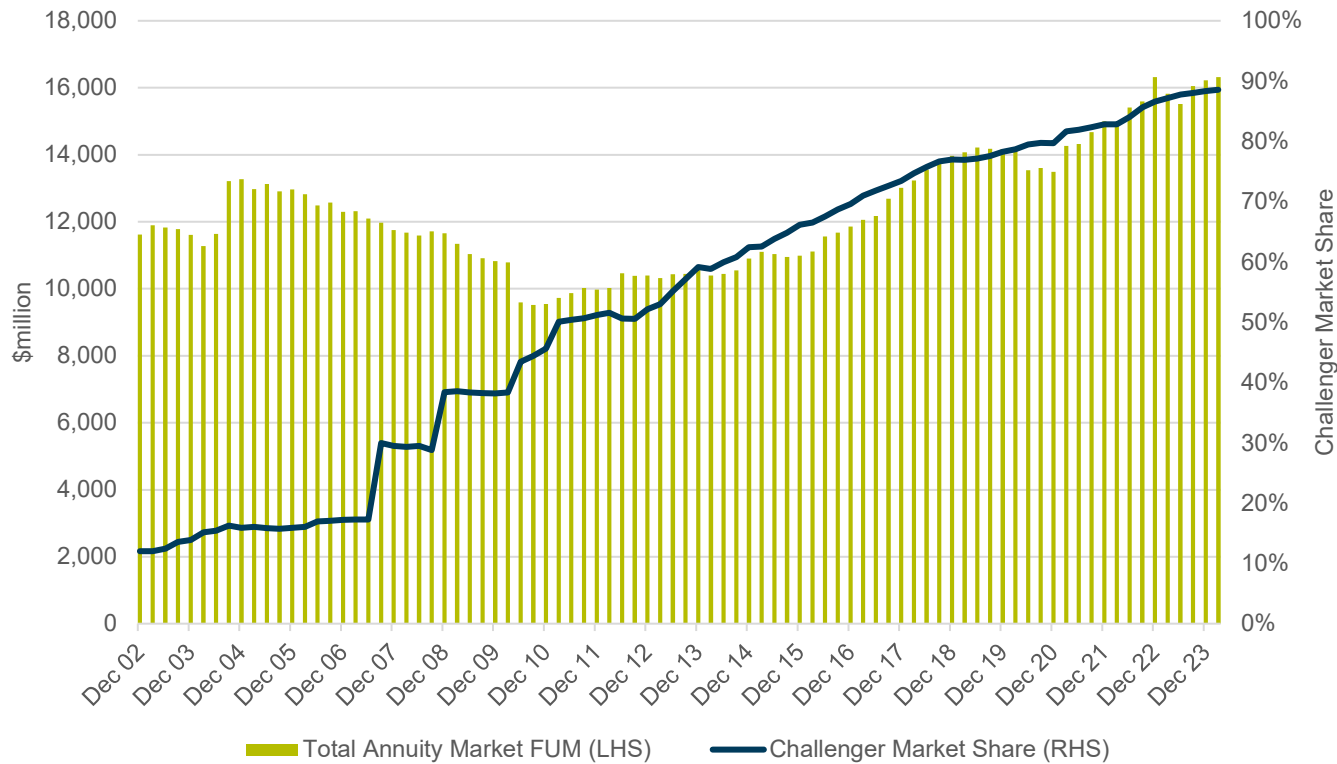
4. APRA Annual Superannuation Bulletin.

5. Thinking Ahead Institute Global Pension Assets Study 2024, as a percentage of GDP.

Australian annuities market

Challenger Life is Australia's leading provider of annuities

TOTAL ANNUITY MARKET FUM¹



KEY OBSERVATIONS

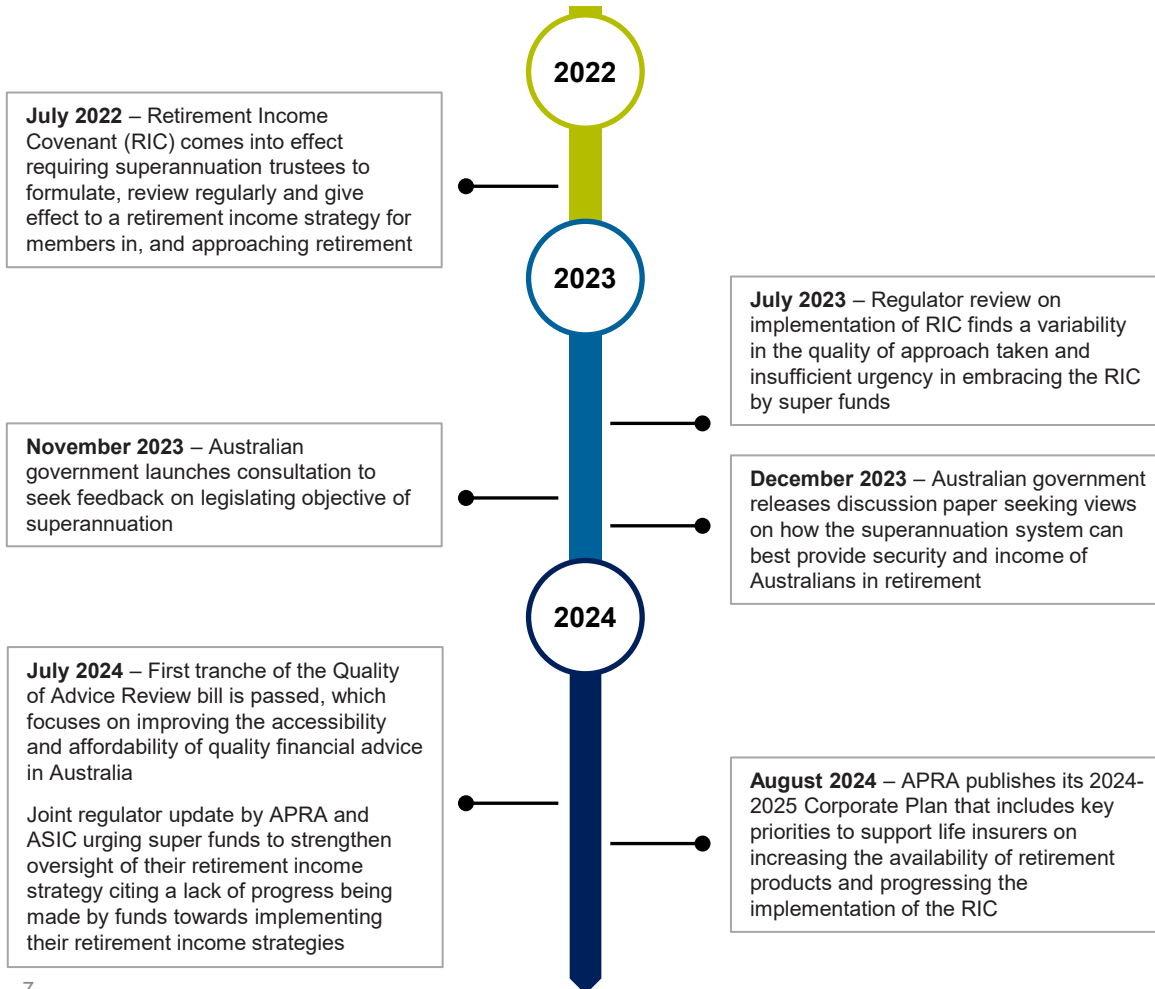


- Domestic annuity market size ~\$16bn²
- 5% CAGR over last 3 years^{2,3}
- Challenger dominant market position ~89% market share²
- \$86bn transfer from savings phase of superannuation to retirement phase in 2023⁴

1. Source: Plan for Life – March 2024 (note that “Annuity” volumes exclude GSA products).
 2. Plan for Life – March 2024.
 3. Compound annual growth rate from 31 March 2021 to 31 March 2024.
 4. Based on Taxation Statistics 2021-22 from Australian Taxation Office.

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

2

Challenger business overview



Challenger purpose and strategy

Providing customers with financial security for a better retirement

OUR STRATEGIC PILLARS

Retirement leader



Broaden customer access
across multiple channels

Investment excellence



Superior outcomes and
financial resilience

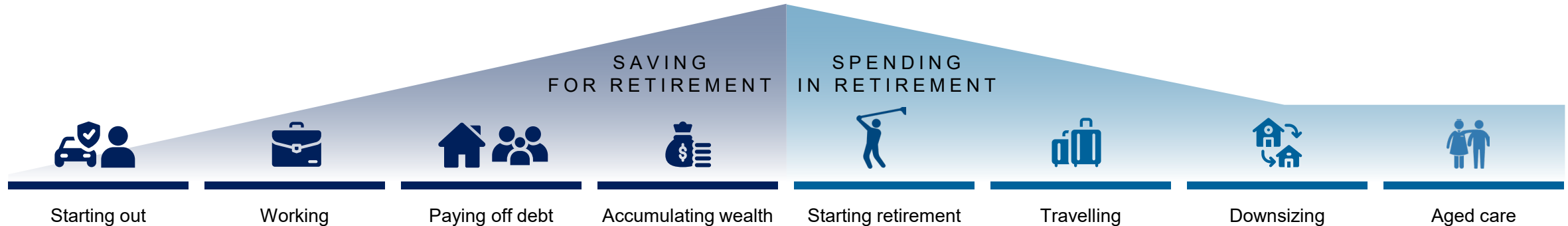
Talented team and capability



Outstanding skills and
ways of working

Challenger overview

Providing customers with financial security for a better retirement



| | | |
|--------------------------------|----------------------------------|---|
| <p>FUNDS MANAGEMENT</p> | <p>fidante challenger</p> | <ul style="list-style-type: none"> • Range of income options • Highly regarded and rated strategies |
| <p>LIFE challenger</p> | | <ul style="list-style-type: none"> • Guaranteed income via annuities (fixed term and lifetime) • Addresses key financial risks in retirement, including inflation |

COMPETITIVE ADVANTAGES

| | | | | | |
|---------------------------------------|-------------------------------------|---|--|---|---|
| <p>Leading origination capability</p> | <p>Trusted and recognised brand</p> | <p>Leading multi-affiliate platform</p> | <p>Highly capable and engaged team</p> | <p>Exceptional distribution footprint</p> | <p>MS&AD APOLLO INSURANCE GROUP</p> <p>Strategic partnerships</p> |
|---------------------------------------|-------------------------------------|---|--|---|---|

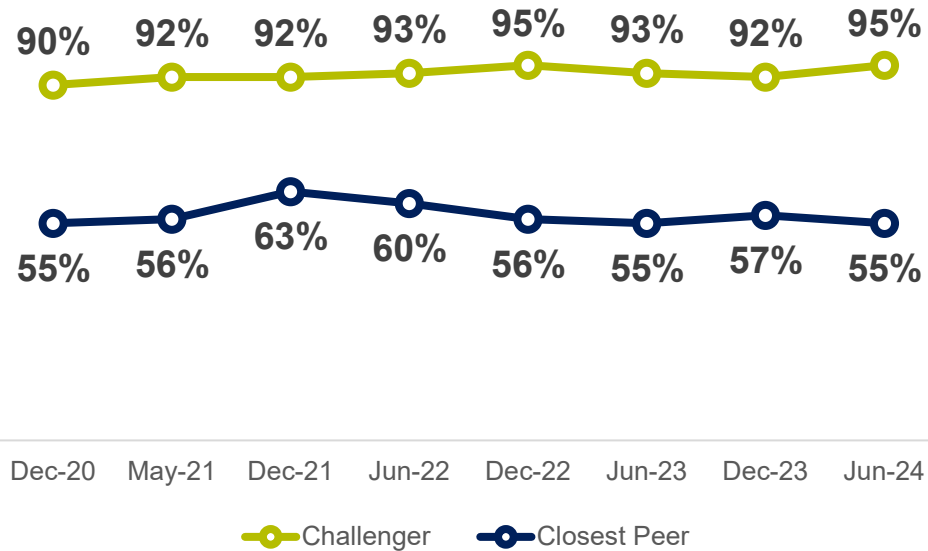
Life – clear leader in retirement incomes

Strong Challenger reputation within the market

BRAND STRENGTH



Leader in Retirement Income¹



MARKET LEADER IN AUSTRALIAN RETIREMENT INCOMES



'Annuity Provider of the Year'²



Winner of the Plan for Life Overall Longevity Cover Excellence Award 2023 for a fifth consecutive year

1. Marketing Pulse Adviser Study June 2024 based on (% agree / strongly agree).
2. Association of Financial Advisers 'Annuity Provider of the Year' for the last 15 years.

MS&AD strategic relationship

Diversifying and increasing access to Japanese market

MS&AD

Mitsui Sumitomo Primary Life Insurance

1 Japanese general insurer
#1 market share

MS&AD Mitsui Sumitomo Insurance

MS&AD Aioi Nissay Dowa Insurance

MS&AD Mitsui Direct General Insurance

2 Japanese life insurer
#9 market share
major foreign currency annuity provider

MS&AD Mitsui Sumitomo Aioi Life Insurance

MS&AD Mitsui Sumitomo Primary Life Insurance

3 International operations
operations in 48 countries
#1 ASEAN general insurer

MS amlin

MS&AD Aioi Nissay Dowa Insurance



MS FirstCapital

MS&AD strategic relationship

- Shareholding ~15%¹ and representative (and an alternate) on Challenger Board
- MS&AD remains committed to the strategic reinsurance partnership with Challenger
- Broadens Challenger's Japanese footprint
- Opportunities for both Challenger and MS&AD

MS Primary annuity relationship

- MS&AD subsidiary and leading provider of foreign currency life products in Japan
- Reinsurance partnership with MS Primary covering A\$, US\$ and JPY¥ 20-year term annuity and A\$ lifetime annuity
- Expected to reinsure at least ¥50 billion of A\$,US\$ and JPY¥ annuities with Challenger for the next 5 years² (~A\$490 million³ in FY25)

1. Shareholding as at 30 June 2024.

2. Reinsurance agreement commenced 1 July 2024 and is subject to review in the event of a material adverse change for either MS Primary or Challenger Life.

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

Funds Management – multiple brands and strategies

Unique multi-asset platform supporting better customer outcomes

INVESTMENT MANAGERS, STRATEGIES AND ASSET CLASSES



Fixed Income
\$51bn¹

challenger

ARDEA
Investment Management

Kapstream
- JANUS HENDERSON -

BENTHAM
ASSET MANAGEMENT

ARES | ARES AUSTRALIA MANAGEMENT

Equities
\$64bn¹

Australian equities

alphinity
INVESTMENT MANAGEMENT
Greencape
CAPITAL

WaveStone
CAPITAL
eiger capital

LENNOX
CAPITAL PARTNERS

Global, regional & EM equities

alphinity
INVESTMENT MANAGEMENT

OX
CAPITAL
MANAGEMENT

NOMURA

Sustainable investments

alphinity
INVESTMENT MANAGEMENT

IMPAX
Asset Management

Alternatives and Property
\$2bn¹

challenger

RESONANCE
ASSET MANAGEMENT

PATRIZIA

PROTERRA
INVESTMENT PARTNERS

cultiv8

Elanor

APOLLO

STRONG MARKET POSITION

#2 Domestic active manager²

#1 Fixed income manager³



1. Funds Under Management (FUM) as at 30 June 2024.
2. Calculated from Rainmaker Roundup, March 2024 data.
3. Plan for Life – March 2024 – based on fund size.

3

Strategy update



Successfully executing strategy

Generating long-term sustainable growth



FY24 strategic achievements

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 HNW and family office distribution team to expand addressable market

Talented team and capability



- ▶ Transitioned technology services to Accenture
- ▶ Customer experience uplift strategy underway
- ▶ Simplified business - Bank sale completed
- ▶ Achieved gender diversity targets across the business – Board, Leadership Team and management
- ▶ >120 employee L&D sessions

Strategy to capture future growth opportunities

Scalable and dynamic platforms

SHORT TERM

- Deliver customer experience uplift
- Retirement partnerships
- Defined Benefit opportunities
- New private market/ credit strategies
- Leverage strategic partnerships



MEDIUM TERM

- Wealth platform integrations
- Broaden loan origination platforms
- Expand Alternatives platform
- Scaled UK/Japan distribution
- Expand offshore reinsurance platform



LONG TERM

- Diversified channels (Retail, Superannuation funds, Offshore)
- Embed retirement solutions into advice technology
- New retirement products for pre- and in-retirement
- Scaled private market/credit strategies



4

FY24 financial results



Strong financial performance

Above guidance range with record long duration sales



Normalised NPBT¹

\$608m

▲ 17%

Above guidance range
\$555m to \$605m

AUM

\$127bn

▲ 21%

Normalised ROE^{1,2}

15.6%

▲ 290 bps

Pre-tax

Dividend

26.5cps

▲ 10%

Payout ratio 44%
(target 30% to 50%)

Statutory NPAT

\$130m

▼ 24%³

Asset experience -\$89m

Liability experience - \$194m

Life sales

\$9.1bn

▼ 6%

▲ Lifetime annuity sales +110%

▲ Annuity book growth 5.5%⁴

CLC PCA ratio

1.67x

▲ 0.08x⁵

Strongly capitalised

\$1.8bn of excess capital

1. Normalised net profit before tax and Normalised Group ROE (pre-tax) exclude Discontinued Operations (Bank) in FY24. Prior periods have not been restated to exclude Discontinued Operations (Bank).

2. Net assets includes the application impact of AASB 17 in FY24.

3. FY23 statutory net profit after tax has been restated to reflect the application impact of AASB 17.

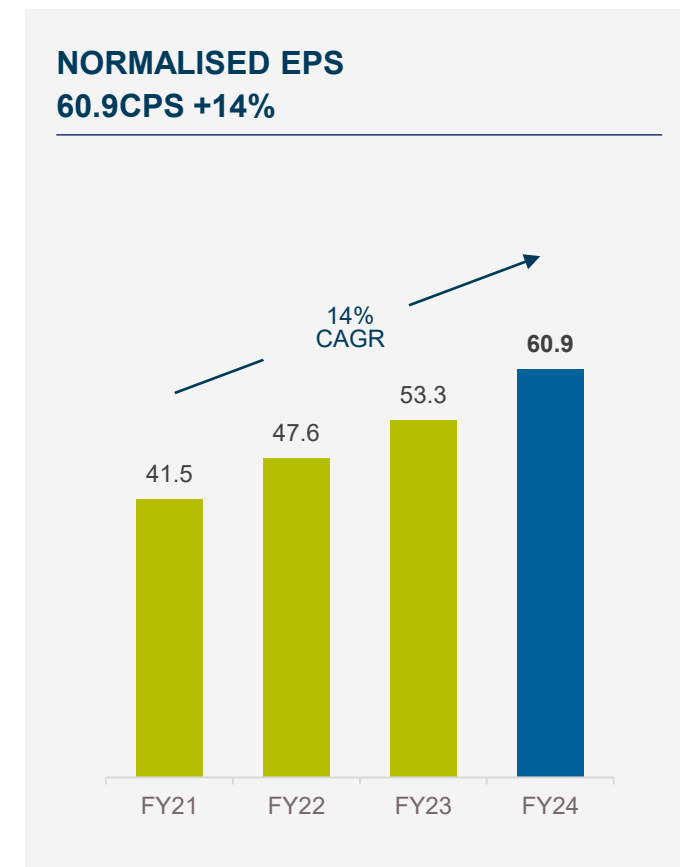
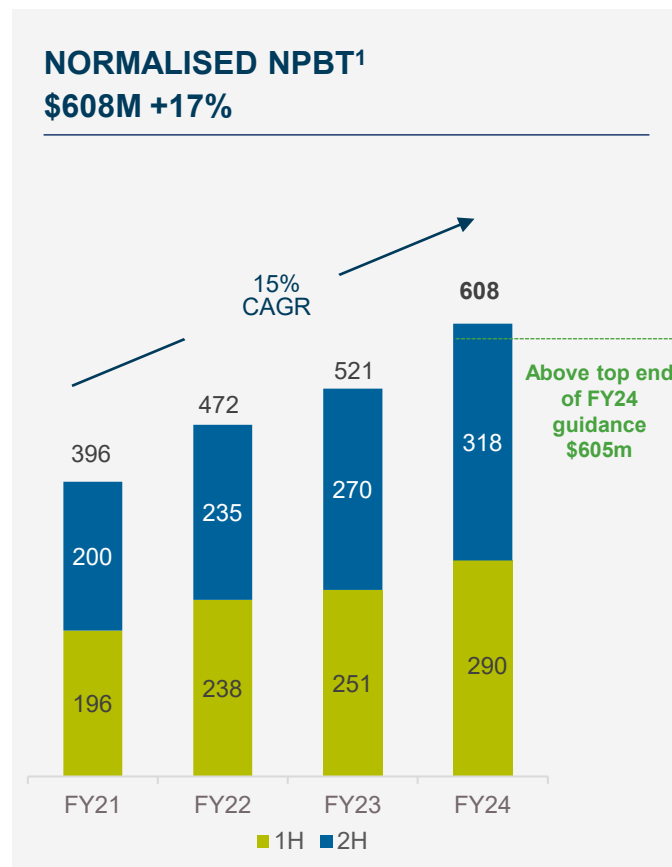
4. Book growth percentage represents net flows for the period divided by opening book value for the financial year. Book growth calculations prior to adoption of AASB 17 from 1 July 2023 have not been restated.

5. FY24 PCA ratio up 0.08x (FY23 1.59x).

Group snapshot

Profit growth supported by Life earnings and cost optimisation

| | FY24 | Change |
|------------------------------------|---------------|--------------------------|
| Net income | \$927m | 10% |
| Expenses | (\$314m) | (1%) |
| EBIT | \$613m | 17% |
| Interest & borrowing | (\$5m) | 25% |
| Normalised NPBT | \$608m | 17% |
| Normalised tax | (\$192m) | 22% |
| Normalised NPAT | \$417m | 14% |
| Asset experience | (\$89m) | 1% |
| Liability experience ² | (\$194m) | (107%) |
| Other items after tax ³ | (\$3m) | 64% |
| Statutory NPAT⁴ | \$130m | (24%)² |
| Group AUM | \$127bn | 21% |
| Normalised EPS | 60.9cps | 14% |
| Normalised ROE (pre-tax) | 15.6% | 290bps |
| Normalised ROE (after-tax) | 10.7% | 180bps |
| Dividend | 26.5cps | 10% |



1. FY24 normalised metrics exclude Discontinued Operations (Bank). Prior periods have not been restated to exclude Discontinued Operations (Bank).
 2. FY23 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 Annual Financial Report – Operating and Financial Review.

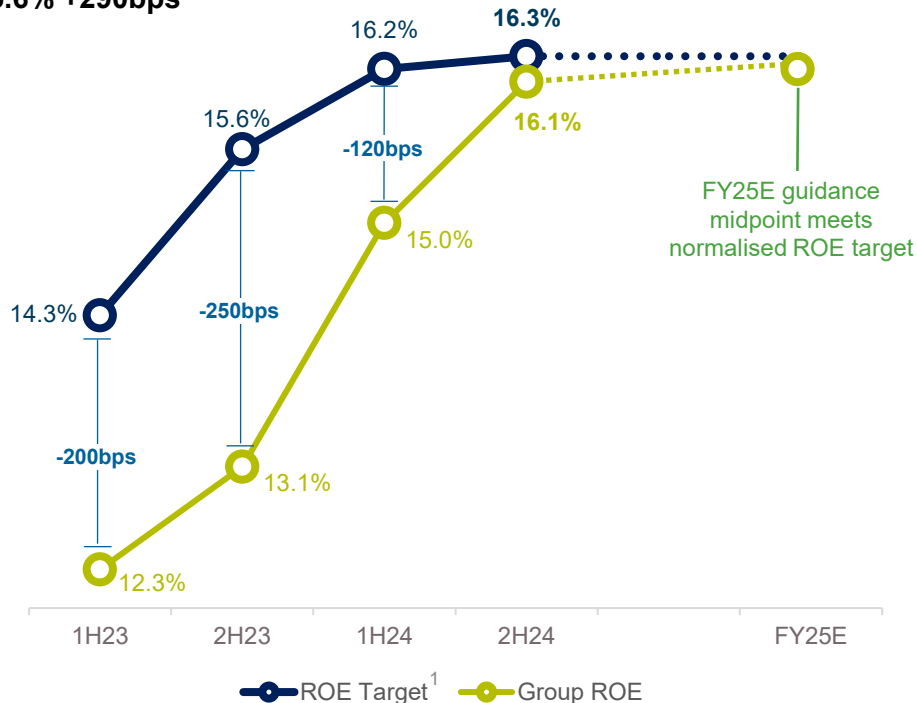
Delivering higher sustainable ROE

On track to achieve ROE target in FY25

NORMALISED GROUP ROE (PRE-TAX)
2H24 16.1% +300 BPS PCP



FY24 15.6% +290bps



ROE DRIVERS



FY24

- Strong Life performance – benefiting from longer duration sales and strong asset origination
- Expense discipline – with cost to income ratio below target

FY25+

- Continued Life momentum
- Higher Funds Management contribution
- Efficiency and scalable platform

Capital management

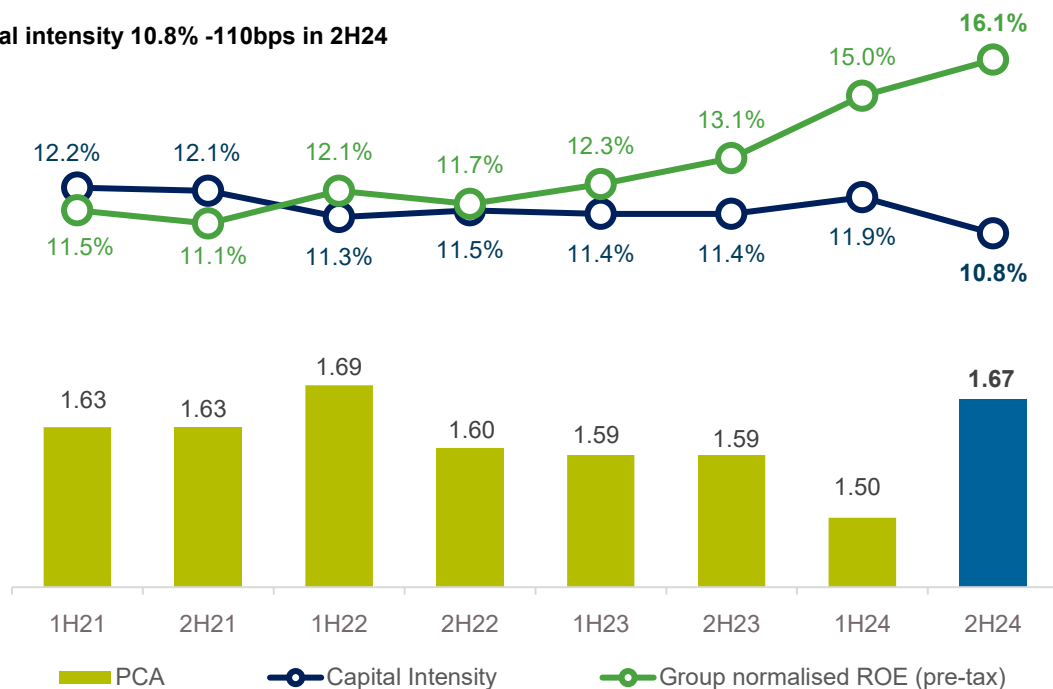
Balance sheet resilience and capital flexibility Lower PCA requirement

LIFE PRESCRIBED CAPITAL AMOUNT (PCA) RATIO^{1,2}

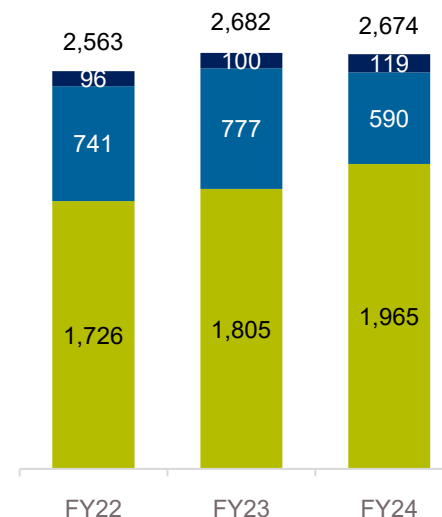


PCA ratio 1.67x +0.17x in 2H24

Capital intensity 10.8% -110bps in 2H24



LIFE PCA REQUIREMENT (\$M)



- PCA includes asset risk charge, combined stress scenario adjustment (CSSA), insurance risk charge and other³
- Investment diversification strategies reducing downside risk and driving lower CSSA
- Higher PCA ratio provides balance sheet resilience and supports future growth
- Preference to be strongly capitalised

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. 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 environment. 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. Other includes capital charges for operational risk and aggregation benefit.

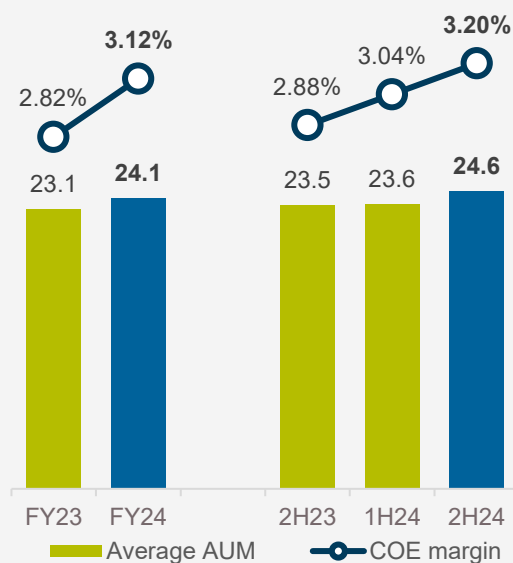
Life performance

Sales remix strategy supporting stronger returns

| | FY24 | Change |
|---|---------------|------------|
| Normalised Cash Operating Earnings (COE) | \$750m | 15% |
| Expenses | (\$116m) | 3% |
| EBIT | \$634m | 17% |
| COE margin ¹ | 3.12% | 30bps |
| Normalised ROE pre-tax | 18.5% | 340bps |
| PCA ² ratio | 1.67x | 0.08x |
| Lifetime sales | \$1.5bn | 110% |
| New business annuity sales tenor (years) ³ | 8.5 | 2.7 |
| Maturity rate ⁴ | 26% | (7pp) |

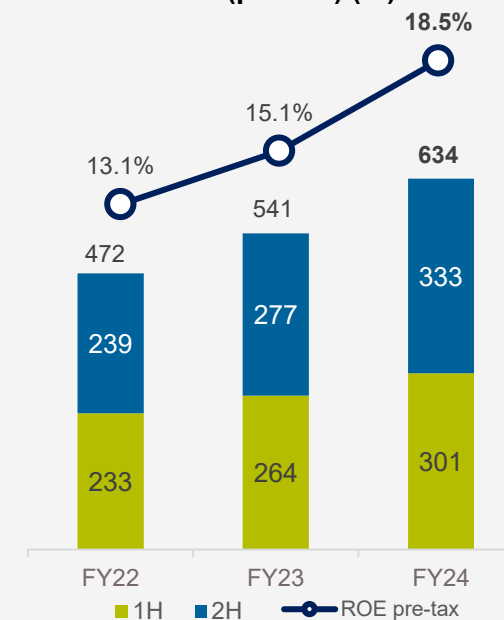
AVERAGE AUM +4% COE MARGIN +30 BPS

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



LIFE EBIT +17% ROE +340 BPS

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



1. Normalised Cash Operating Earnings (COE).

2. Challenger Life Company Limited (CLC) PCA ratio represents CLC total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount (PCA). FY24 PCA up 0.08x (FY23 1.59x).

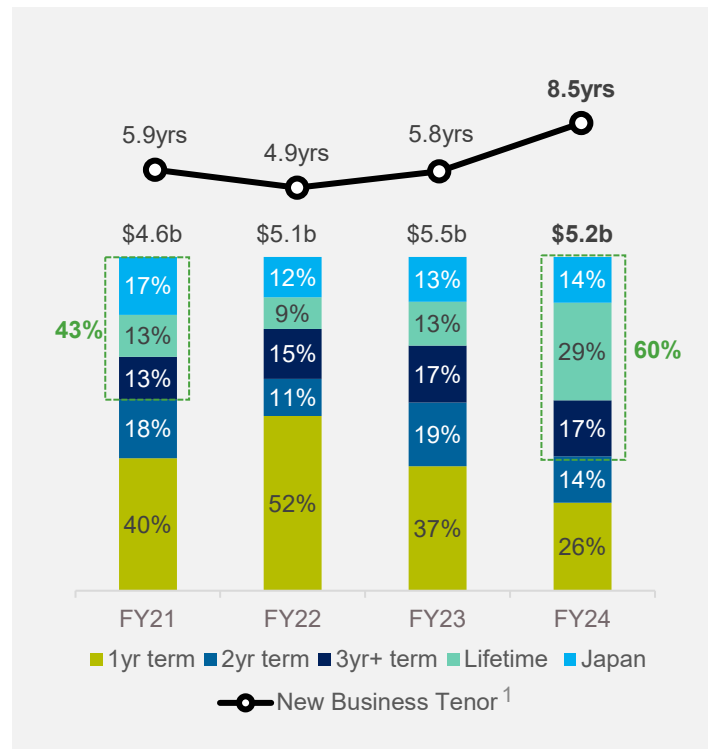
3. Based on new business annuity sales, including term annuities and Lifetime sales, excluding reinvestments.

4. Based on annuity maturities and repayments (excluding interest payments) in the year divided by the opening period undiscounted annuity liability balance.

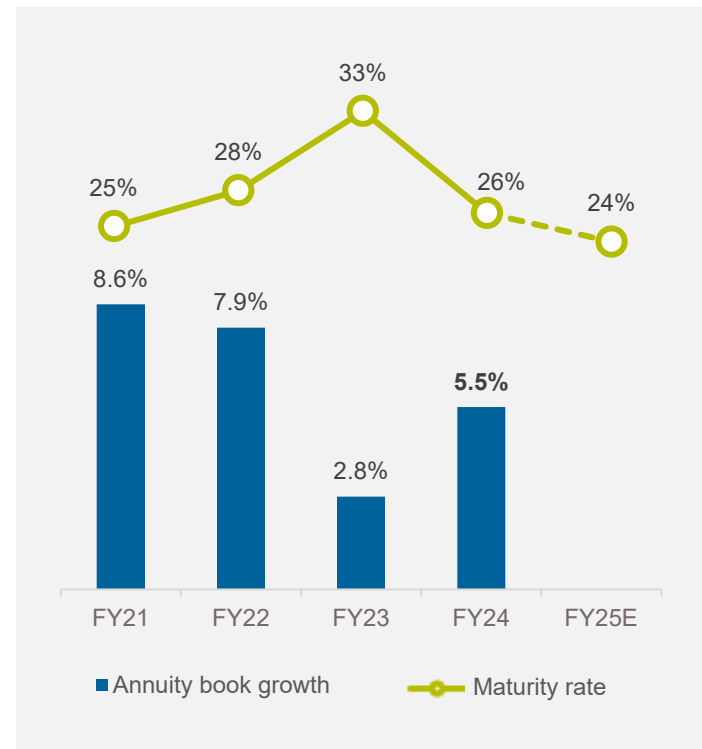
Life

Sales remix strategy supporting stronger returns

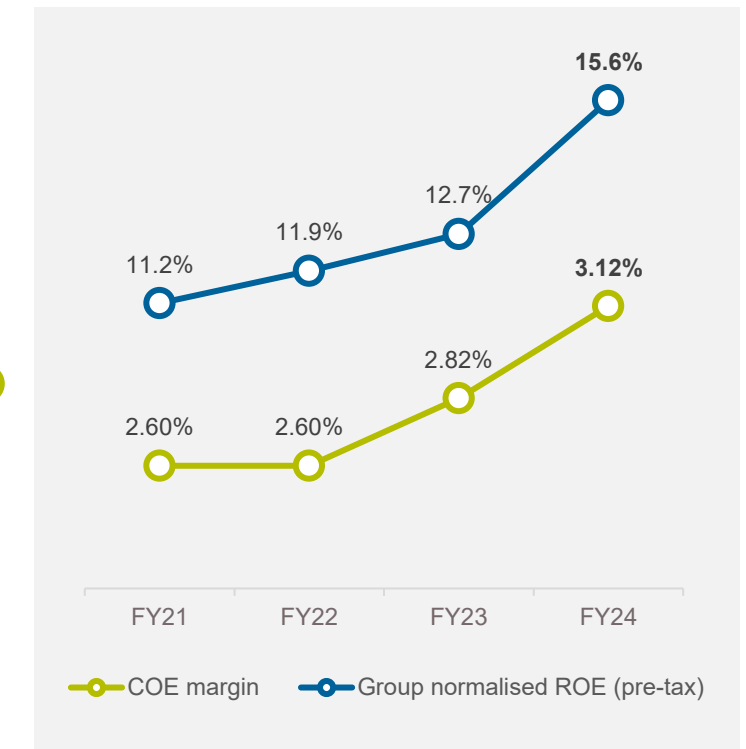
GROWING LONGER DURATION MORE VALUABLE SALES



LOWER MATURITY RATE AND SUSTAINABLE BOOK GROWTH



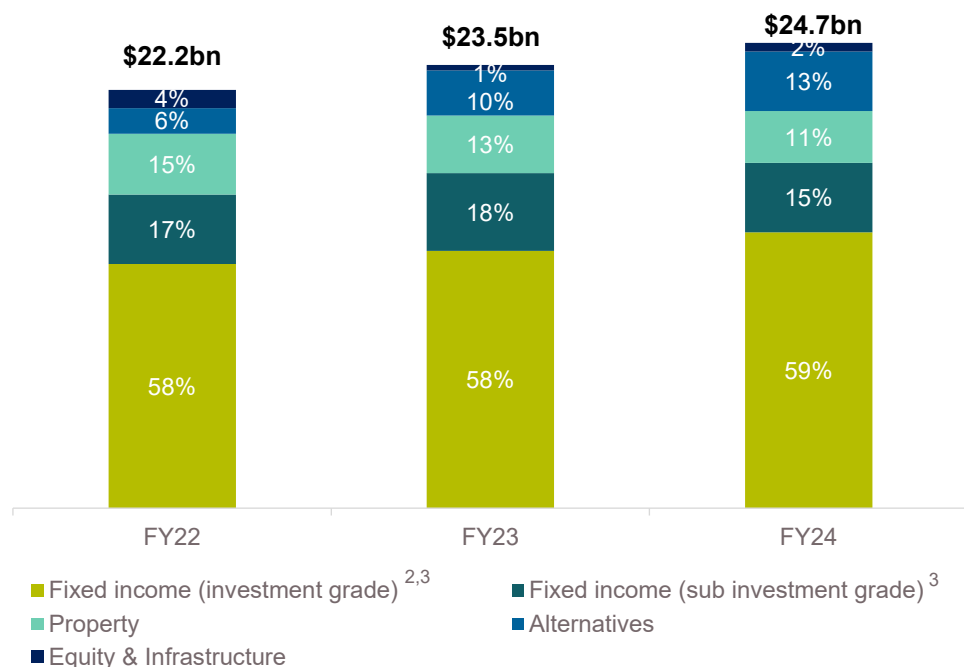
LONGER DURATION SUPPORTING HIGHER MARGINS AND RETURNS



Life investment portfolio

Diversified balance sheet providing financial resilience
No material change to asset allocation expected

LIFE AUM¹ (\$BN)



| Fixed Income | Property | Alternatives | Equity & Infrastructure |
|--|--|--|--|
| 74%, -2pp | 11%, -2pp | 13%, +3pp | 2%, +1pp |
| <ul style="list-style-type: none"> Cash and investment grade³ 80% of fixed income portfolio Weighted average credit rating 'A' Low credit defaults⁴ | <ul style="list-style-type: none"> Reduction in property valuations All properties independently valued in 2024 2 direct properties exchanged for sale at around carrying value | <ul style="list-style-type: none"> Increase in absolute return funds and general insurance exposures Alternatives less correlated to credit and listed equity markets Provides access to liquid capital | <ul style="list-style-type: none"> Equities represent beta and private equity investments |

1. All comparisons FY24 versus FY23.
 2. Includes Cash & equivalents.
 3. Investment grade represents BBB or higher.
 4. Credit default experience of -\$34m (-19bps) recognised in FY24 asset experience.

Asset experience

Strong credit performance offset by commercial office revaluations

ASSET EXPERIENCE



Asset experience (pre-tax) -\$119m

Fixed Income

290

- Tighter credit spreads
- Low credit defaults¹

Alternatives

(31)

- In-line with indices
- Defensive position to protect balance sheet in periods of stress

Equity & Infrastructure

(5)

(373)

Property

- All properties revalued in FY24
- Valuations reflect widening cap rates
- Office -15%; Retail -2%; Industrial -6%

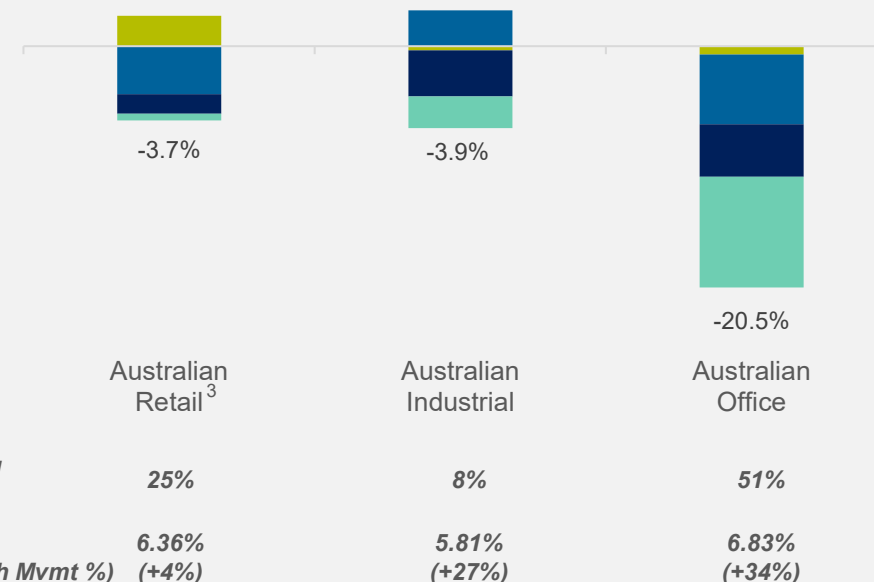


PROPERTY PORTFOLIO



Valuation changes since 30 June 2022²

■ 1H23 ■ 2H23 ■ 1H24 ■ 2H24



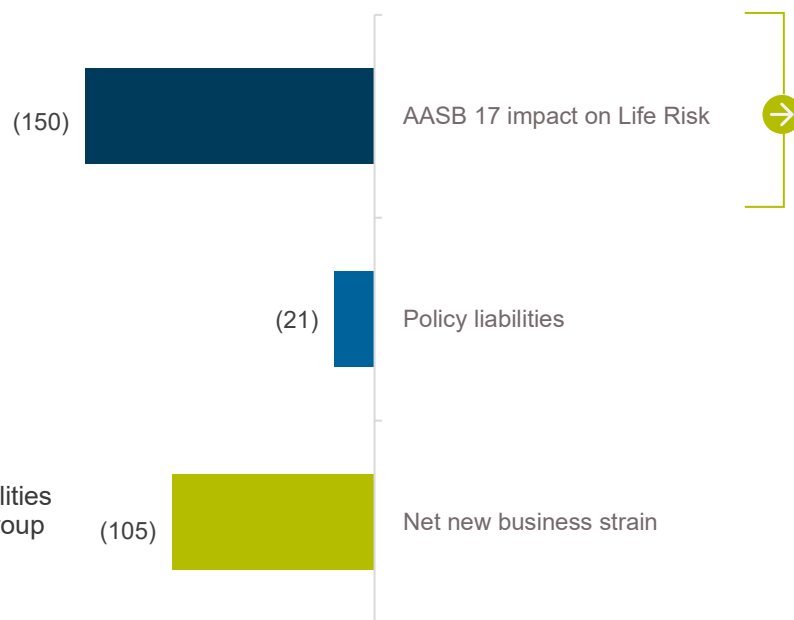
1. Credit default experience of -\$34m (-19bps) recognised in FY24 asset experience.
 2. Based on the change in the carrying value of properties from 30 June 2022 to 30 June 2024.
 3. Two assets exchanged for sale in May 2024 and July 2024.

4. Total property portfolio at 30 June 2024 includes Australian office (51%), Australian retail (25%), Australian industrial (8%), Japanese retail (12%) and Other (4%).
 5. Weighted Average Capitalisation Rate at 30 June 2024.

Liability experience

Driven by new business strain and changes in valuation of Life Risk liabilities

LIABILITY EXPERIENCE



- Illiquidity premium -\$34m
- Other movements +\$13m

- Reflects longer dated liabilities (including Aware Super group lifetime policy in 1H24)

AASB 17 IMPACT ON LIFE RISK BUSINESS -\$150M



UK Life Risk business

- Participating in well-established longevity risk transfer market since 2013
- PV¹ of Life Risk future profits \$842m at 30 June 2024 (up 24%) – not reflected in Challenger’s net assets or book value

AASB 17 impact

- AASB 17 increases variability to the value of UK Life Risk business due to a mismatch between the discount rates used to value the Contractual Service Margin (CSM) and Present Value of Future Cash Flows (PVFCF)
- The rate of UK mortality improvement has slowed relative to assumptions – this increases future cash flows and supports higher future earnings
- FY24 loss arises from the discount rate mismatch when adopting the changes in UK mortality assumptions
- No direct impact on CLC regulatory capital or PCA ratio²

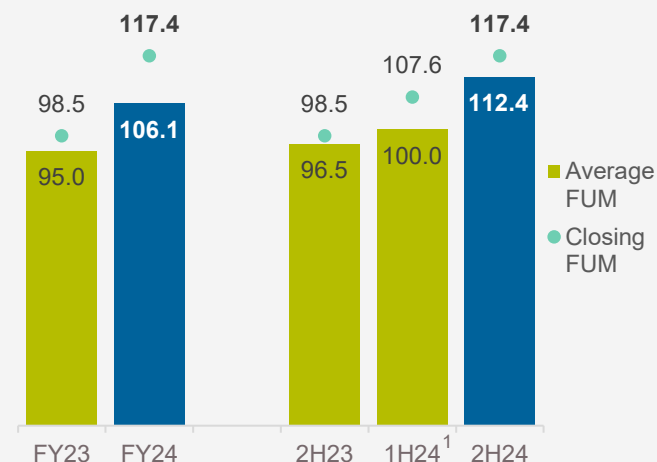
Funds Management performance

Earnings and ROE reflect change in business mix

| | FY24 | Change |
|-------------------------------------|--------------|--------------|
| FUM-based income & transaction fees | \$167m | (4%) |
| Performance fees | \$7m | 45% |
| Net income | \$174m | (3%) |
| Expenses | (\$119m) | 2% |
| EBIT | \$55m | (11%) |
| FUM-based margin | 15.2bps | (2.5bps) |
| Income margin | 16.4bps | (2.4bps) |
| ROE pre-tax | 17.8% | (390bps) |
| Average FUM | \$106.1bn | 12% |

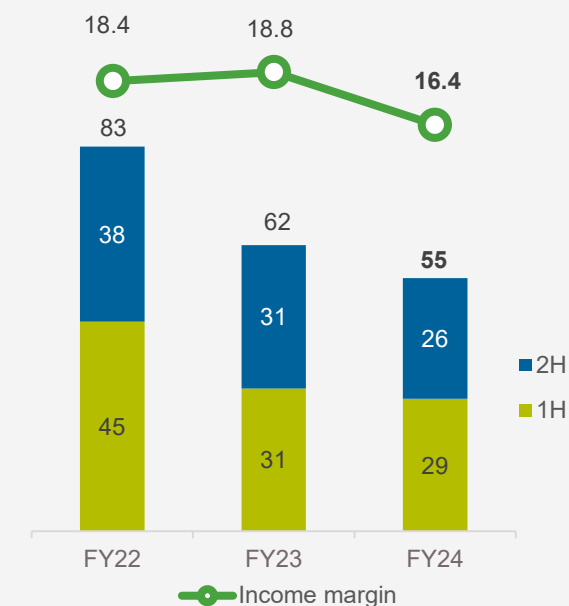
AVERAGE FUM \$106.1BN +12%

Fidante \$89bn +20%
CIM \$17bn -17%¹



FM EBIT \$55M -11%

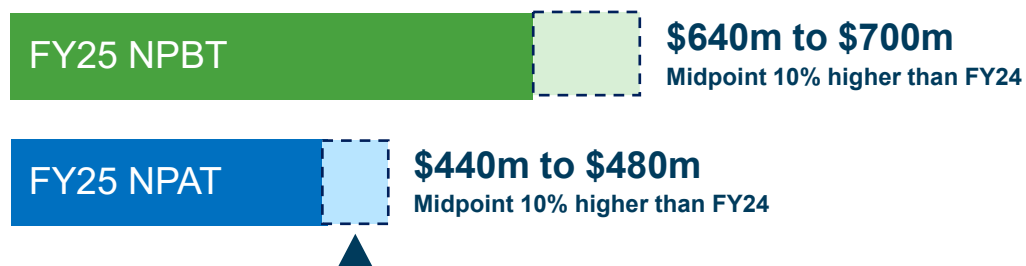
Net income -3%
Expenses +2%



FY25 guidance and targets

Strong growth and on track to achieve normalised ROE target

NORMALISED EARNINGS GUIDANCE



- Mid-point of guidance range meets normalised ROE target²
- Effective Tax Rate assumption 31.3%

THROUGH THE CYCLE TARGETS



| | |
|--|---|
| Normalised ROE RBA cash rate +12% Currently ~11.2% ¹ (post-tax) | Cost to income ratio 32% to 34% Previously 35% to 37% |
| Dividend payout ratio 30% to 50% ^{3,4} | CLC PCA range 1.30x to 1.70x ⁵ Preference to be strongly capitalised |

1. Assumes tax rate of 31.3% in FY25.

2. Assumes 16.35% being the RBA cash rate of 4.35% plus a margin of 12%.

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

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

5. Challenger does not target a specific PCA ratio. 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 environment. 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.

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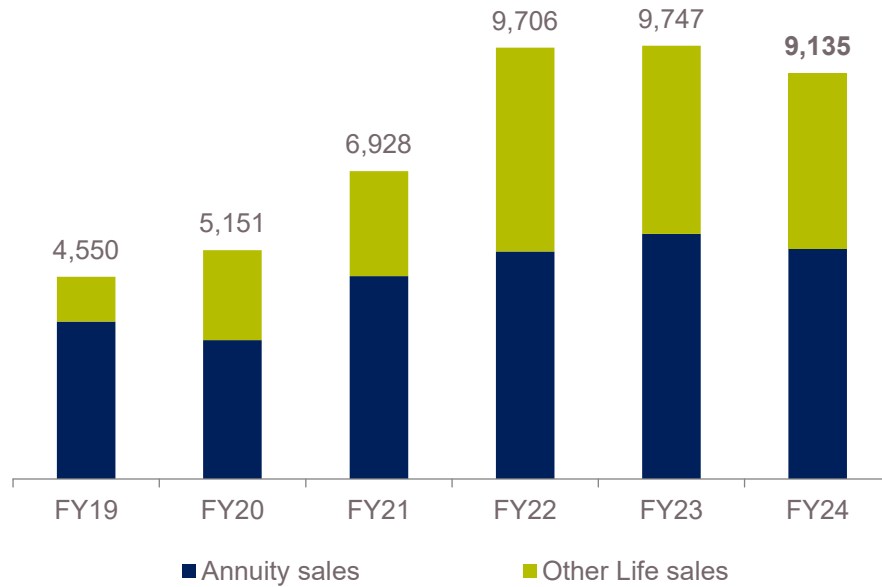
Appendix

ADDITIONAL BACKGROUND
INFORMATION

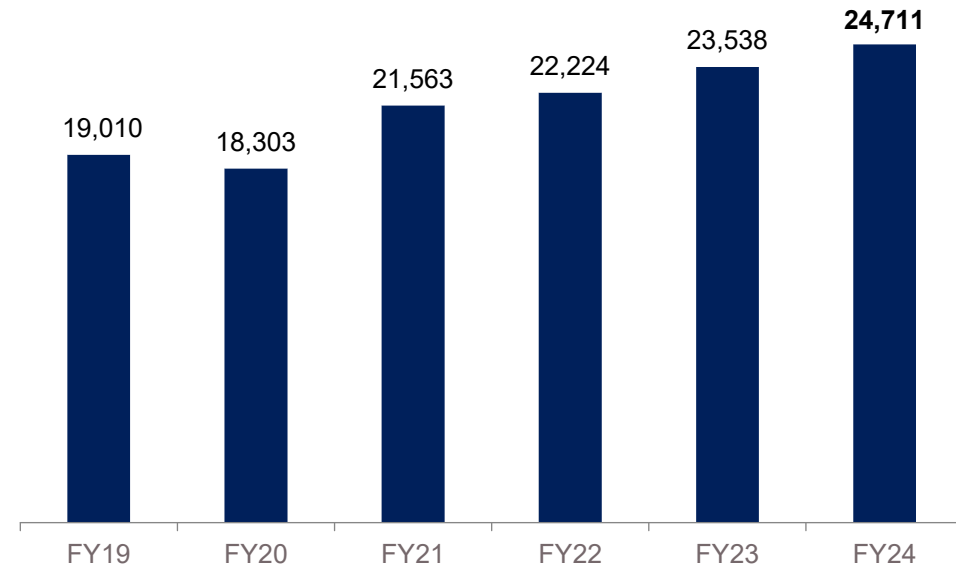
Life

Diversified distribution driving sales and AUM growth

TOTAL LIFE SALES (\$M)
15% 5-YEAR CAGR



LIFE AUM (\$M)
5% 5-YEAR CAGR



Life product overview

Providing customers with guaranteed income

DOMESTIC FIXED TERM

30% of total book¹

Provides regular guaranteed payments for a fixed rate, fixed term

Average policy size² ~\$260,000

Guaranteed Annuity

- Guaranteed rate
- Payment frequency options
- Inflation protection options
- Ability to draw capital as part of regular payment⁴
- Tax free income⁴

LONG TERM (INCL. LIFETIME)

44% of total book¹

Provides income for life

Average policy size^{2,3} ~\$250,000

Liquid Lifetime

- Payment options – fixed, indexed to inflation, linked to RBA cash rate, or indexed to markets
- Liquidity options⁴
- Tax free income⁴

CarePlus

- Designed for aged care
- Up to 100% death benefit

MS Primary

OTHER

26% of total book¹

Institutional product providing guaranteed returns

Challenger Index Plus Fund

- Institutional product providing guaranteed excess return above a chosen index
- Index Plus is available on traditional indices and customised indices

1. Based on discounted policy liabilities.

2. Average FY24 annuity policy size for a retail customer.

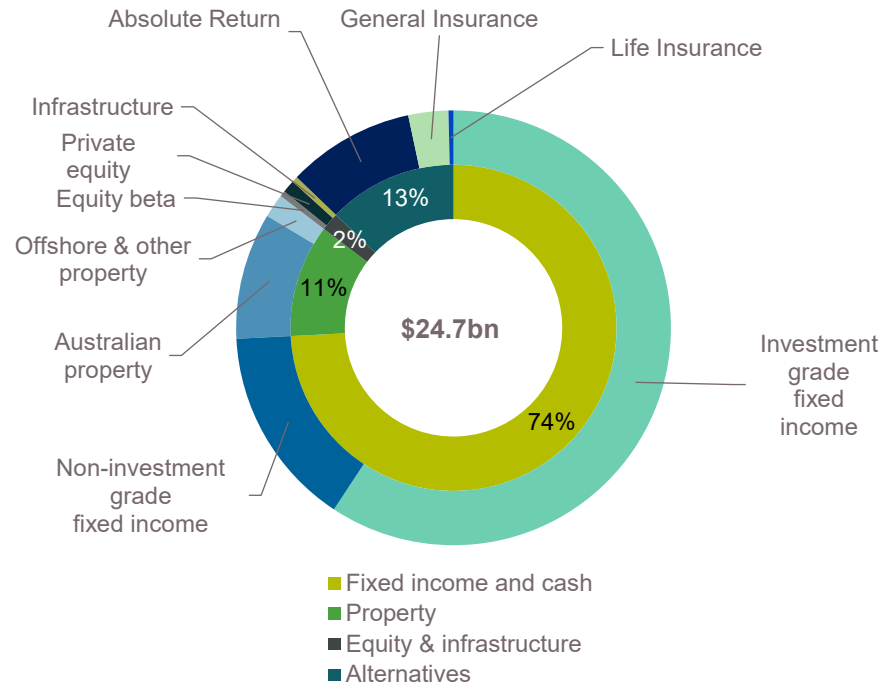
3. Average policy size for Liquid Lifetime and CarePlus retail customers and excludes MS Primary.

4. If bought with superannuation money and in retirement phase.

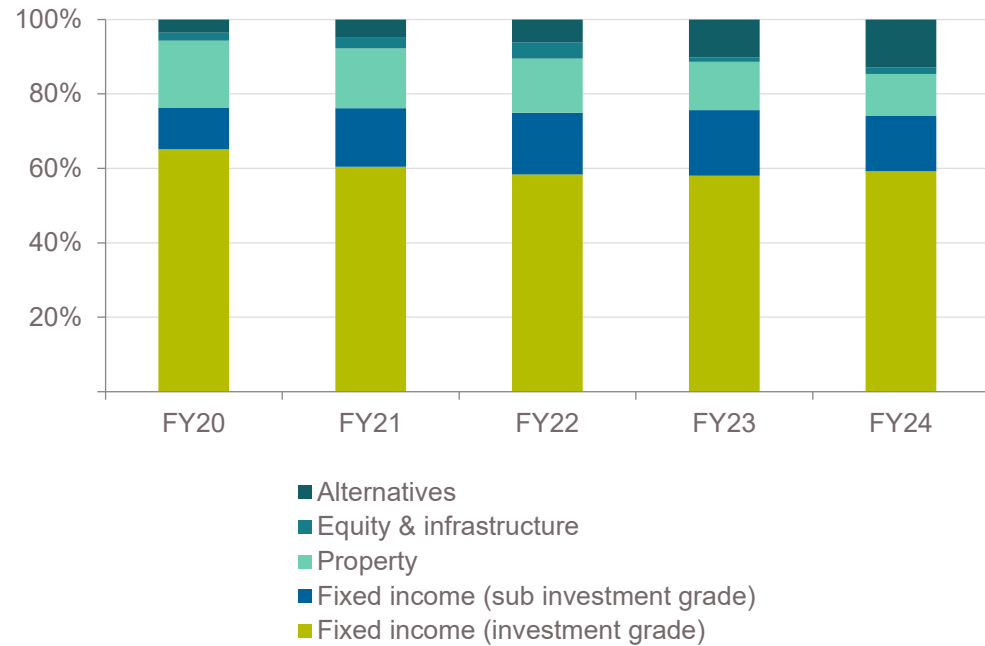
Life investment portfolio

High quality portfolio providing reliable income

LIFE INVESTMENT PORTFOLIO¹



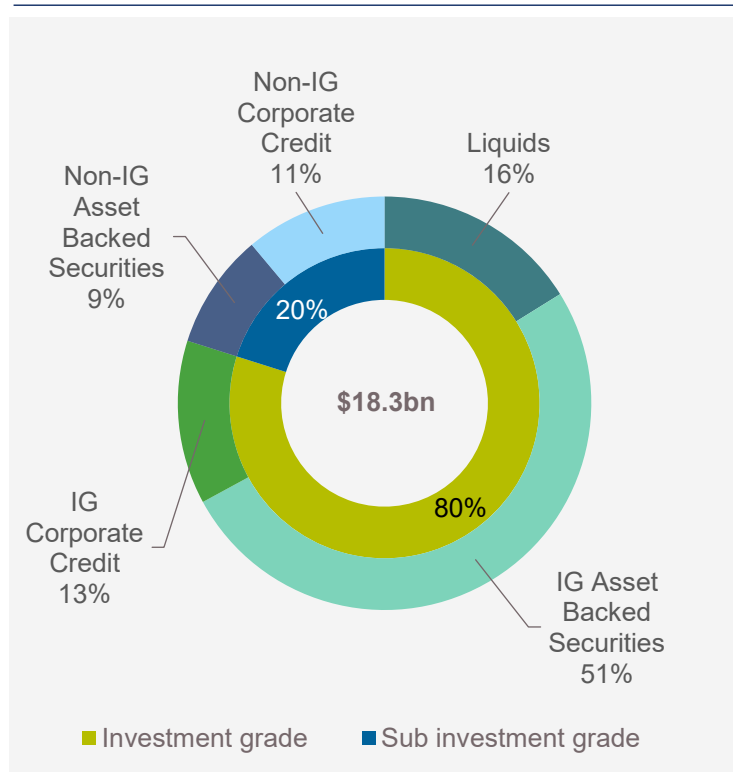
LIFE INVESTMENT PORTFOLIO – ASSET ALLOCATION



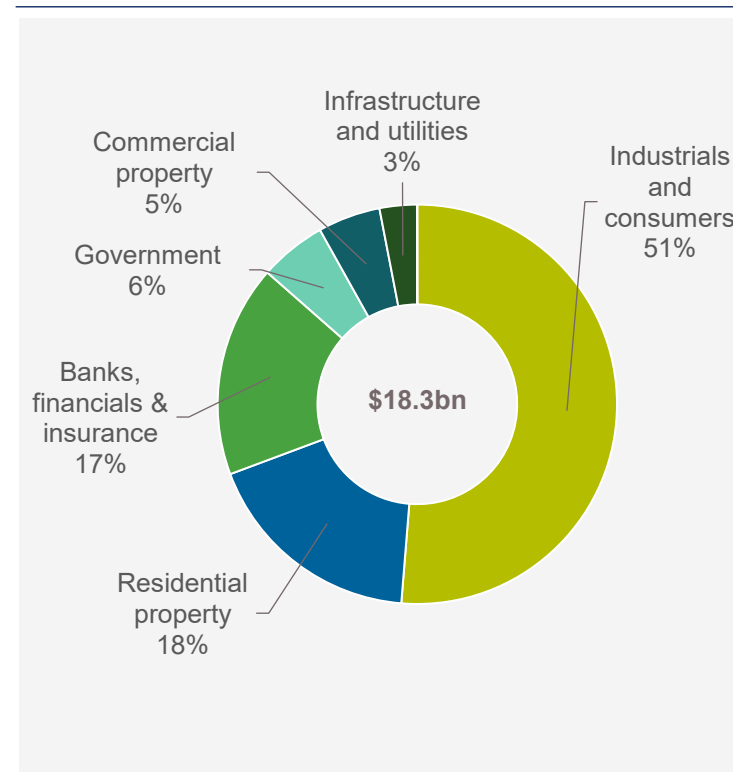
Fixed income portfolio

Represents 74% of portfolio¹ with 80% investment grade

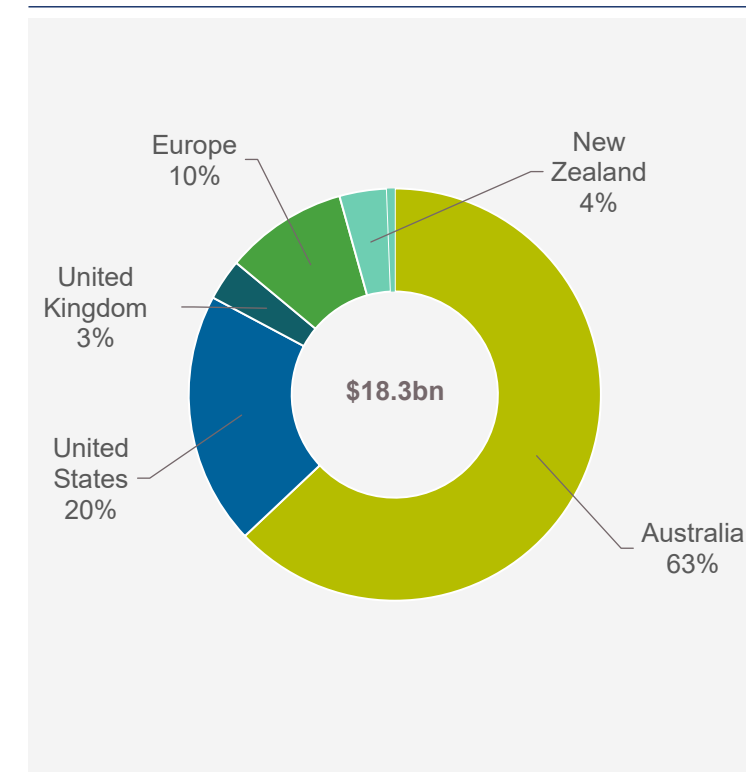
FIXED INCOME PORTFOLIO BY ASSET CLASS¹



FIXED INCOME PORTFOLIO BY SECTOR¹



FIXED INCOME PORTFOLIO BY GEOGRAPHY¹

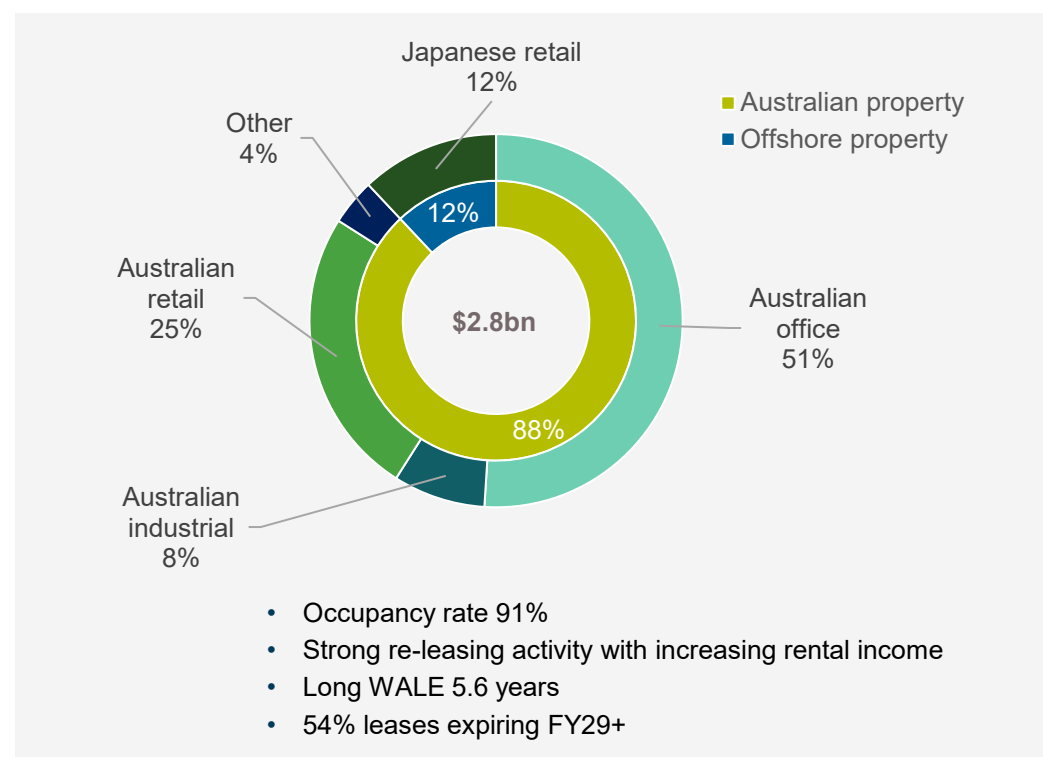


Property portfolio

Represents 11% of portfolio

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

PROPERTY PORTFOLIO¹



| Key metrics | Australian office | Australian retail ^{1,2} | Australian industrial | Japan |
|-----------------------------------|---|---|-----------------------|---------------------------------------|
| # properties | 10 | 8 | 3 | 20 |
| % of total portfolio ³ | 51% | 25% | 8% | 12% |
| Rental income | ~53% from Federal and State governments | ~50% from convenience and essential service based tenants | - | ~50% from supermarkets and pharmacies |
| WALE ⁴ | 5.4 years | 5.0 years | 6.2 years | 7.1 years |
| Average cap rate ⁵ | 6.8% | 6.4% | 5.8% | 4.8% |

1. Property portfolio as at 30 June 2024.

2. Includes Karratha, WA that was sold on 21 August 2024 and Channel Court, TAS that was exchanged for sale in July 2024.

3. 4% of Other Property not included in this table.

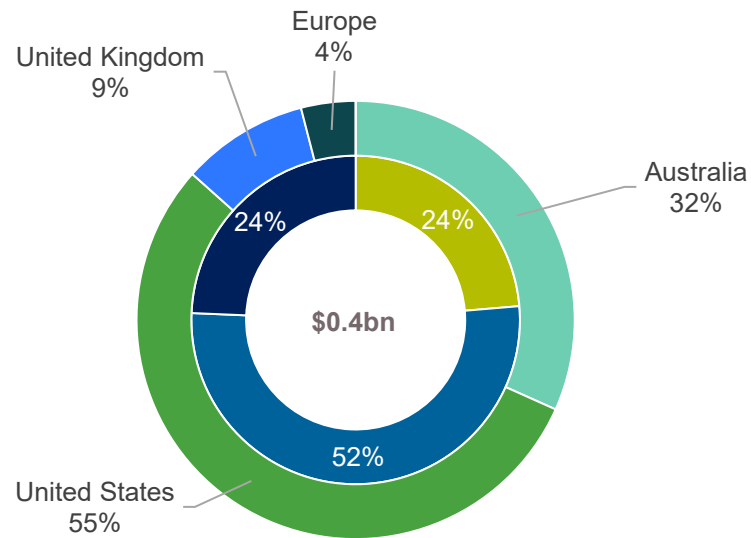
4. Weighted Average Lease Expiry as at 30 June 2024. Assume tenants do not terminate leases prior to expiry of specified lease terms.

5. The movement reflects the change in cap rates between June-23 and June-24.

Life investment portfolio

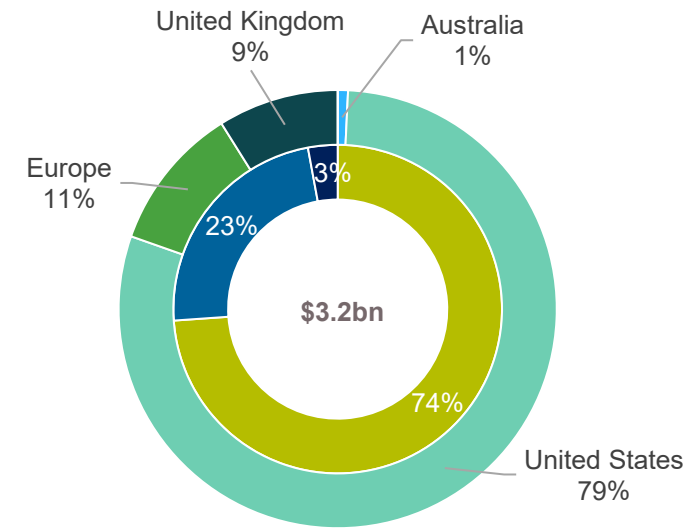
Equity and infrastructure 2% of portfolio; Alternatives 13% of portfolio

EQUITY AND INFRASTRUCTURE PORTFOLIO¹



■ Equity beta ■ Private equity ■ Infrastructure

ALTERNATIVES PORTFOLIO¹



■ Absolute return funds ■ General insurance ■ Life insurance

Funds Management

Strong FUM growth track record

FUNDS MANAGEMENT BUSINESS

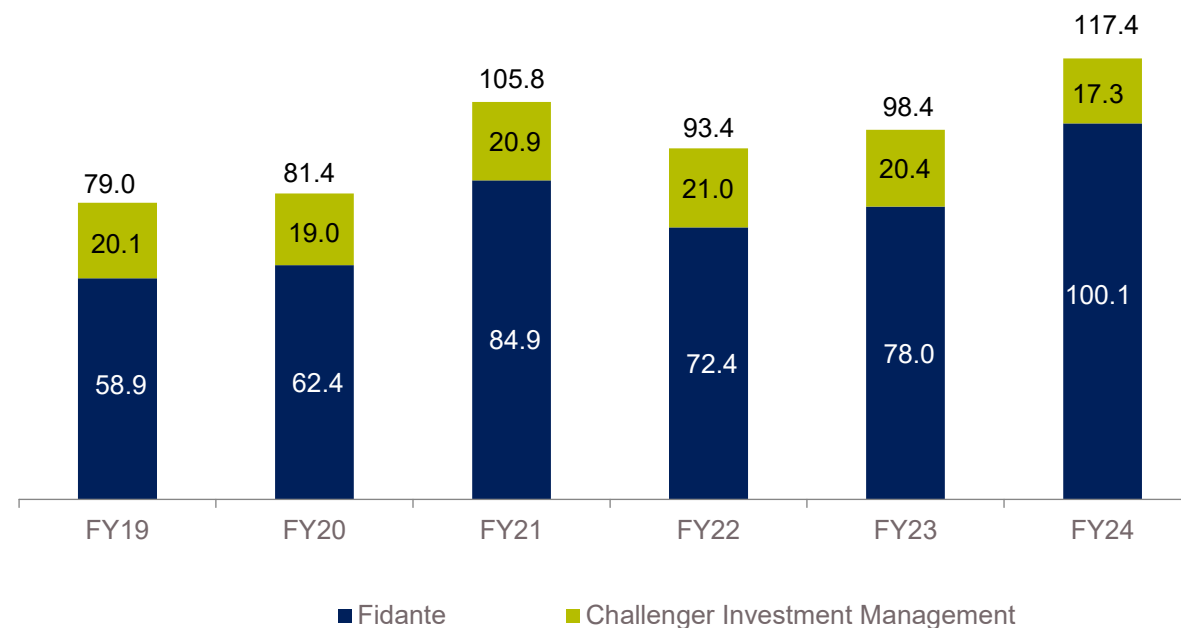
Fidante

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

Challenger Investment Management

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

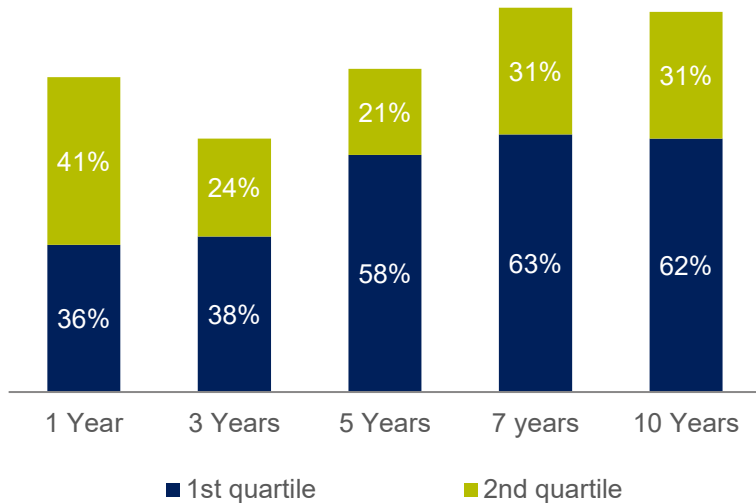
FUNDS UNDER MANAGEMENT (FUM) (\$BN) 8% 5-YEAR CAGR



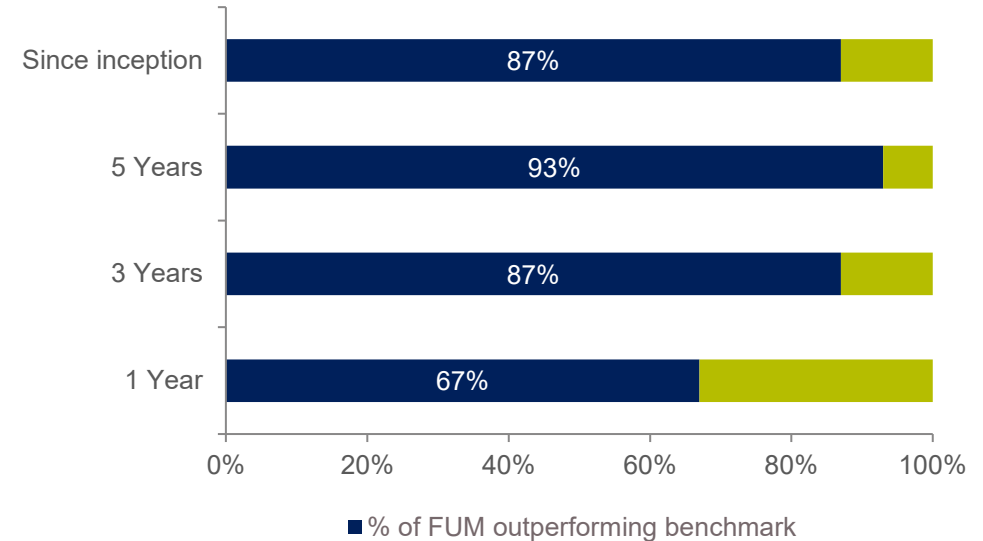
Fidante investment performance

Strong performance underpinning FUM growth

**FIDANTE PERCENTAGE OF FUNDS
1ST OR 2ND QUARTILE¹**



**FIDANTE PERFORMANCE RELATIVE TO
BENCHMARK²**



1. Source: Mercer as at 30 June 2024.
2. As at 30 June 2024. Percentage of Fidante affiliates meeting or exceeding the performance benchmark, with gross performance weighted by FUM.

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.

Challenger also provides statutory reporting as prescribed under the Corporations Act 2001.

The 2024 Annual Financial Report is available from Challenger's website at 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 Annual 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 Annual 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.