Challenger Retirement and Investment Services Limited

ACN 115 534 453

(**Trustee**)

Trustee for the Challenger Retirement Fund (**CRF** or **Fund**)

Minutes of the Annual Members' Meeting of the Fund
Held via live stream on 2 December 2024 at 1:30 pm (AEDT)

Present	Margaret Kennedy (Chair)	(Non-Executive Director of the Trustee)
	Catherine Dubé	(Non-Executive Director of the Trustee)
	Tony Bofinger	(Non-Executive Director of the Trustee)
	Lanh Nguyen	(Executive Director of the Trustee)
	Hannah Crabbe	(Company Secretary of the Trustee)
Full Attendance	Anton Kapel	(Executive Officer and Chief Executive Officer, Life, Challenger)
	Mandy Mannix	(Executive Officer and Chief Executive, Customer, Challenger)
	Louise Burns	(External Auditor and Partner, Ernst & Young)

Item 1 – Opening and Introductions

A Challenger advertisement video played on screen and the Chair declared the meeting open at 1:30 pm AEDT.

The Chair welcomed those who joined online to the 2024 CRF Annual Members' Meeting and advised that this meeting was being held online only. The Chair confirmed that a quorum was present.

The Chair introduced her fellow Trustee directors, auditor and members of CRF's executive team joining the meeting.

The Chair explained procedures for asking questions during the meeting and for receiving assistance if technical issues arise with the online platform.

Item 2 – Chair's Address

The Chair spoke to the following matters:

- There is an increased need to provide Australians with financial confidence in retirement due to factors such as higher cost of living and market volatility.
- The implementation of effective regulatory reform is required to address this 'retirement challenge', including reforms relating to the retirement phase of superannuation and financial advice for older Australians.
- Two member surveys commissioned during the year showed that pension members initially invested into the Fund because they wanted security of regular income and most members now feel financially secure. The survey results support the Fund's objective to provide members with a guaranteed rate of return so that members can plan for their retirement with certainty.
- The Fund has continued to provide members with known outcomes during uncertain times through their fee-free range of products, access to Challenger Life guaranteed products, and improved member experience and awareness of available options.

Mr Anton Kapel spoke to the following items by way of update on the Challenger and Challenger Life businesses:

- Normalised net profit before tax was $608 million, an increase of 17% on the previous year and the top end of Challenger's guidance range.
- Assets under management was $127 billion, an increase of 21% on the previous year and was driven by Challenger Life book growth and Funds Management net flows.
- There were also strong Life sales especially in longer term and lifetime annuity sales.
- Challenger has $1.8 billion of capital in excess of APRA's minimum requirement, equating to a PCA ratio of 1.67 times. This important figure ensures the resilience of the Challenger business as well as supporting future growth.
- Challenger has executed its growth strategy across three strategic pillars: retirement leader, investment excellence and talented team & capability.
- This year, Challenger has achieved the following:
    - Commenced a replacement of the Life business' customer technology, which will change how Challenger engages with current and future customers;
    - Developed retirement income partnerships with superannuation funds;
    - Continued to expand training activity with advisers, particularly in relation to Lifetime and CarePus aged-care products;
    - Extended its partnership with MS Primary for another five years; and
    - Continued investing in and strengthening its brand, for example with its partnerships with the PGA and the Melbourne International Flower and Garden Show.
- Challenger has also recently announced that State Street will provide its investment administration and custody services, which will support Challenger's growth strategy and accelerate towards a highly scalable investment administration platform.

Item 3 – Questions and Answers

The Chair introduced the next item, which was responses to member questions, including pre-polled member questions taken before the meeting and answers to commonly asked questions.

The first question related to Challenger's views on the government's focus on the retirement phase of the superannuation system.

The Chair outlined the regulatory background for this question and noted that the government released a discussion paper in December 2023 seeking views on how the superannuation industry, government and the community can help Australians make the most out of their super during retirement.

The Chair responded to the question by describing Challenger's position as follows:

- Challenger strongly supports the government's work to enhance Australia's superannuation system and supports many of the concepts that the government raised in their paper, including the need for Australians to have better access to information, advice and well-rounded retirement income products.
- The Fund's retirement income strategy (which is available on the Challenger website) already largely addresses the main issues raised in the government's paper such as:
    - In relation to the need for Australians to have better access to information and advice, the Fund's strategy is largely based on education, with the purpose of helping members understand their choices regarding their current or future retirement, and to assist members with improving their outcomes throughout retirement.
    - In relation to the need for Australians to have better access to well-rounded retirement income products, the Fund's strategy is based on the idea that a combination of income streams can help members maximise their retirement income, manage risks and provide flexible access to members' money. The Fund's products provide a guaranteed lifetime income stream which work alongside an account-based pension.
- Challenger submitted their views to the government in February 2024 with recommendations and a copy of this submission can be found on the Challenger website.

The second question was about whether electronic communications would be extended for more communications to members in the future. The Chair answered this question by noting that:

- The Challenger Life business' customer technology replacement project is due to be rolled out at the end of the 2025 financial year and aims to build a simple and customer-centric digital experience, and provide key self-servicing capability for customers and advisers.
- Once the project completes, members will:
    - have an increased ability to manage their investment and update their details online;
    - receive email confirmations for maturity reinvestments and withdrawals; and
    - 2-factor identification.

To best prepare these for these changes, the Chair reminded members to ensure their contact details were up to date.

The moderator advised the Chair that there were no further questions.

Item 4 – Closing

The Chair thanked members for their attendance and declared the meeting closed at 1:49pm AEDT.

Margaret Kennedy
Chair of board of directors of the Trustee

Date: 19 December 2024