

MARKET RELEASE

WHITEHELM CAPITAL TO LAUNCH WITH \$4 BILLION OF FUNDS UNDER MANAGEMENT

17 April 2014, Sydney – Challenger Limited (ASX:CGF) and Access Capital Advisers (ACA) will merge their infrastructure investment operations from 1 July 2014 to create a new boutique infrastructure business called Whitehelm Capital (Whitehelm).

Whitehelm will have \$4 billion under management and 48 employees in London, Sydney, Singapore, and Canberra.

Whitehelm director - designate and Challenger executive Phil Peters said: "Whitehelm's aim is to become a leading manager of core infrastructure assets like regulated utilities, toll roads and airports. It will be capable of sourcing, structuring and arranging investments across the capital structure in Australia, Asia, Europe, North America and South America".

Whitehelm's interim CEO and ACA executive Graham Matthews said "The merger will allow us to better serve our existing clients through scale and combined expertise.

"The world's retirement savings funds will continue to be a major source of private funding for this asset class, particularly as members move into the pension phase which requires long-term reliable cash flows to match liabilities.

"Infrastructure investing is a scale business in every sense of the word. We are excited by this growth opportunity and believe our investors will immediately benefit from a broader range of potential assets and investment structures" Matthews said.

The merger is fully scrip based, with Graham Matthews and ACA's Tom Snow remaining fully invested in the combined business, each retaining a 23% stake. Twenty four percent of Whitehelm's shares will be owned by other senior managers, bringing the total staff shareholding to 70% of the firm.

Challenger's Fidante Partners boutique funds management business will hold the remaining 30%, in keeping with its philosophy of alignment through ensuring majority ownership remains with investment principals. Fidante Partners will also provide marketing and distribution services to the new firm, which will become its fifteenth boutique and first infrastructure investment manager.

Further enquiry: Stuart Kingham, Head of Investor Relations, Challenger Limited, 02 9994 7125
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Challenger's infrastructure operations are currently part of Challenger Investment Partners, which manages listed and unlisted equity and debt. It includes a 50% stake in Challenger's joint venture with Mitsui & Co. (the Emerging Markets Infrastructure Fund), individual management agreements with various super funds, and an IMA with Challenger Life in relation to a range of infrastructure investments.

Access Capital Advisers is one of Australia's oldest operating infrastructure advisory and management businesses, with direct investment in 25 assets around the world. ACA pioneered the bespoke separate managed account concept which provides tailored portfolio construction and investment solutions to its clients, who include Australian and European pension funds.

Egon Zehnder has commenced a global search for the firm's Chief Executive Officer.

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