



challenger 

Financial Results **2023**

15 August 2023



ACKNOWLEDGEMENT OF COUNTRY

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.

Overview

Successful execution of growth strategy delivering record annuity sales



1. Business and strategy update

Nick Hamilton – Managing Director and Chief Executive Officer



2. Financial results

Alex Bell – Chief Financial Officer



3. Outlook

Nick Hamilton – Managing Director and Chief Executive Officer



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Business and strategy update



Nick Hamilton
Managing Director & Chief Executive Officer

Key points

Successful execution of growth strategy delivering record annuity sales



Strong FY23 financial performance

- Record annuity sales and tenor extending
- Earnings top half of guidance range



Leading Australian franchise

- Fully integrated retirement income and asset management capabilities
- Uniquely positioned to play a leading role in development of retirement income market



New and emerging channels

- Retail direct
- Annuities in platform
- Defined benefit de-risking opportunities
- Institutional retirement partnerships



Leveraging strategic partnerships

- Extending MS Primary reinsurance arrangement



Strong financial performance

Successful execution of growth strategy delivering record annuity sales
Earnings top half of guidance range



Normalised NPBT

\$521m

▲ 10%

Top half of guidance range
Expenses in-line with guidance

Group AUM

\$105bn

▲ 6%

▲ Life AUM 6%
▲ FM FUM 5%

Group ROE (pre-tax)

12.7%

▲ 80 bps

▲ Life +200bps
▼ FM and Bank

Dividend

24.0 cps

▲ 4%

In-line with payout policy

Statutory NPAT

\$288m

▲ 13%

Includes investment
experience -\$68m

Life sales

\$9.7bn

Record annuity sales

Retail annuity sales +53%

CLC PCA ratio¹

1.59x

▼ 0.01x²

1. Challenger Life Company Limited (CLC or Challenger Life) PCA ratio represents CLC total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount (PCA).
2. Down 0.01 times from 1.60 times at 30 June 2022.

Operational highlights

Delivering for our customers, employees and community



Customers



~\$6bn

Payments made to customers¹



Top 25

Of the largest superannuation funds are clients²



93%

Brand leader in retirement income³



Employees



89%

Diversity and inclusion score⁴



83%

Employees recommend Challenger as a great place to work⁴



Launched new Employee Value Proposition



Community



5

Investment managers with sustainable offerings⁵



Australian Academy of Technological Sciences and Engineering (ATSE) partnership to support Indigenous leadership



Advocate for reforms that improve financial security for retirees

1. FY23 annuity interest and capital payments.

2. Based on total assets held by trustee, quarterly My Super statistics as at 31 March 2023, APRA.

3. Marketing Pulse Adviser Study June 2023 based on (% agree / strongly agree).

4. 2023 Your Voice Survey, April 2023.

5. Alphinity, Resonance, Proterra, Cultiv8, Impax Asset Management.

Leading Australian retirement franchise

Fully integrated retirement income and asset management capabilities

Uniquely positioned to play a leading role in development of retirement income market

challenger 

#1 Australian retirement income business¹

- 26 years offering annuities
- Experts in retirement
- Balance sheet solutions

 **fidante** challenger 

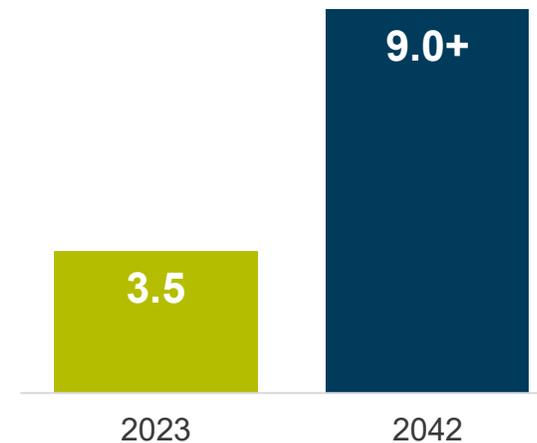
#3 Largest active manager²

- Leading multi-affiliate platform
- Leading origination capability
- Exceptional distribution footprint

World class superannuation system

Growing super system

Australian superannuation assets^{3,4} (\$tn)



Significant retirement savings

5th largest global pension market⁵

Ageing population

4m Australians in retirement⁶

Increasing longevity

5th Australian life expectancy now fifth highest in the world⁷

Regulatory support

 Retirement Income Covenant
Quality of Advice Review
Objective of superannuation

1. Plan for Life – March 2023 – based on annuities under administration.

2. Calculated from Rainmaker Roundup, March 2023 data.

3. APRA Quarterly Superannuation Performance as at March 2023.

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

5. Thinking Ahead Institute Global Pension Assets Study 2023.

6. Australian Bureau of Statistics, people age 66 and older as at June 2022.

7. Australian Bureau of Statistics, Institute of Health and Welfare.

Annuity growth accelerating

Record FY23 annuity sales
Maturity rate declining from FY24



Very strong annuity sales growth

- Demand for guaranteed income increasing
- Best customer proposition in last 10 years¹
- Retail annuities up 53% in FY23



Maturity rate declining

- Remixing sales to higher margin longer duration business
- 74% new business annuity sales 2+ years (FY22 50%)²
- Material benefit from increasing Lifetime sales

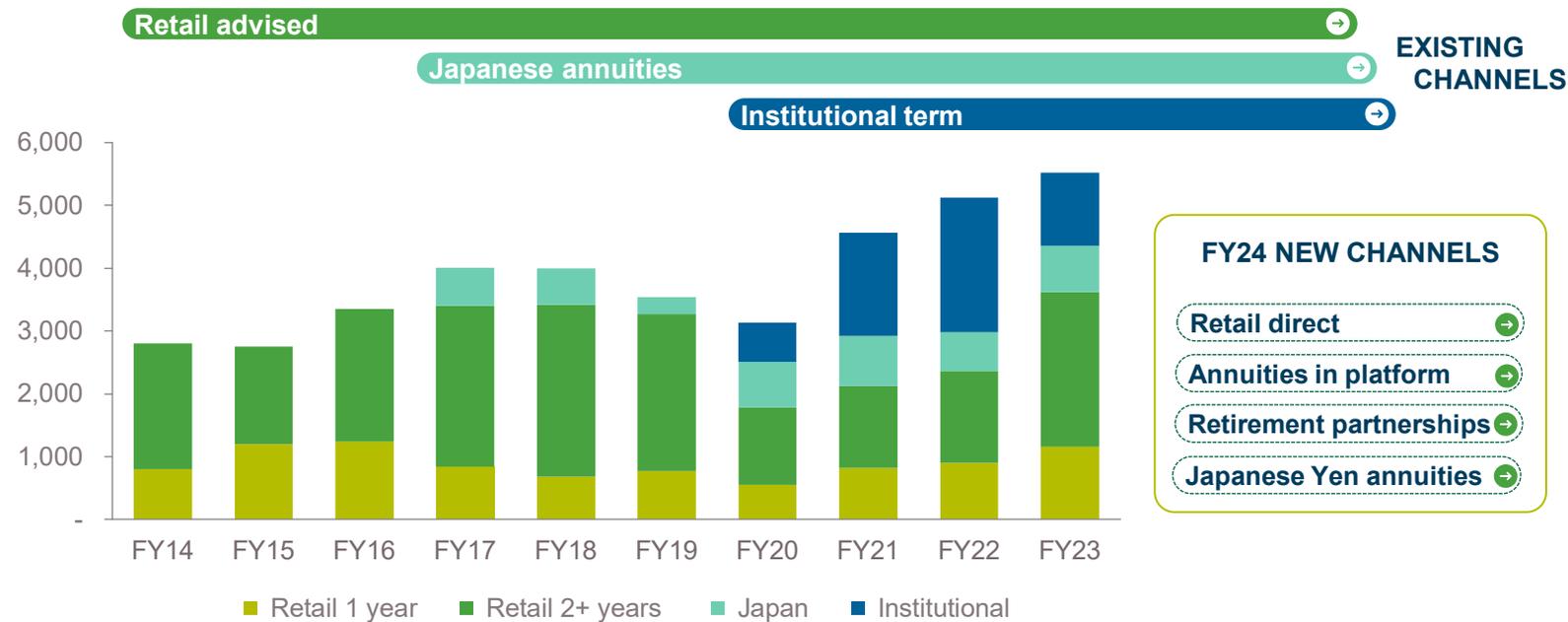
1. 3-year annuity rate reached 5.55% in July 2023, the highest level in the last ten years.

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

New and emerging channels in FY24

Supporting ongoing growth

Annuity sales (\$m)



★ **New and emerging channels to broaden customer access and support sales growth**

📱 **Retail direct** – retail customers can buy a simple fixed term annuity online in under 10 minutes

🏠 **Annuities in platform** – advisers can ‘switch’ to purchase term annuities within an account-based pension

👥 **Retirement partnerships** – supporting institutional clients to deliver retirement proposition to their members

🤝 **Extending MS Primary reinsurance relationship**

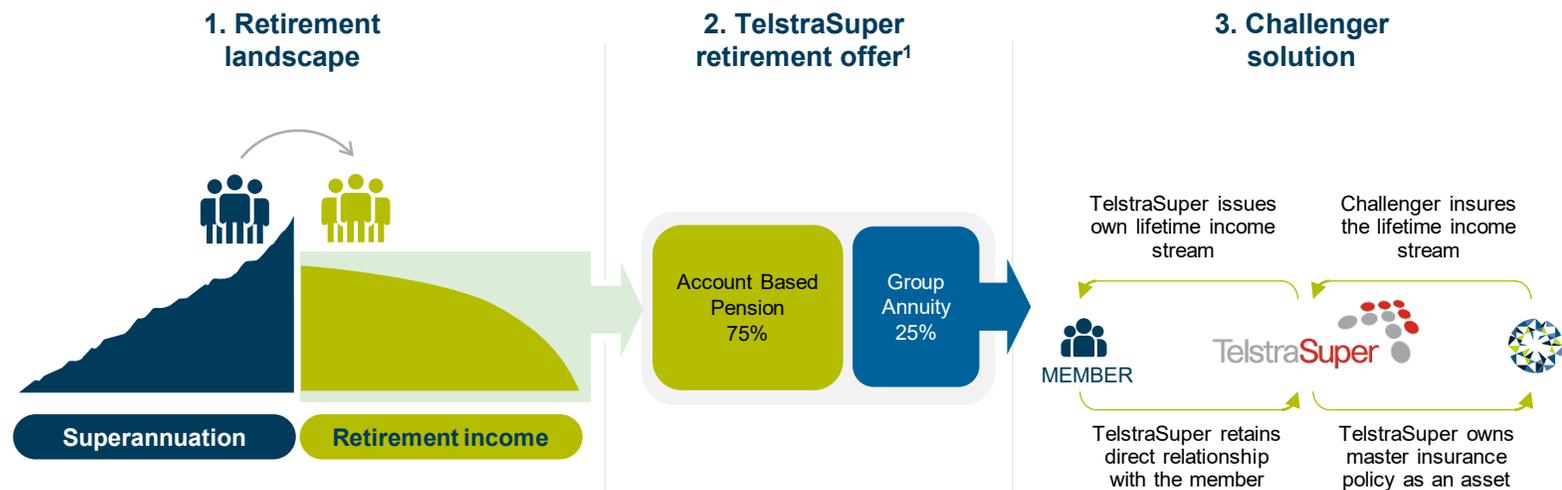
Retirement partnerships

TelstraSuper retirement partnership Providing lifetime income streams to their members



- First fund to launch a comprehensive retirement income solution – in partnership with Challenger
- Available to TelstraSuper members via existing and new TelstraSuper channels
- Advisers to help retiring members move into a retirement income solution (which includes a Challenger lifetime annuity)
- Regular lifetime annuity sales for Challenger
- Commencing 1H24

Partnership Retirement Solution



1. All information presented is illustrative and general in nature, it is not considered personal advice.

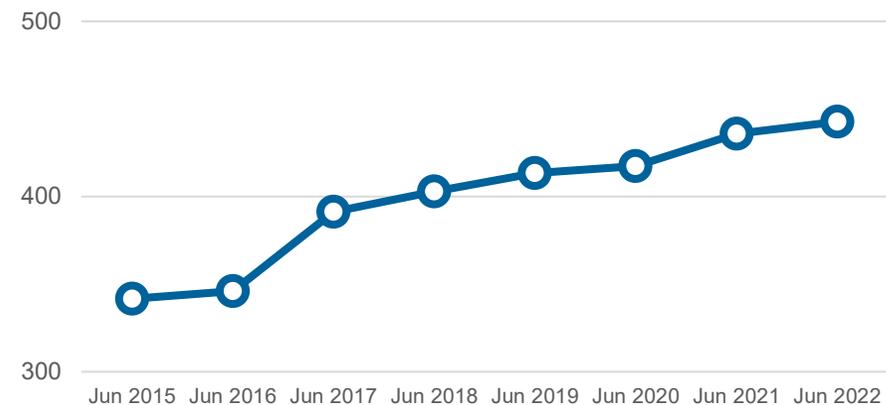
Retirement partnerships

Aware Super defined benefit partnership \$0.6bn of lifetime annuities in 1Q24



- Aware Super defined benefit (DB) de-risking partner
- \$619 million life policy de-risking fund's lifetime pension liabilities
- Commenced 31 July 2023
- Supports Challenger strategy to increase tenor of liabilities
- **Challenger uniquely positioned to support funds actively seeking to de-risk liabilities**

Growing defined benefit liabilities (\$bn)¹



Australian DB liabilities ~\$443bn at June 2022²

Pension liabilities account for ~45% of total DB liabilities³

Broad range of DB sponsors

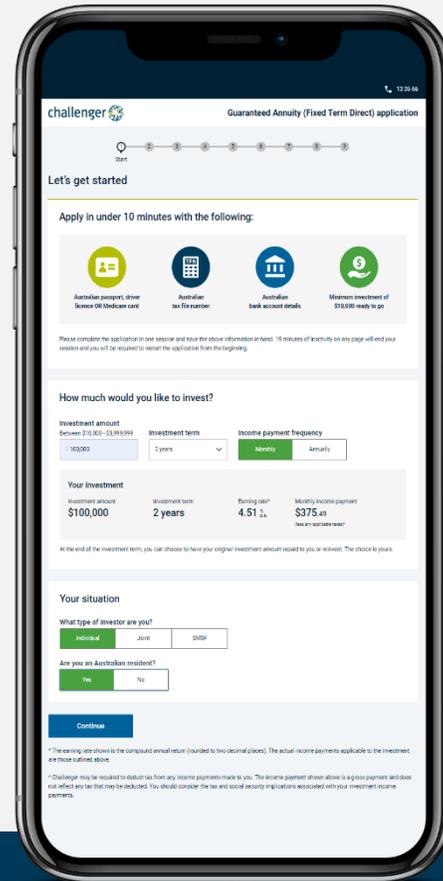
1. Source – APRA fund level statistics 2022.

2. APRA Superannuation Bulletin June 2015 to June 2022, table 6, Total Superannuation assets and liabilities.

3. Estimated based on data from the APRA Annual Fund-Level Superannuation Statistics Back Series June 2004 to June 2021 and data from publicly available Actuarial Reports. This estimate includes government pension schemes.

Retail direct

New digital access allowing customers to buy simple term annuities online



Fixed Term Direct – Smart application



New online direct channel

- Responding to customer preference to invest directly
- >50% of older Australians perform online banking at least once a week¹



Greater process efficiencies

- Replaces existing paper-based process
- Reducing cost-to-service



Customer demand

- Term annuities a substitute for term deposits
- Best customer rate proposition in last 10 years²

1. National Seniors Australia, Older Australians' digital engagement in turbulent times, March 2022.
2. 3-year annuity rate reached 5.55% in July 2023, the highest level in the last ten years.

Funds Management

Unique mix of brands and strategies supporting better customer outcomes

Strategies and asset classes¹

New in last 5 years



Expanding range of structures

ETFs

alphinity

ARDEA

Kapstream

Enabling more self-directed investors

Access fund

APOLLO

ARES

Democratising alternative assets

UCITS / AIFs

PROTERRA

PATRIZIA

ARDEA

OX CAPITAL

Accessing offshore investors

Cayman

ARDEA

1. Funds Under Management (FUM) as at 30 June 2023.

Leveraging strategic partnerships

Working with strategic partners to support growth

STRATEGIC



Japanese distribution

- Expanding reinsurance arrangement to include Yen denominated annuities
- Investment management – real estate and fixed income mandates



Global alternative asset management

- Exclusive local distributor of the Apollo Aligned Alternatives (AAA) strategy in Australia – launching 1H24
- Leveraging Apollo's investment capability to support Life investment returns



Investment administration

- New external client wins
- Ongoing dialogue with potential new clients
- Partnering with SimCorp to migrate platform to cloud
- Challenger ownership: 80%



Real estate

- Real estate partnership with Elanor Investors Group (ASX:ENN)
- Exclusive Elanor distributor
- Challenger ownership: 14%¹



Asian food and Agriculture

- Partnership with Proterra Investment Partners Asia
- Exclusive distributor in covered regions for future Proterra Asia strategies
- 12.5% revenue share



Water, energy, and waste management

- Exclusive Distributor in covered regions for future strategies
- Launching second water fund 1H24
- Challenger ownership: 35%

1. On a non-diluted basis and subject to certain milestones being met.



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Financial results



Alex Bell
Chief Financial Officer

Group snapshot

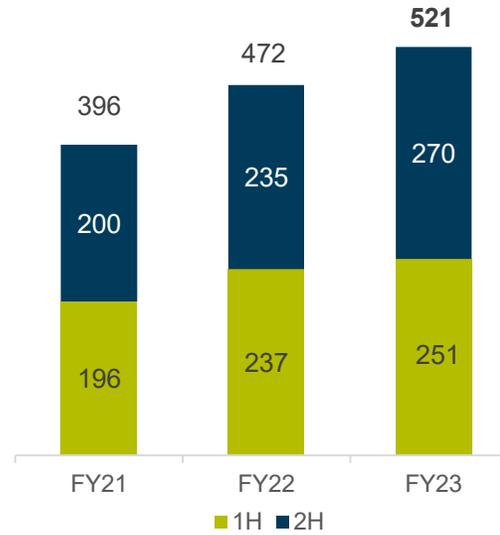
Top half of earnings guidance range

	FY23	Change
Net income	\$842m	8%
Expenses	(\$318m)	6%
EBIT	\$525m	10%
Interest & borrowing	(\$4m)	2%
Normalised NPBT	\$521m	10%
Normalised tax	(\$157m)	4%
Normalised NPAT	\$364m	13%
Investment experience after tax	(\$68m)	17%
Other items after tax ¹	(\$9m)	n.a
Statutory NPAT²	\$288m	13%
Group AUM	\$105bn	6%
Normalised EPS	53.3cps	12%
Normalised ROE (pre-tax)	12.7%	80bps
Dividend	24.0cps	4%

Normalised NPBT

\$521m +10%

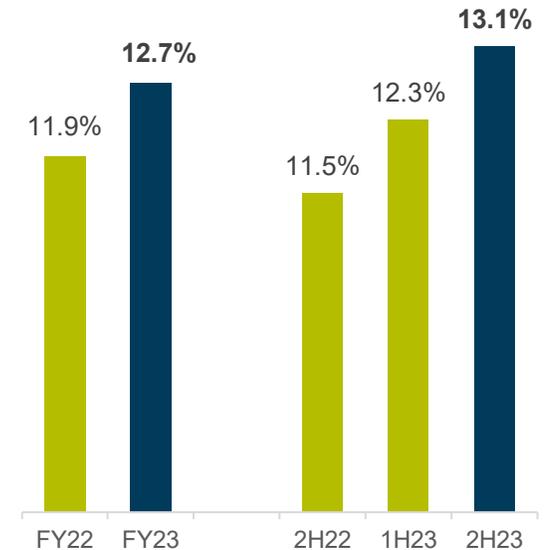
Life \$541m +14%
FM \$62m -26%
Bank (\$9m) +21%



Normalised ROE

12.7% +80bps

ROE tailwind from Life
 ROE headwind from FM and Bank



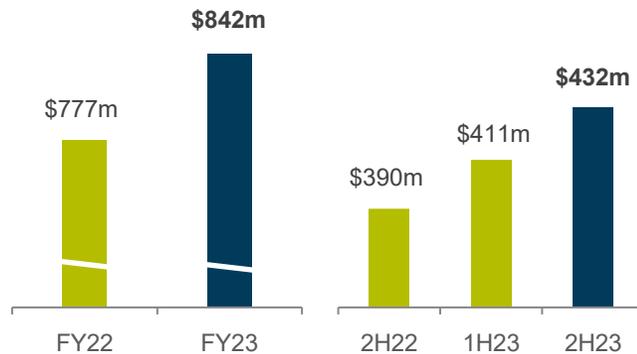
1. Includes significant items and bank impairments.

2. Normalised profit framework and a reconciliation to statutory net profit after tax is disclosed in the 2023 Annual Report – Operating and Financial Review.

Earnings drivers

Margin expansion driving income growth
Disciplined approach to expense management

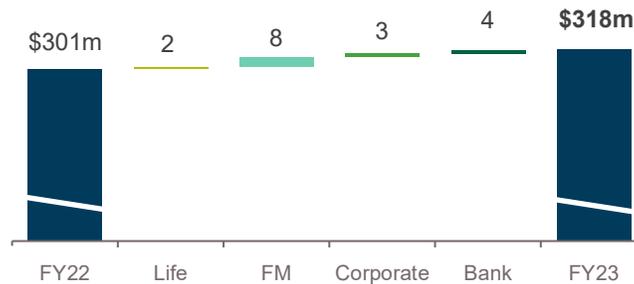
Income \$842m (+8.4%)
Benefitting from margin expansion



Life +12%
 Outperforming increase in average AUM (+3%)

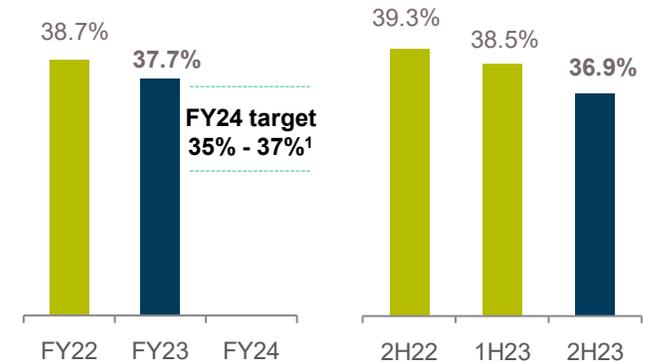
Funds Management -7%
 Outperforming decrease in average FUM (-9%)

Expenses \$318m (+5.7%)
Within guidance range of 5% to 6%



Inflation and transaction volumes +\$10m
Personnel +\$3m – salary uplift and higher FTE
Projects +\$4m – FM registry and growth initiatives

Cost to income 37.7% (-100bps)
Revenue growth outpacing expense growth

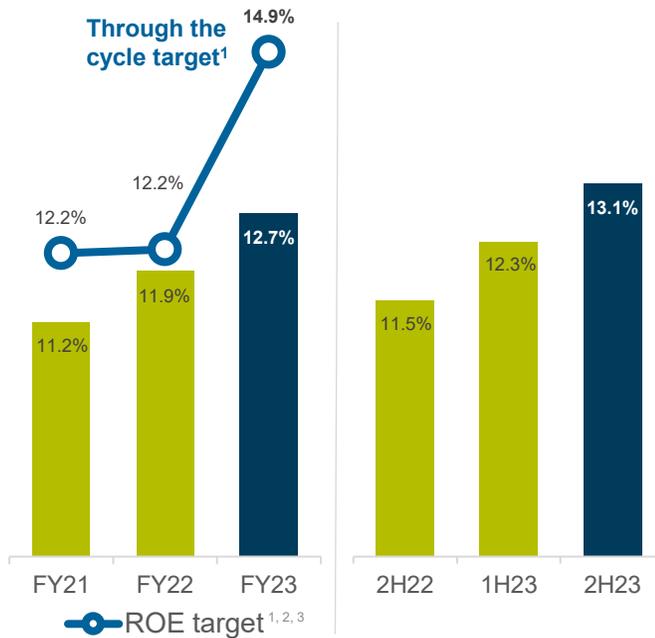


1. Excluding Bank.

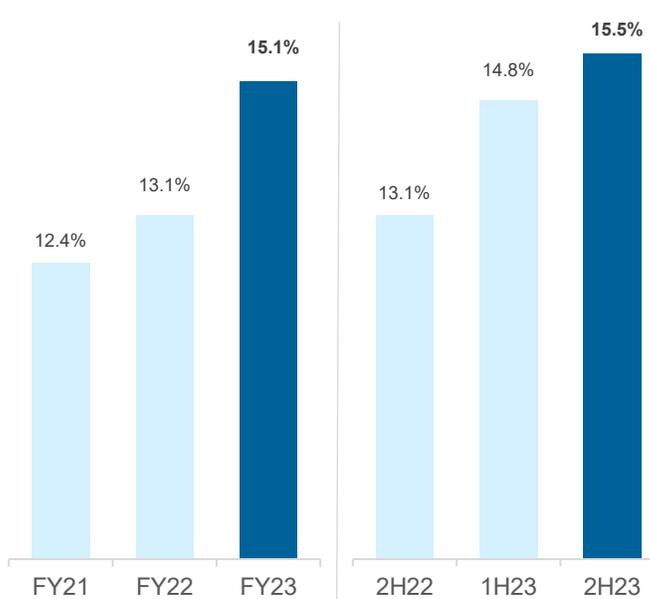
ROE

Life ROE benefitting from margin expansion and AUM growth Group ROE impacted by Funds Management and Bank

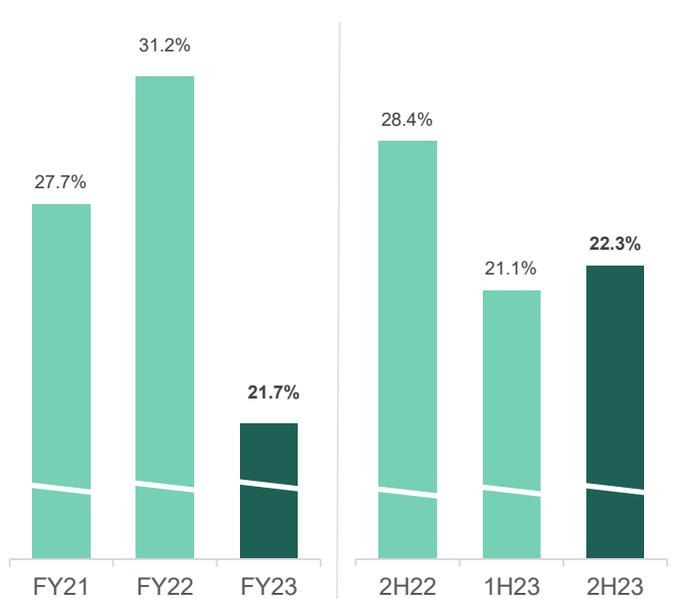
Group ROE 12.7% +80bps



Life ROE 15.1% +200bps



Funds Management ROE 21.7% -950bps



1. Challenger Normalised ROE (pre-tax) target of RBA cash rate plus a margin of 12% was introduced in FY22. Prior to this, the FY21 Normalised ROE target (pre-tax) was RBA cash rate plus a margin of 14%. For consistency purposes, the FY21 Normalised ROE target has been restated to the current target of Normalised ROE (pre-tax) target of RBA cash rate (FY21 average: 0.2%) plus a margin of 12%.

2. Normalised ROE (pre-tax) target of RBA cash rate (FY22 average: 0.2%) plus a margin of 12%.

3. Normalised ROE (pre-tax) target of RBA cash rate (FY23 average: 2.90%) plus a margin of 12%.

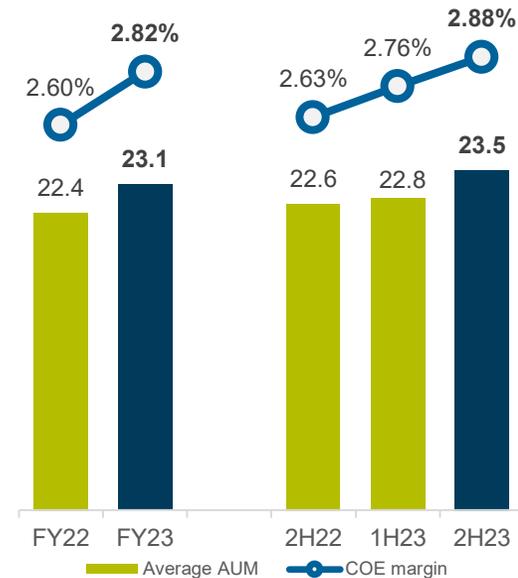
Life performance

Earnings benefitting from margin expansion and AUM growth

	FY23	Change
COE ¹	\$653m	12%
Expenses	(\$113m)	2%
EBIT	\$541m	14%
COE ¹ margin	2.82%	22bps
ROE pre-tax	15.1%	200bps
PCA ² ratio	1.59x	(0.01x)
Annuity sales	\$5.5bn	8%
Life sales	\$9.7bn	Stable
Annuity book growth	2.8%	(5.1pp)
Life book growth	5.2%	(9.1pp)

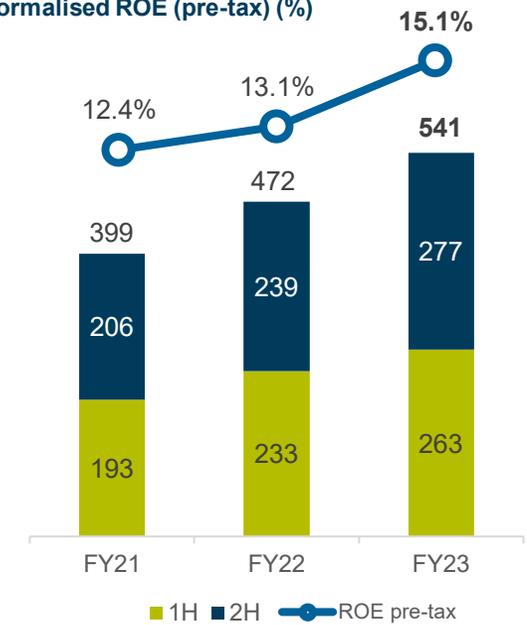
Average AUM +3% COE margin +22bps

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



Life EBIT +14% ROE +200bps

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



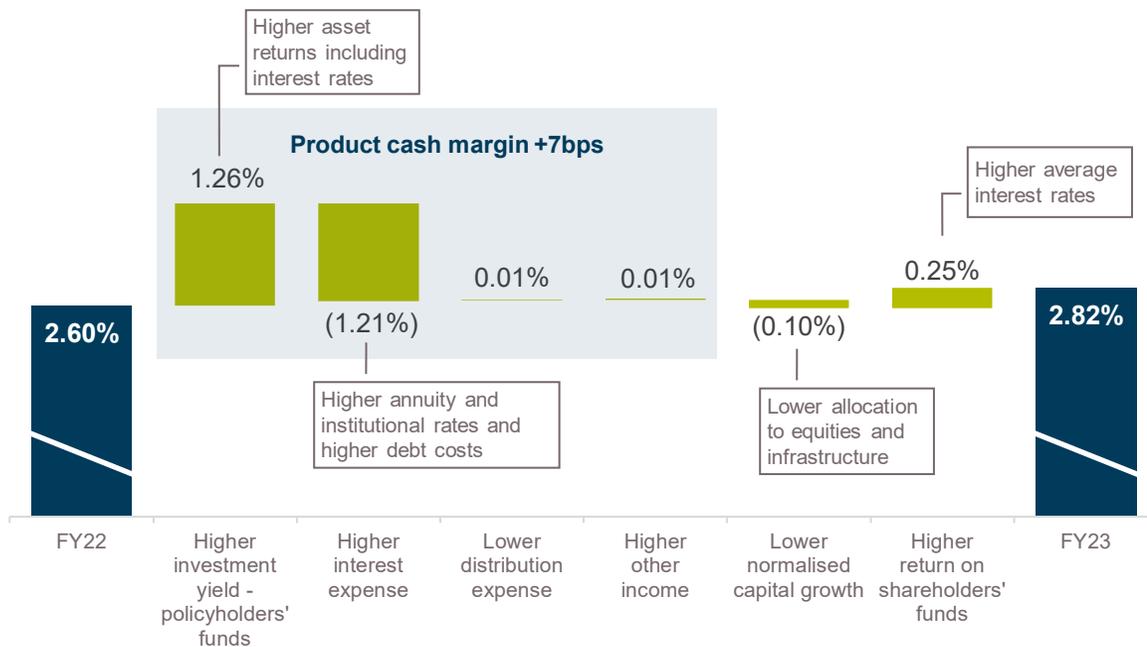
1. Normalised Cash Operating Earnings (COE).

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).

Life COE margin

Longer duration sales and investment conditions continuing to support margin expansion

FY23 COE¹ margin (%) up 22bps



COE¹ margin (%)



1. Normalised Cash Operating Earnings (COE).

Life sales

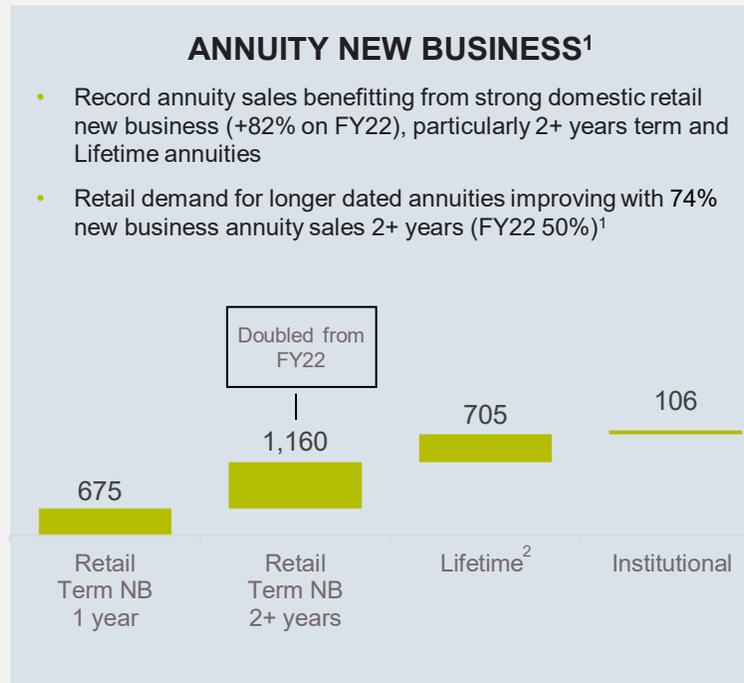
Record annuity sales with tenor continuing to extend

Life sales (\$m)



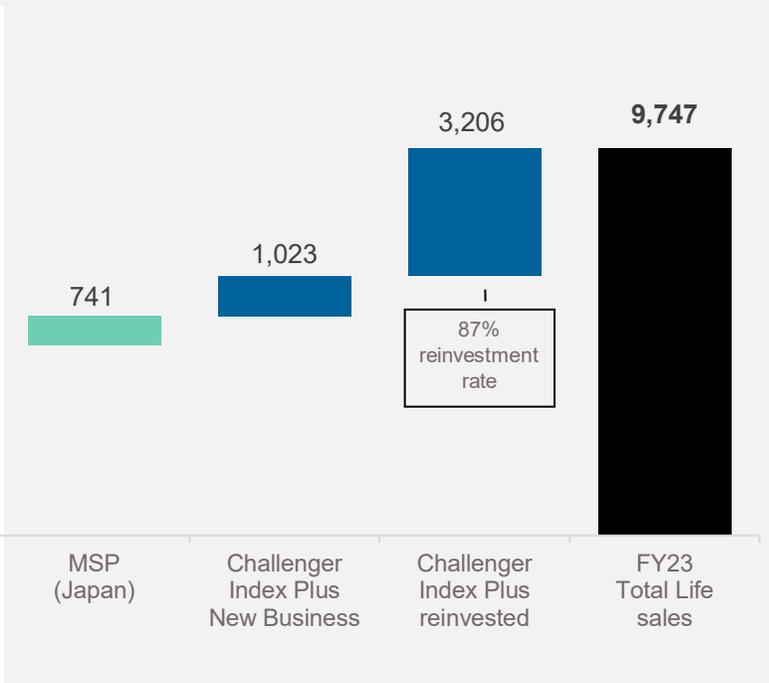
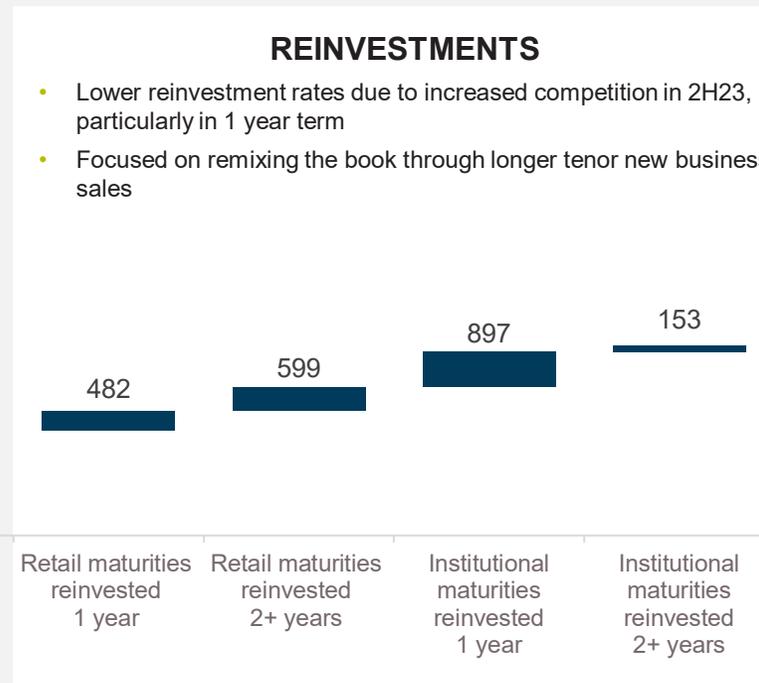
ANNUITY NEW BUSINESS¹

- Record annuity sales benefitting from strong domestic retail new business (+82% on FY22), particularly 2+ years term and Lifetime annuities
- Retail demand for longer dated annuities improving with 74% new business annuity sales 2+ years (FY22 50%)¹



REINVESTMENTS

- Lower reinvestment rates due to increased competition in 2H23, particularly in 1 year term
- Focused on remixing the book through longer tenor new business sales

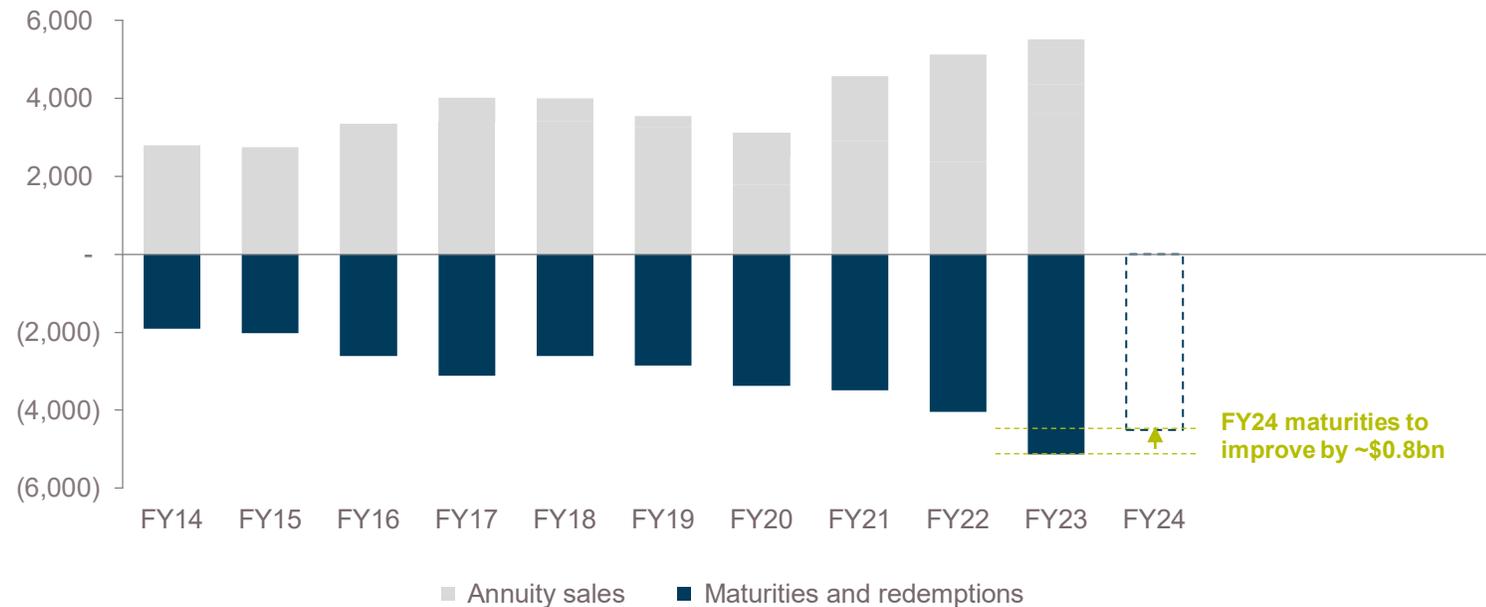


1. Based on new business annuity sales, including term annuities and Lifetime annuities excluding reinvestments and Japanese sales.
 2. Includes CarePlus annuity sales.

Maturities declining

Higher quality book growth from longer duration retail sales

Maturities and repayments¹ (\$m)



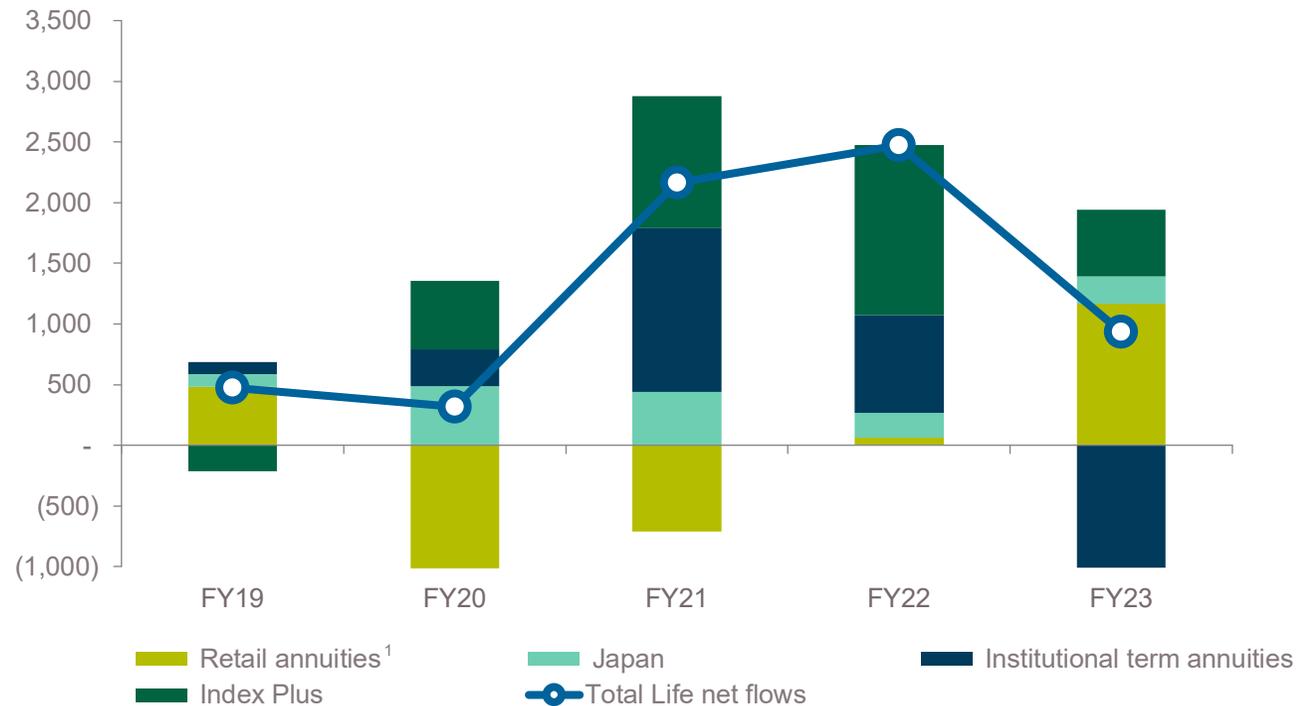
- ✓ Lower maturity rate will support future book growth
- ✓ FY24 maturity rate ~26% (down from 33% in FY23)
- ✓ FY24 maturities ~\$0.8bn lower

1. Maturity rate represents the value of Life annuities maturing and repayments (excluding interest payments) in the year as a proportion of opening Life annuity liabilities (undiscounted) and does not incorporate the impact of a change in accounting standard for insurance contracts to AASB 17.

Life book growth

Higher quality book growth from longer duration retail annuity sales

Net flows by channel (\$m)



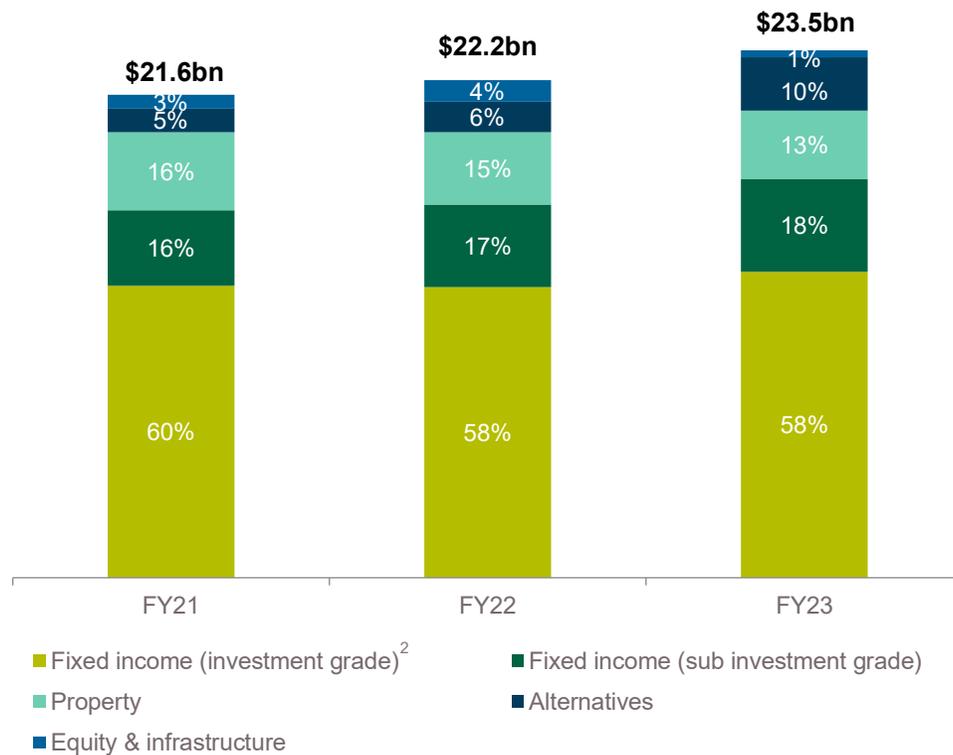
- ✓ Total Life net flows of \$0.9bn
- ✓ Retail and Japanese net flows of \$1.4b
- ✓ Annuity book growth of 2.8%
- ✓ **Retail annuity book growth of 8.6%**

1. Includes term annuities, Lifetime and CarePlus.

Life investment portfolio

Continuing to diversify balance sheet through asset allocation

Life AUM¹ (\$bn)



1. All comparisons FY23 versus FY22.
 2. Includes Cash & equivalents.
 3. Investment grade represents BBB or higher.



Equity & Infrastructure

1%, -3pp

- Reduction in equities with redeployment to alternatives
- Equities now largely represent beta investments



Alternatives

10%, +4pp

- Increase in absolute return funds and general insurance exposures
- Alternatives less correlated to credit and listed equity markets



Property

13%, -2pp

- 1 direct property sold at carrying value
- All properties independently valued in June 2023
- -5% write-down across portfolio (-7% office)



Fixed Income

76%, +1pp

- Cash and investment grade³ 77% of fixed income portfolio
- Weighted average credit rating 'A'

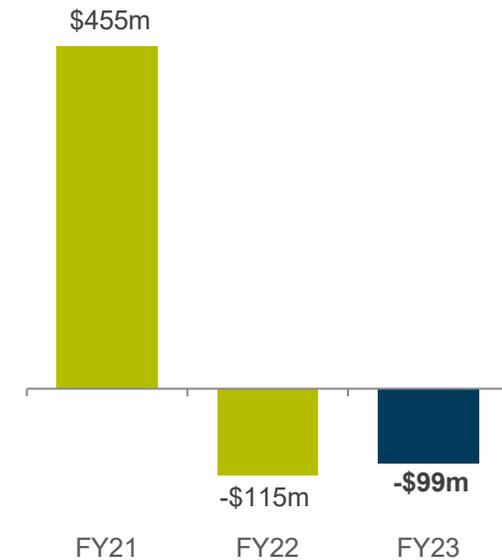
Investment experience

Performing in line with expectations

Asset experience (-\$132m); Liability experience (+\$33m)

ASSET	Fixed income	\$232m	Valuation gain \$209m; normalised growth +\$61m Narrowing credit spread particularly in 2H23 ¹ (positive impact) Allowance for credit defaults ² -\$38m (-22bps) 2 clients downgraded
	Property	-\$223m	Valuation loss -\$159m; normalised growth -\$64m Valuation movement -5%: Office -7%, Retail -3% ³ , Industrial +3%; Japanese portfolio -2% (JPY impact)
	Equities & Infrastructure	-\$36m	Valuation movements: -\$13m; normalised growth -\$23m
	Alternatives	-\$105m	Valuation movements (after adjusting for distributions): -\$105m; Normalised growth \$0m
LIABILITY		\$33m	New business strain -\$87m, illiquidity premium and other movements
Total		-\$99m	-\$68m after tax

Investment experience -\$99m (pre-tax)



1. Investment grade iTraxx Australia decreased by ~11bps and sub-investment grade CDX North America High Yield index decreased by ~54bps from 31 December 2022 to 30 June 2023.

2. Credit default experience of -\$38m (-22bps) recognised in FY23 investment experience. It is Life's policy to consider all investments rated below B- in default.

3. Excluding the impact of the sale of one direct property at its carrying value of \$78m and the acquisition of one direct small property for ~\$10m in 1H23.

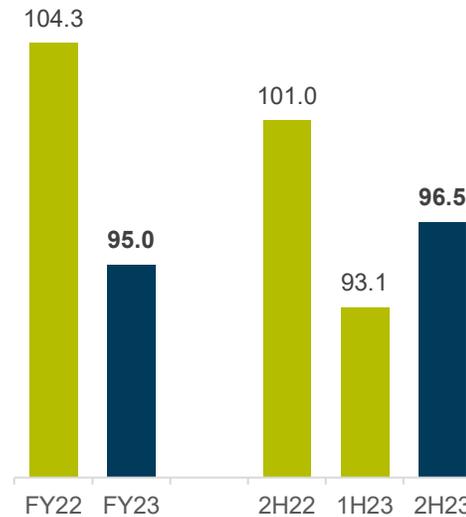
Funds Management performance

Earnings reflect investment market conditions
Income decline less than reduction in average FUM

	FY23	Change
FUM-based income	\$168m	(6%)
Performance & transaction fees	\$11m	(21%)
Net income	\$179m	(7%)
Expenses	(\$117m)	8%
EBIT	\$62m	(26%)
Income margin	18.8bps	0.4bps
FUM-based margin	17.7bps	0.6bps
ROE pre-tax	21.7%	(950bps)
Average FUM	\$95bn	(9%)

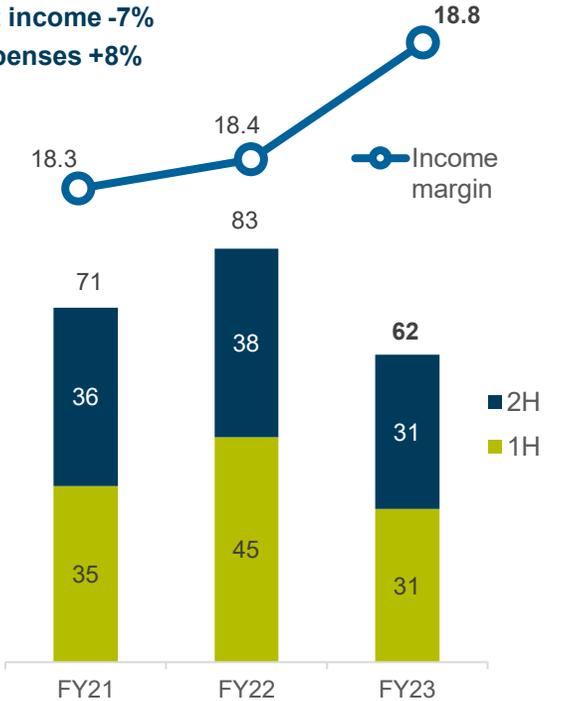
Average FUM \$95bn -9%

Fidante \$74bn -11%
 CIM \$21bn +1%



FM EBIT \$62m -26%

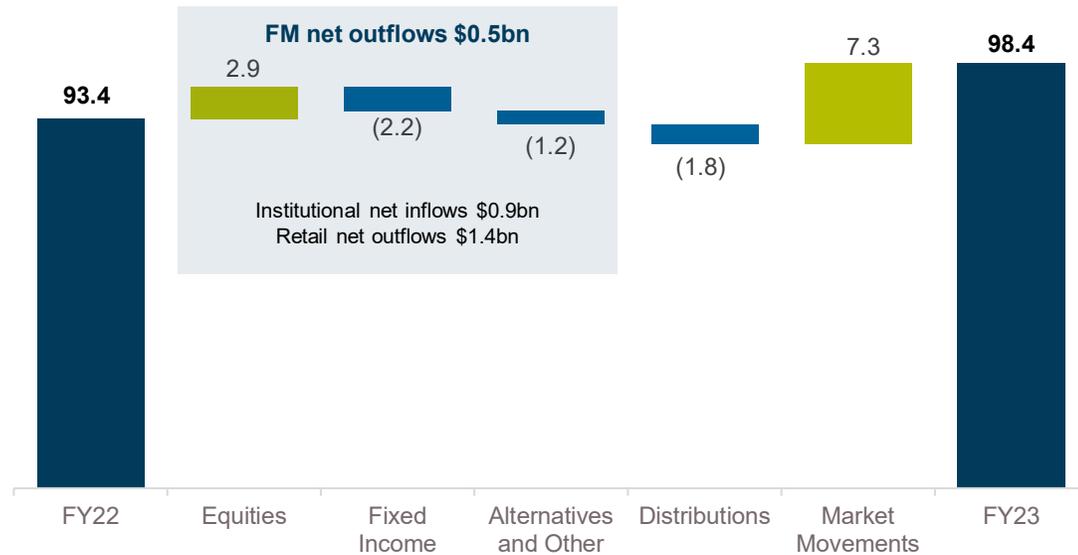
Net income -7%
 Expenses +8%



Funds Management

Strong flows momentum into FY24

Funds Under Management (\$bn)



Net flows – Quarterly (\$bn)



Funds Management

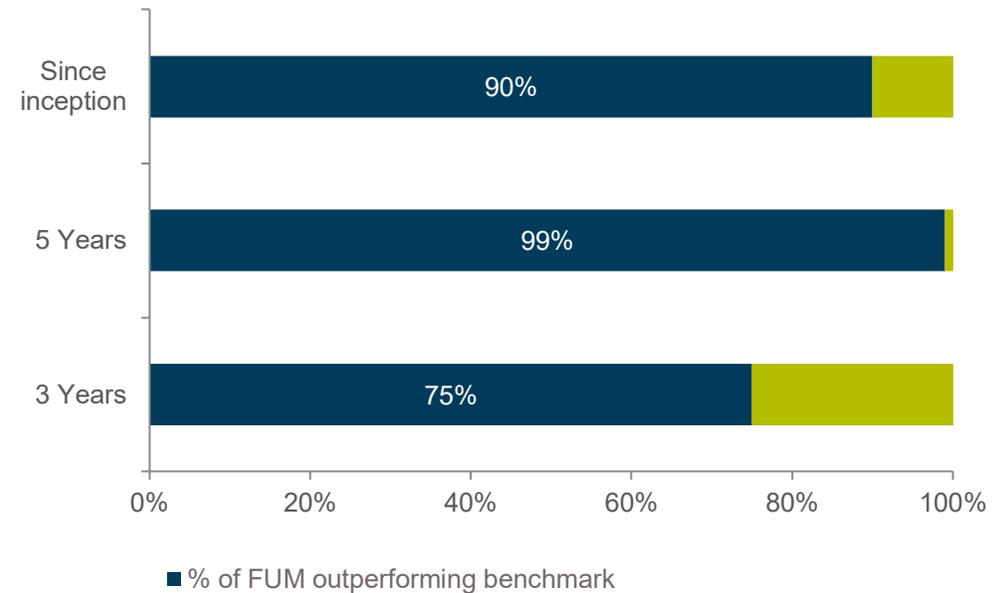


Relative outperformance in both flows and investment performance

Quarterly net flows vs peers¹ (\$bn)



Fidante performance relative to benchmark²



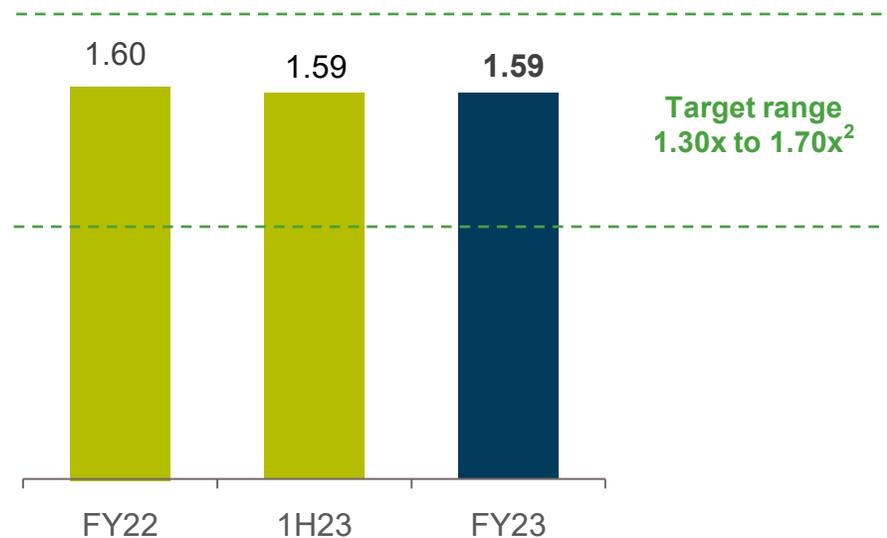
1. Quarterly net flows for peers, include Magellan, PAC, Pental, Pinnacle, Perpetual and Platinum. June 2023 peer net flows includes only those that have reported data prior to 27 July 2023. Fidante 3Q22 (Mar-22) net flows excludes the impact of Fidante's sale of its 30% equity interest in Whitehelm Capital to PATRIZIA AG (\$5.2b derecognition of FUM). From 1Q23, Fidante net flows excludes the transfer of Solutions from Funds Management to Life.

2. As at 30 June 2023. Percentage of Fidante affiliates meeting or exceeding the performance benchmark, with gross performance weighted by FUM.

Capital management

Strongly capitalised

Challenger Life Company (CLC) PCA ratio¹



Additional financial flexibility

- PCA ratio benefiting from diversified investment portfolio
- Unchanged over 2H23 despite property revaluations
- Financial flexibility with \$400m of undrawn Group facility
- S&P credit rating: Life 'A' rated with stable outlook

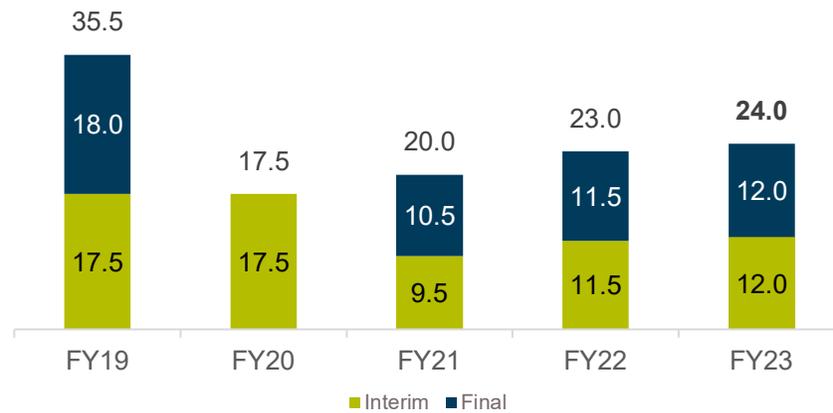
1. The PCA ratio represents total Tier 1 and Tier 2 regulatory capital base divided by the Prescribed Capital Amount.

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 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.

Dividend

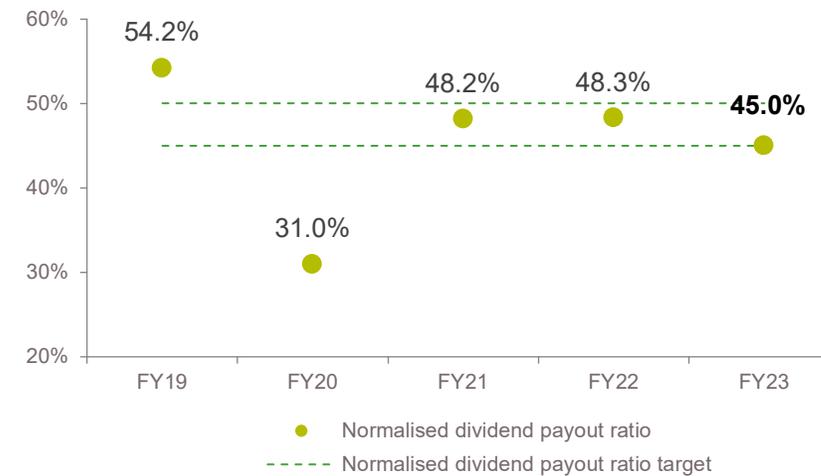
Higher dividend and within payout guidance range

Dividend (cps)



FY23 total dividend 24.0cps +4%
2H23 12.0cps up 0.5cps on 2H22

Dividend payout ratio (%)¹



Dividend payout ratio 45.0% within payout ratio target range

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



03

Outlook



Nick Hamilton
Managing Director & Chief Executive Officer

FY24 guidance and targets

Earnings to benefit from a higher rate environment
Continue to remain disciplined on costs



Normalised net profit before tax

FY24 midpoint 11% higher than FY23

\$555m

\$605m

Guidance considerations

- **Artega** ~\$5m investment in operating platform to support growth¹
- **Additional costs** ~\$5m including initiatives focused on branding, risk and cybersecurity
- **Bank** excluded from FY24 guidance with sale expected to complete 1H24²



Through the cycle targets

Normalised ROE target (pre-tax)

- RBA cash rate plus margin of 12%
- Expected to be below target in FY24 due to lower contribution from FM

Cost to income ratio

- 35% - 37% cost to income ratio (FY23 37.7%)

Dividend payout ratio

- Dividend payout ratio to target 30% to 50% (from 45% to 50%)^{3,4}
- Provides flexibility to support growth
- Dividend payout ratio will depend on growth and investment opportunities

Capital

- Expect to operate within CLC PCA target range 1.30x to 1.70x⁵
- Target surplus framework and risk appetite unchanged

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

2. Bank sale expected to complete 1H24 subject to regulatory approvals.

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 and the target PCA ratio range is a reflection of internal capital models, not an input to them and reflects asset allocation, business mix 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.

Key points

Successful execution of growth strategy delivering record annuity sales



Strong FY23 financial performance

- Record annuity sales and tenor extending
- Earnings top half of guidance range



Leading Australian franchise

- Fully integrated retirement income and asset management capabilities
- Uniquely positioned to play a leading role in development of retirement income market



New and emerging channels

- Retail direct
- Annuities in platform
- Defined benefit de-risking opportunities
- Institutional retirement partnerships



Leveraging strategic partnerships

- Extending MS Primary reinsurance arrangement



Appendix

ADDITIONAL BACKGROUND INFORMATION

Appendix

Providing our customers with financial security for a better retirement

Challenger business overview	37-39	Life sales and AUM	56
Superannuation system	40-44	Life asset allocation & portfolio overview	57-61
Retirement phase overview	45-48	Life normalised profit framework	62
Retirement income strategies	49-51	Life asset and liability matching	63
MS&AD and MS Primary (Japan) relationship	52-53	Funds Management sales and FUM	64-65
Challenger brand	54	Funds Management managers	66-67
Life product overview	55	Fidante model & performance	68-69
		Fidante manager capacity	70
		Challenger Investment Management	71

Challenger purpose and strategy

Building a more diversified business to meet more customer needs

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



Broaden customer access across multiple channels



Leverage the combined capabilities of the group



Expand range of financial products and services for a better retirement



Strengthen resilience and sustainability of Challenger

Challenger overview

Providing customers with financial security for a better retirement

Challenger Limited (ASX:CGF)¹

Life

#1 Australian retirement income business²

challenger 

- Guaranteed³ retirement income products
- APRA⁴ regulated
- Japanese reinsurance partner
- Longevity risk transfer business

Funds Management

One of Australia's largest active fund managers⁵

fidante challenger 

Affiliate investment manager platform

Originates and manages assets for Life and third-party clients

Customer division focused on meeting the needs of more customers

Centralised functions

Strategic partnerships

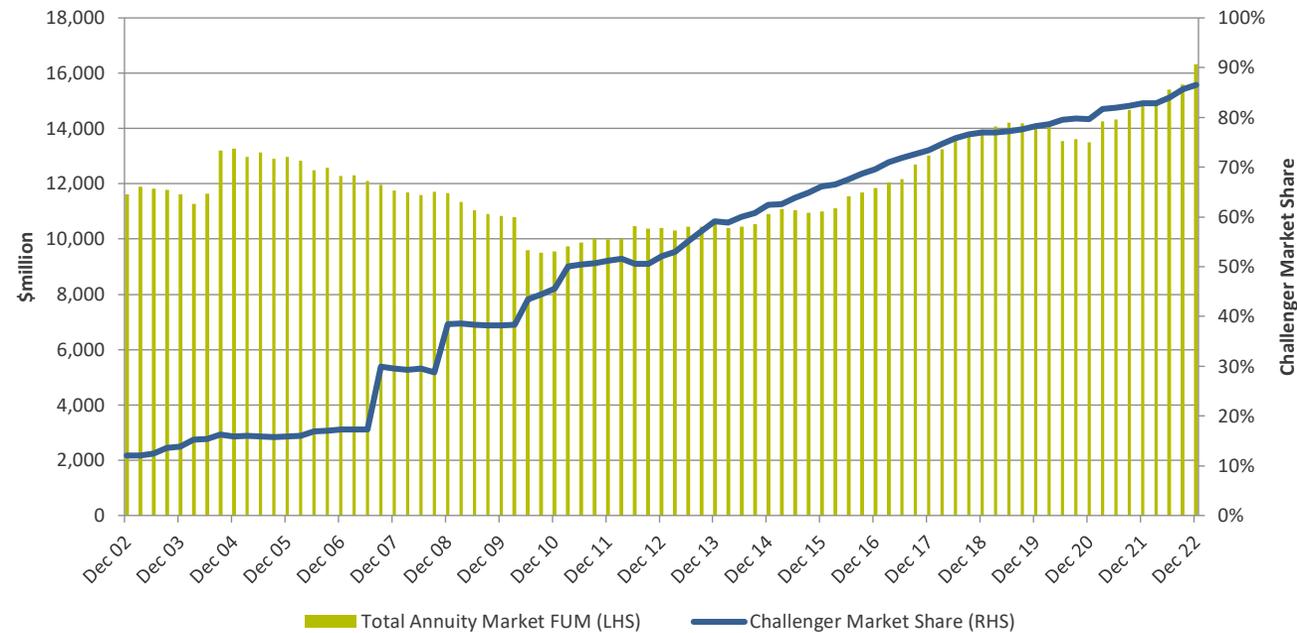
1. Australian Securities Exchange (ASX) and trades under code CGF.
 2. Plan for Life – March 2023 – based on annuities under administration.
 3. The word 'guaranteed' means payments are guaranteed by Challenger Life Company Limited (CLC) from assets of its relevant statutory fund or shareholder fund.

4. Australian Prudential Regulation Authority (APRA).
 5. Calculated from Rainmaker Roundup, March 2023 data.

Annuities market

Challenger Life is Australia's leading provider of annuities

Total annuity market FUM¹



Key observations

- Domestic annuity market size ~\$16bn
- Growth accelerating
 - ~9% growth in 2022
 - Longer duration lifetime sales increasing
- Challenger dominant market position
 - ~85% market share

1. Source: Plan for Life (note that "Annuity" volumes exclude GSA products).

Australian superannuation system

Attractive market with long-term structural drivers

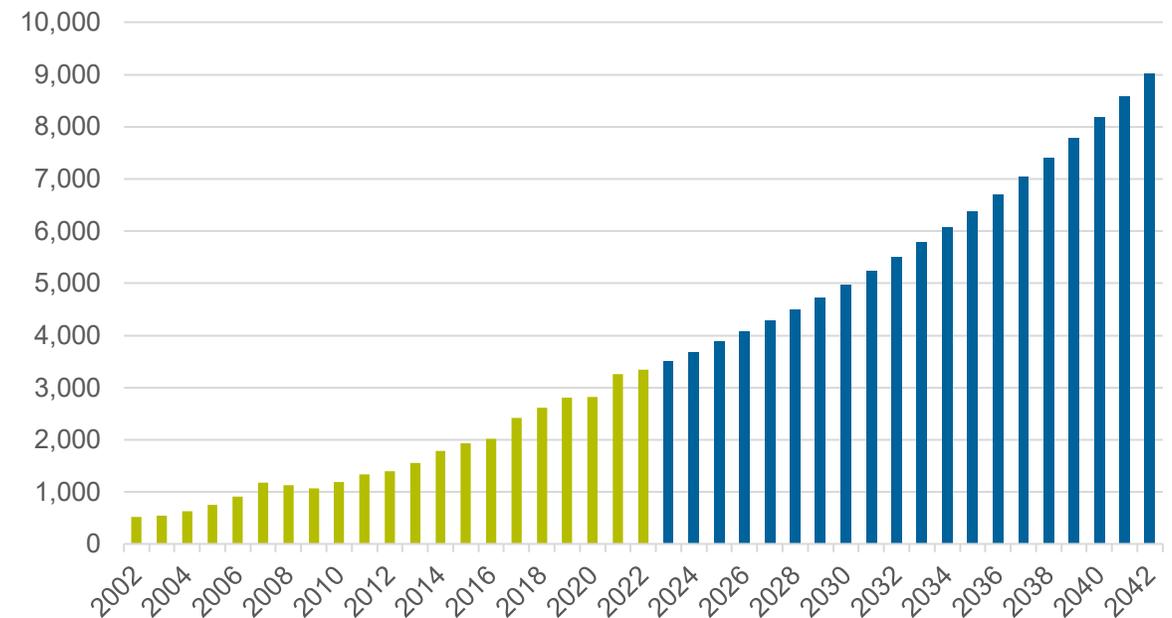
Market growth supported by

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

Resulting in

- 10% CAGR growth over last 20 years¹
- 5th largest global pension market²
- Assets expected to increase from \$3.5 trillion³ to over \$9 trillion over next 20 years⁴

Australian superannuation growth^{3,4} (\$bn)



1. APRA Annual Superannuation Bulletin.

2. Thinking Ahead Institute Global Pension Assets Study 2023.

3. APRA Quarterly Superannuation Performance as at March 2023.

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

Australian superannuation system

Attractive market with long-term structural drivers

Pre-retirement (superannuation savings) phase

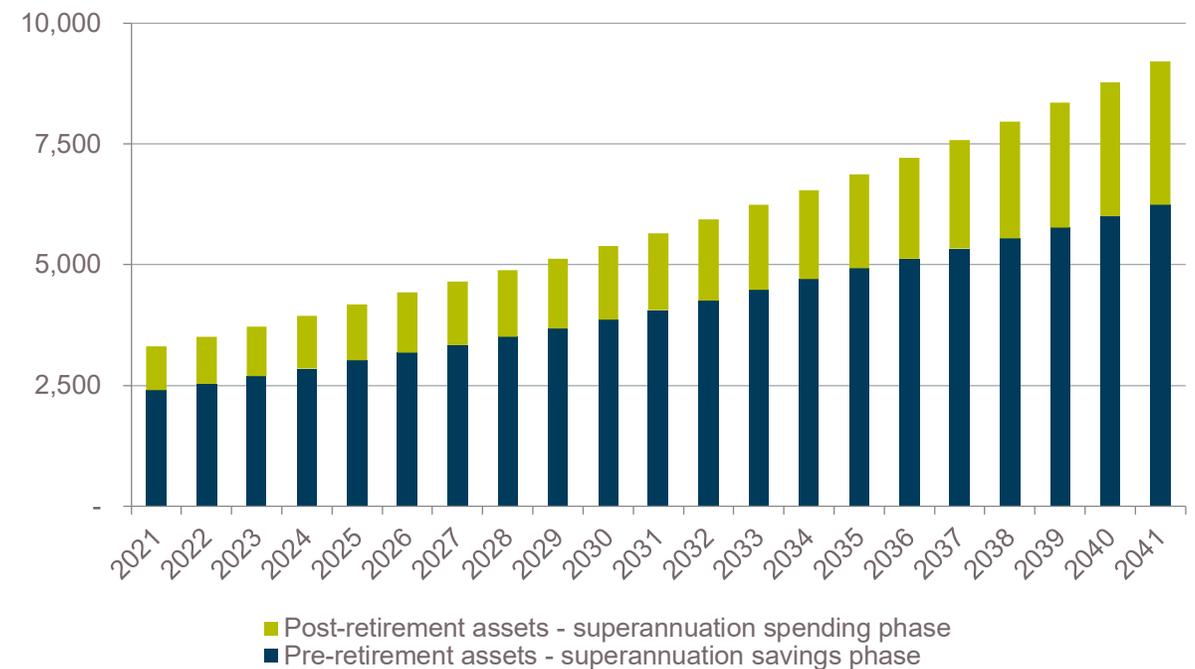
- Funds Management target market
- Supported by mandated and increasing contributions

Post-retirement (superannuation spending) phase

- Life target market and supported by
 - Ageing demographics
 - Rising superannuation savings
 - Government and industry enhancing retirement phase

Annual transfer from pre- to post- retirement phase ~\$87bn¹ per year

Projected superannuation assets² (\$bn)



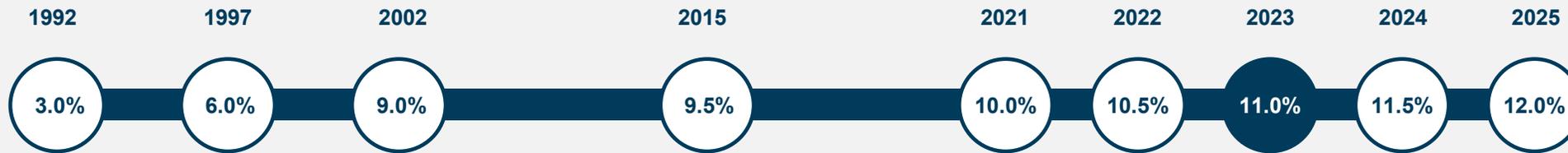
1. Based on Taxation Statistics 2020-21 from Australian Taxation Office.
 2. Deloitte Dynamics of the Australian Superannuation System: the Next 20 Years to 2041.

Australian superannuation system

Attractive market with long-term structural drivers

Mandatory and increasing contributions – increasing from 10.5% to 12.0%¹

Superannuation Guarantee contribution rate¹



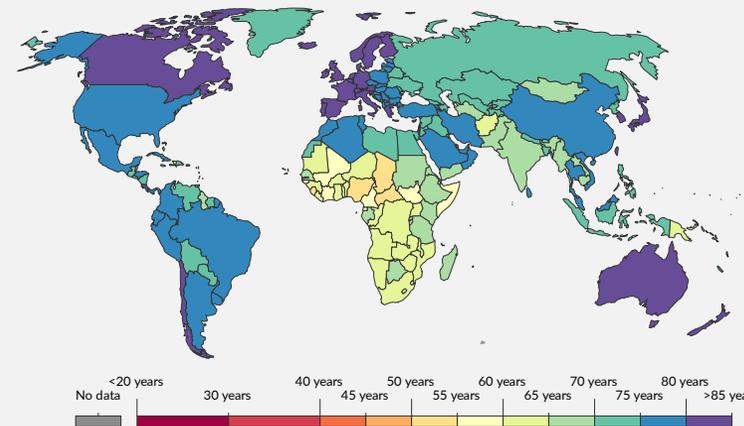
Australians have one of the world's longest life expectancies²

Demographics

- Ageing population
- Medical and mortality improvements increasing longevity

Number of Australians over 65 increasing³

- +26% over next 10 years
- +44% over next 20 years



1. Percentage of gross wages required to be contributed to superannuation. Contribution rate increased to 10.5% on 1 July 2022 and increases by 0.5% per annum until reaching 12% in 2025.

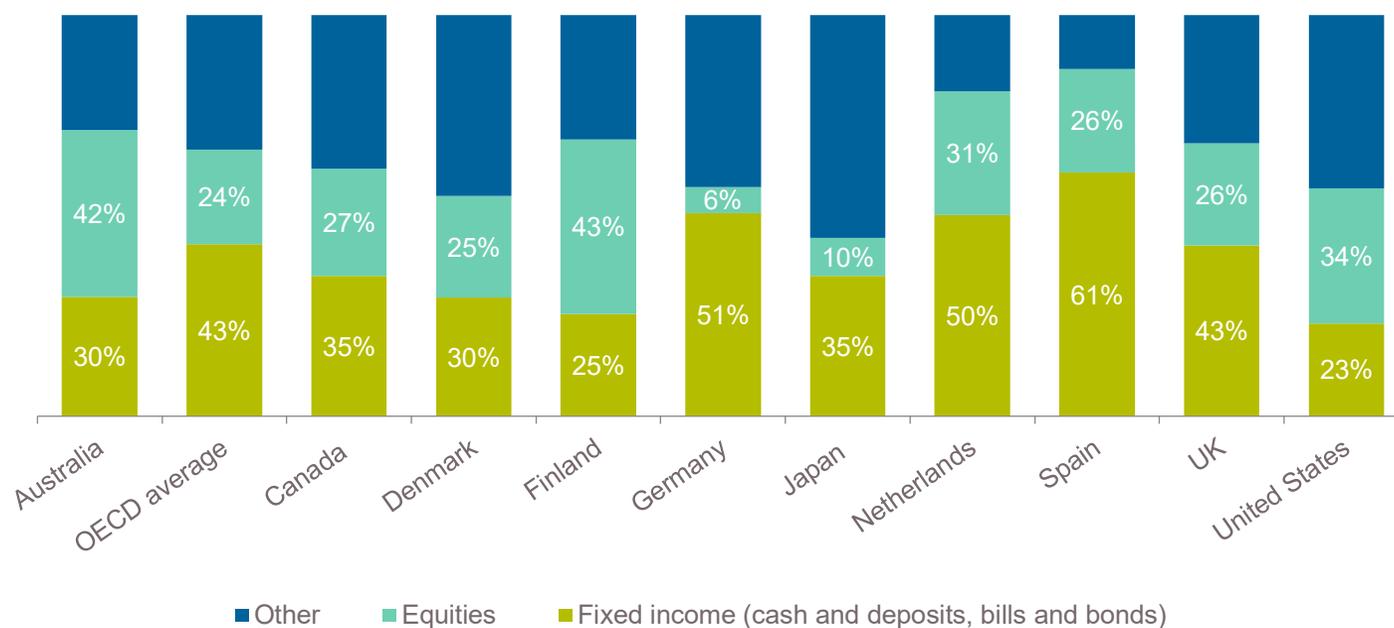
2. World Health Organisation.

3. Australian Bureau of Statistics population projections (Cat No. 3222.0 Series B middle projections).

Australian superannuation system

High allocation to equities and low allocation to fixed income

Australia has low fixed income and high equity allocations¹



Fixed income allocation

- Australia 30%
- OECD average 43%

Equities allocation

- Australia 42%
- OECD average 24%

1. OECD Pension Markets in Focus – 2021.

Australian superannuation system

World class accumulation system with significant retirement savings

World class accumulation system



Contribution rate increasing to 12%¹



5th largest global pension market²



Assets increasing from \$3.5tr³ to over \$9tr over next 20 years⁴

Significant retirement savings



1 in 4 super dollars supporting retirement⁵



Average household wealth at retirement \$686k⁶



~\$87bn transferring to retirement each year⁷

Increasing longevity

24 years

Average time in retirement in Australia⁸

5th

Australian life expectancy one of the highest globally⁹

50%

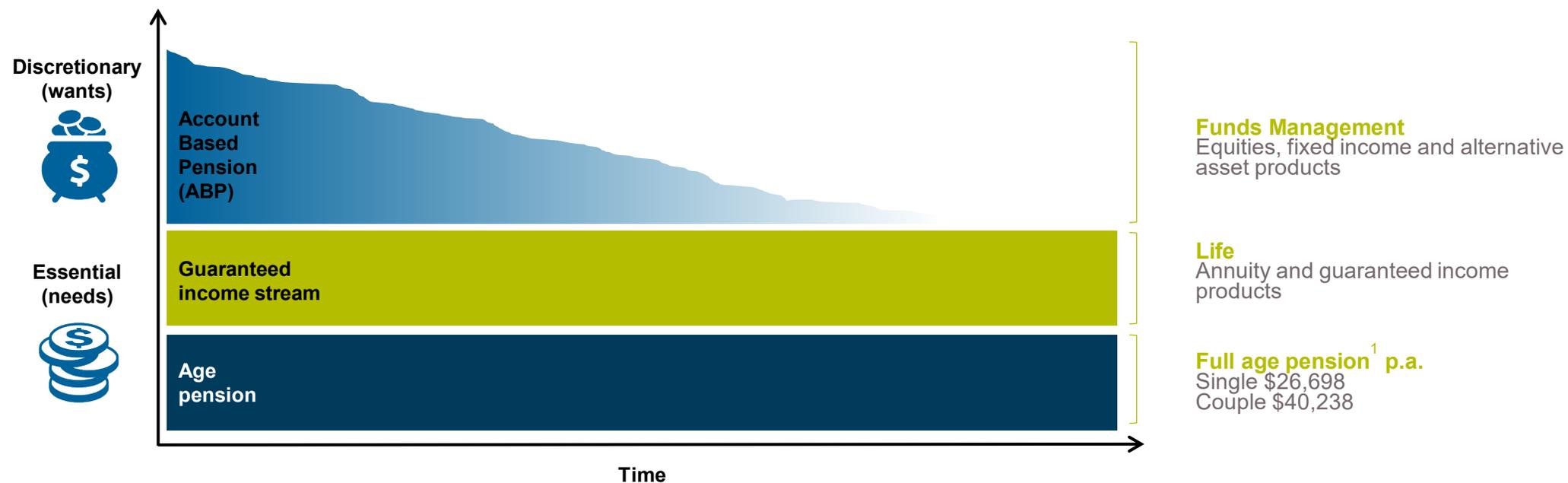
People outlive their life expectancy¹⁰

1. Increased to 11% on 1 July 2023 and increases by 0.5% p.a. until reaching 12% on 1 July 2025.
 2. Thinking Ahead Institute Global Pension Assets Study 2023.
 3. The Australian Prudential Regulation Authority (APRA), as at March 2023.
 4. Deloitte Dynamics of the Australian Superannuation System: The Next 20 Years to 2041.
 5. Based on APRA and ATO data.

6. Australian Bureau of Statistics. Includes superannuation and non-superannuation assets and excludes the family home.
 7. Based on Taxation Statistics 2020-21 from Australian Taxation Office.
 8. Source: Challenger Retirement Income Research 2022, based on ABS data age at death.
 9. Source: Australian Bureau of Statistics, Institute of Health and Welfare
 10. Source: Australian Life Tables 2015-17 with 25-year mortality improvement factors.

Retirement phase of superannuation

Combining products provides better outcomes for retirees



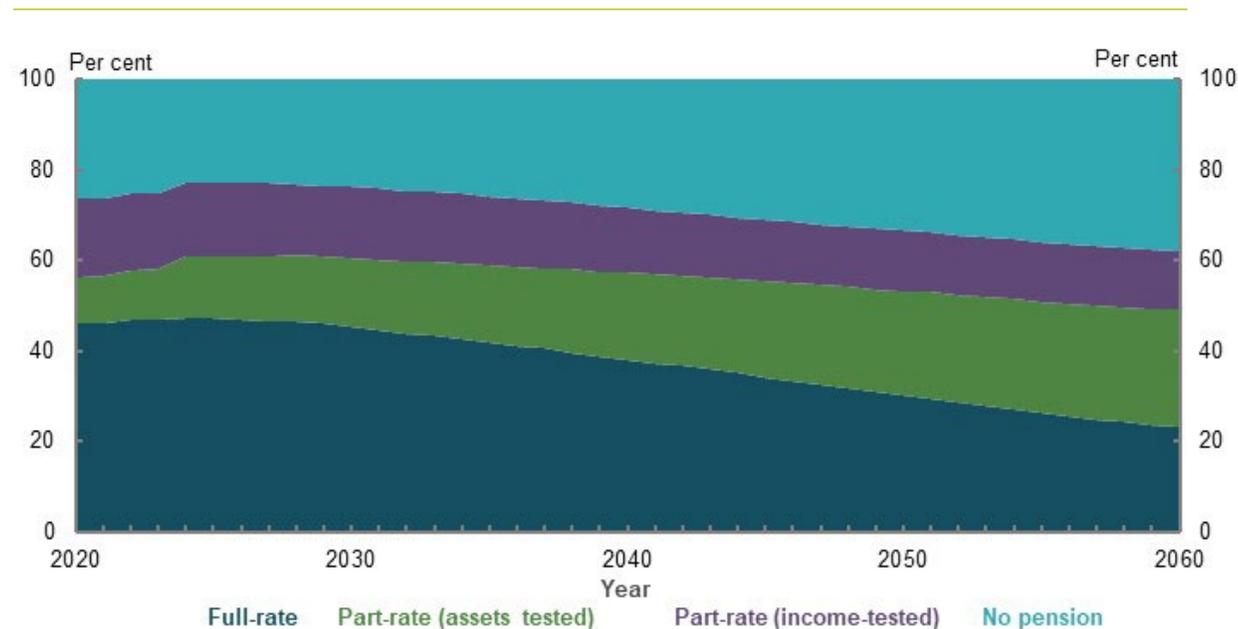
1. Australian Government Department of Human Services and current as at 16 January 2023.

Retirement phase of superannuation

Superannuation starting to reduce reliance on age pension

- Average household wealth at retirement \$686,000¹ (excluding family home)
- Age pension subject to assets and income tests
- 2.6m Australians receiving some age pension support
- Portion of retirees on full age pension expected to reduce to 2060
- Super system increasingly supplementing or substituting age pension

Portion of retirees reliant on age pension²



Note: Includes service, carer and disability pensioners. Source: Treasury estimates for the review using MARIA.

1. Australian Bureau of Statistics. Includes superannuation and non-superannuation assets and excludes the family home.

2. The Australian Government the Treasury Retirement Income Review Final Report July 2020

Overview of age pension system

Social safety net for those unable to support themselves

- Qualification age 67¹
- Age pension based on lower outcome under assets and income tests
- Many retirees move from assets to income test through retirement
- Different age pension outcomes when products held in combination (e.g. Lifetime Annuity with an ABP³)

Maximum age pension rates ²			Per fortnight	Per annum
			\$1,064	\$27,664
			\$1,604	\$41,704
Assets test ⁴	Income test			
Asset limits before pension starts to reduce			Income limits before pension starts to reduce (p.a.)	
	Homeowner	Non-homeowner		
Single	\$301,750	\$543,750	Single	\$5,304
Couple	\$451,500	\$693,500	Couple	\$9,360
Taper rate – age pension reduces by \$78 (p.a.) per \$1,000 of assets above these thresholds			Taper rate – age pension reduces by \$500 (p.a.) per \$1,000 of income above these thresholds	
Asset limit where pension reduces to nil			Income limit where pension reduces to nil (p.a.)	
	Homeowner	Non-homeowner		
Single	\$656,500	\$898,500	Single	\$60,632
Couple	\$986,500	\$1,228,500	Couple	\$92,768

1. Age Pension eligibility age increased to age 67 on 1 July 2023.

2. Centrelink rates and thresholds current as at 1 July 2023 and are rounded to the nearest dollar.

3. Account Based Pension (ABP).

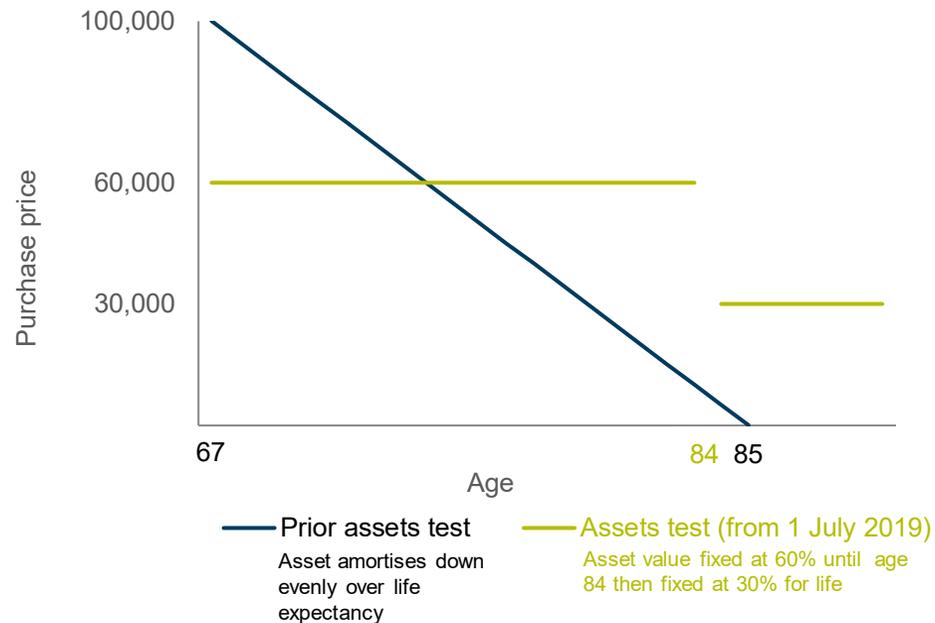
4. Assets test excludes the family home.

Government enhancing post-retirement phase

Means test rules for lifetime income products commenced 1 July 2019

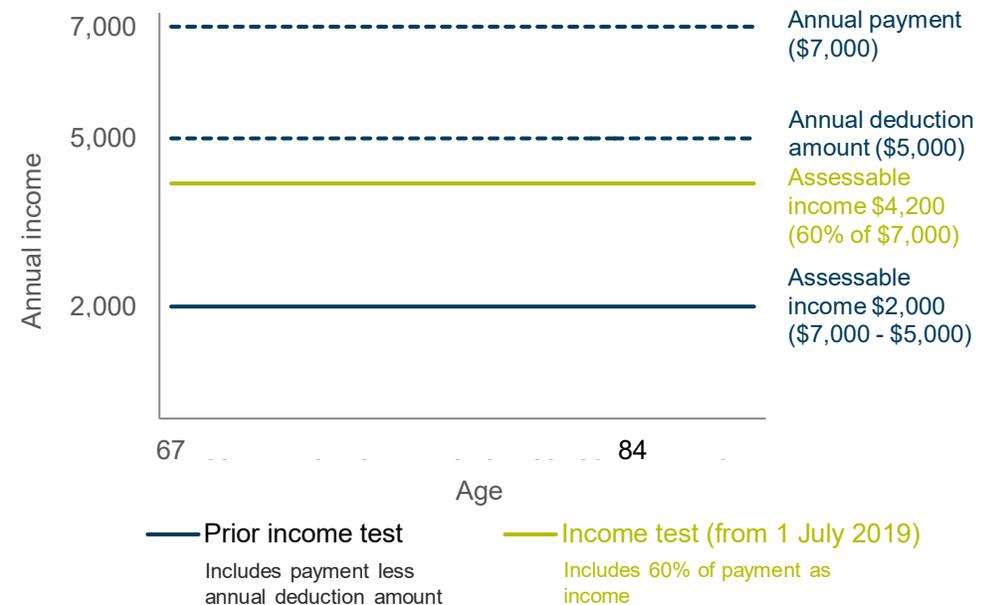
Pension assets test

Example - \$100,000 lifetime income stream purchase price at age 67 (male)



Pension income test

Example - \$100,000 lifetime income stream paying \$7,000 per year



Retirement income strategies – combined products

Enhances income and provides longevity and inflation protection

Case study

Jenny and John

- Homeowning couple
- \$600,000 of super (in addition to family home)
- 67 years old
- Approaching retirement
- Target income \$70,482¹ p.a.
- Status quo 100% ABP²
- Combined product
 - 70% ABP²; and
 - 30% Lifetime Annuity³



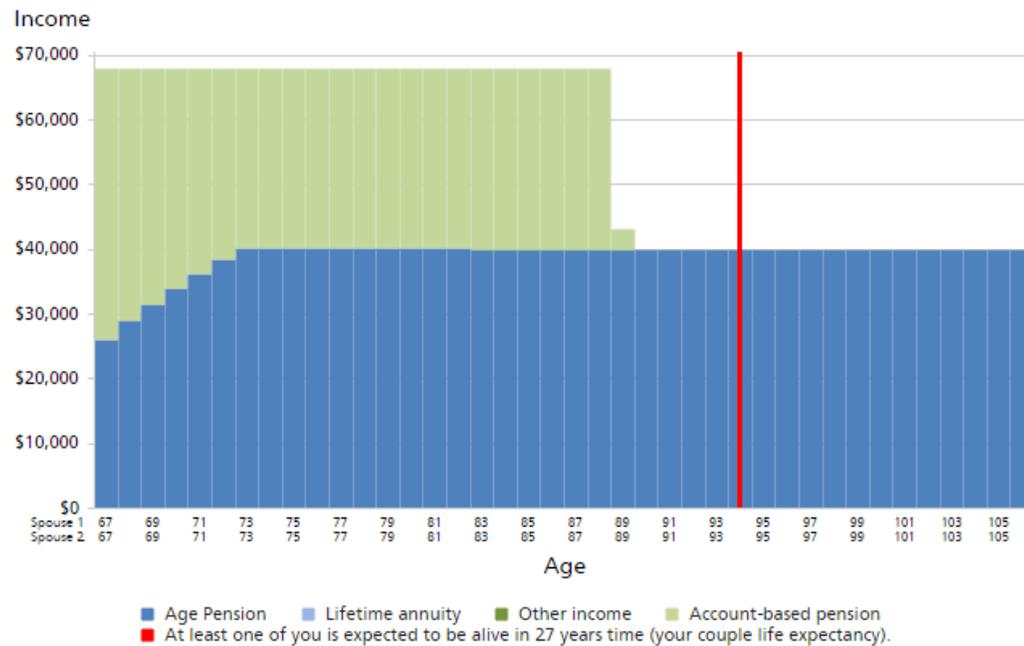
1. Based on ASFA's retirement standards March quarter 2023 for a couple (comfortable).
2. Account Based Pension (ABP).
3. Applying means test rules for lifetime income products that took effect from 1 July 2019.

Retirement income strategies – combined products

Enhances income and provides longevity and inflation protection

Case study – Jenny and John

100% Account Based Pension (ABP)

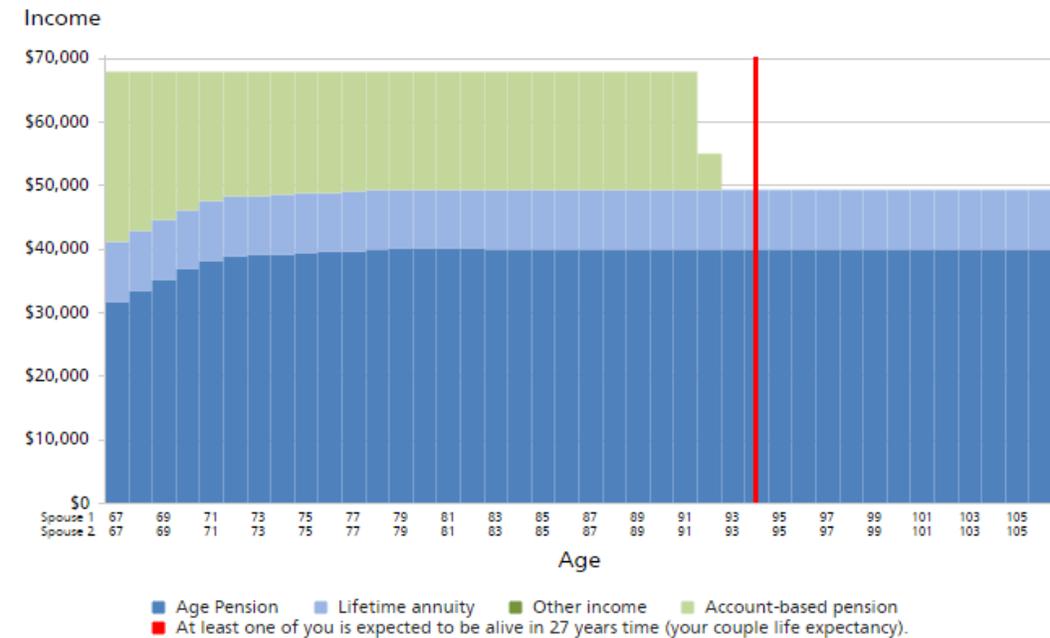


All values are shown in today's dollars

- Provides \$70,482 p.a. until age 92 then \$41k p.a. thereafter
- 50% chance one is alive at age 94

Combined product

(70% Account Based Pension; 30% Lifetime Annuity)



All values are shown in today's dollars

- Provides \$70,482 p.a. until age 98 then \$51k p.a. thereafter
- Income at least as good as 100% ABP – better the longer you live

Assumptions – 1. Applying means test rules for lifetime income products that took effect from 1 July 2019; 2. 67 year old couple, homeowners, \$300,000 each in super (\$600,000 combined) drawing \$70,482 per annum; 3. Account Based Pension assumptions – Growth 6.8%, Defensive 3.20% (net of fees); 4. Lifetime Annuity – Flexible income option, CPI indexation, monthly payments. Portfolio allocation of 50% growth / 50% defensive; 5. Challenger annuity pricing as at July 2023; 6. Centrelink rates and thresholds as at 1 July 2023.

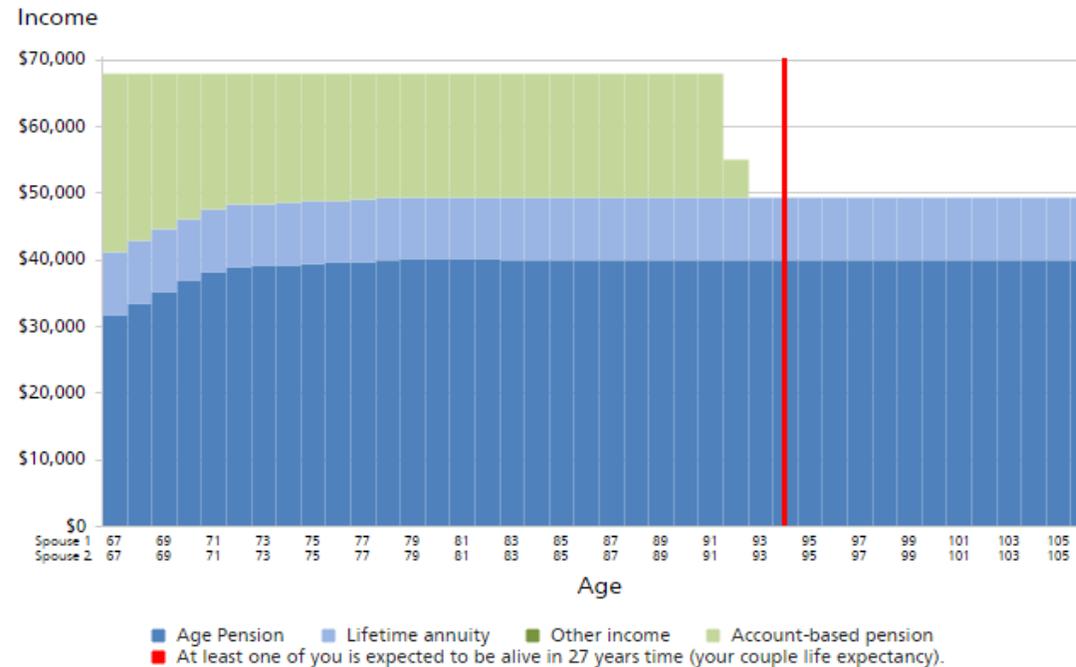
Retirement income strategies – combined products

Enhances income and provides longevity and inflation protection

Income from combined product enhanced through

1. mortality credits
2. interaction with age pension
3. growth assets left to grow
4. likely annuity outperformance against defensive alternatives

Combined product (70% Account Based Pension; 30% Lifetime Annuity)



- Provides \$70,482 p.a. until age 98 then \$51k p.a. thereafter
- Income at least as good as 100% ABP – better the longer you live

All values are shown in today's dollars

Assumptions – 1. Applying means test rules for lifetime income products that took effect from 1 July 2019; 2. 67 year old couple, homeowners, \$300,000 each in super (\$600,000 combined) drawing \$70,482 per annum; 3. Account Based Pension assumptions – Growth 6.8%, Defensive 3.20% (net of fees); 4. Lifetime Annuity – Flexible income option, CPI indexation, monthly payments. Portfolio allocation of 50% growth / 50% defensive; 5. Challenger annuity pricing as at July 2023; 6. Centrelink rates and thresholds as at 1 July 2023.

MS&AD strategic relationship

Diversifying and increasing access to Japanese market

Strategic relationship with MS&AD Group

- Increases access to Japanese market through MS&AD
- Opportunities for both Challenger and MS&AD
- Broadens Challenger's existing Japanese footprint

MS&AD shareholding in Challenger

- Shareholding ~15%¹
- Representative (and an alternate) joined Challenger Board
- MS&AD remains committed to its strategic relationship and being a major Challenger shareholder²



1. Shareholding as at 30 June 2023.

2. MS&AD reserves the right to change its intentions and to acquire, dispose and vote Challenger shares as it sees fit.

MS Primary annuity relationship

Diversifying and increasing access to Japanese market

MS Primary

- MS&AD subsidiary
 - leading provider of foreign currency life products in Japan
 - extensive distribution footprint via bancassurance channel

MS Primary annuity relationship

- Reinsurance agreements with MS Primary covering A\$ and US\$ 20 year term annuity, and A\$ lifetime annuity
- A\$ reinsurance commenced November 2016
- Expanded reinsurance to include US\$ term annuity¹
 - commenced 1 July 2019
 - at least ¥50 billion (~A\$520 million) in total A\$ and US\$ sales per year for minimum of five years²
 - provides reliable and diversified sales contribution

Mitsui Sumitomo Primary Life Insurance

MS&AD INSURANCE GROUP

Product overview

Term annuities – A\$ and US\$

- Australian and US dollar single premium product
- Whole-of-life product with annuity payment period of 3, 5, 7, 10, 15 or 20 years plus benefit payable on death
- Product provides insurance (whole-of-life) – provided by MS Primary at end of 20 year fixed annuity term
- Challenger providing fixed rate amortising annuity – MS Primary assumes residual policy value at end of 20 year period

Lifetime annuity

- Australian dollar single premium product
- An immediate lifetime annuity delivering fixed annuity payments for life
- A minimum guaranteed benefit of 80% or 100% of the single premium sum repayable via the annuity stream or as a death benefit upon early death

1. Challenger Life has entered into an agreement with MS Primary to commence reinsuring the US dollar version of the 20-year term product. Challenger provides a guaranteed interest rate and assume the investment risk in relation to those policies issued by MS Primary and reinsured by Challenger.

2. Subject to review in the event of a material adverse change for either MS Primary or Challenger Life. A\$ amount based on 30 June 2023 exchange rate.

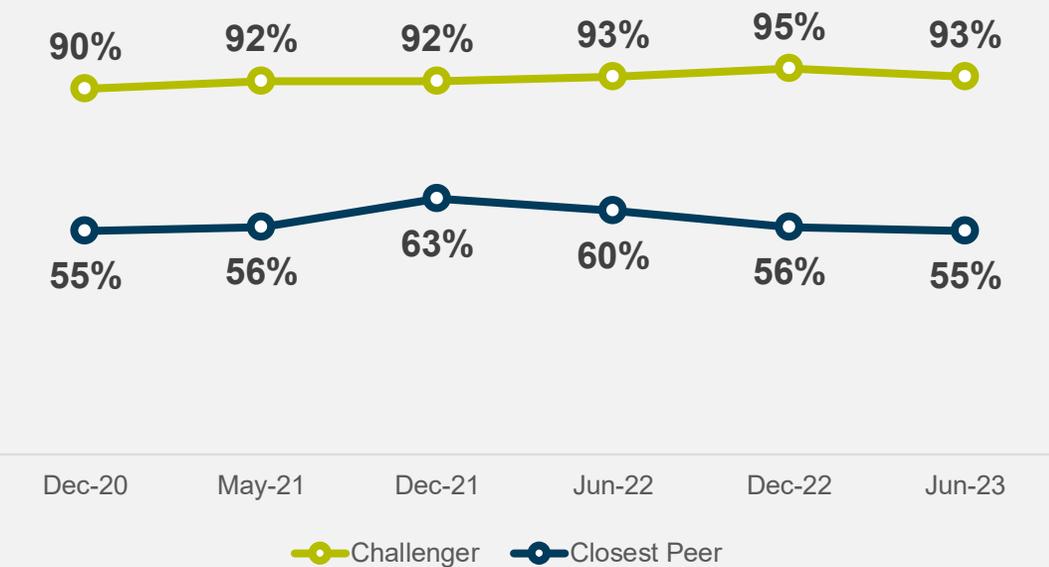
Clear leader in retirement incomes

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 2022

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

Life product overview

Providing customers with guaranteed income

Fixed term

35% of total book¹

Provides regular guaranteed payments for a fixed rate, fixed term

Average policy size² ~\$300,000

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)

38% of total book¹

Provides income for life

Average policy size^{2,3} ~\$200,000

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 (refer page 53)

Other

27% 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 FY23 annuity policy size excluding institutional term annuities.

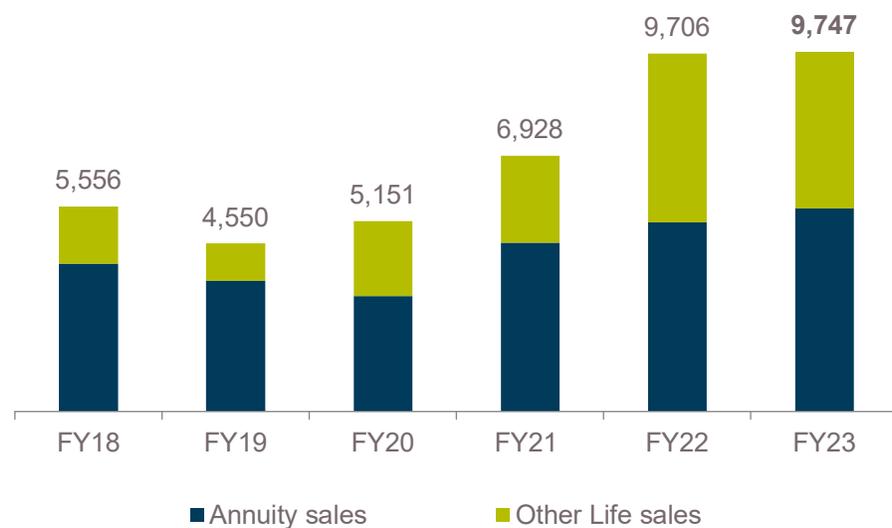
3. Average policy size for Liquid Lifetime and CarePlus and excludes MS Primary.

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

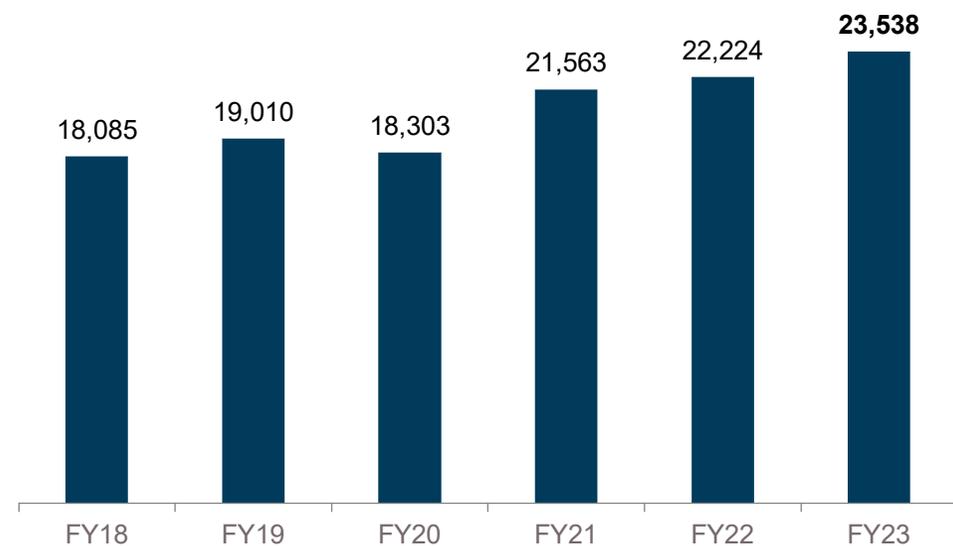
Life

Diversified distribution driving sales and AUM growth

Total Life sales (\$m)
12% 5-year CAGR



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



Asset allocation framework

Consistently applied with strong risk management

- Fundamental principle – assets and liabilities cash flow matched
- Managed by dedicated team
- Liability maturity profile drives asset tenor

Asset and liability matching (ALM)

Risk management

Risk management

- Strong governance framework
- Risk management entrenched in corporate culture
- Minimise unwanted risks such as interest rate, currency and inflation risks

- Investment returns considered relative to base swap rates
- Illiquidity premium contributes to relative value

Relative value

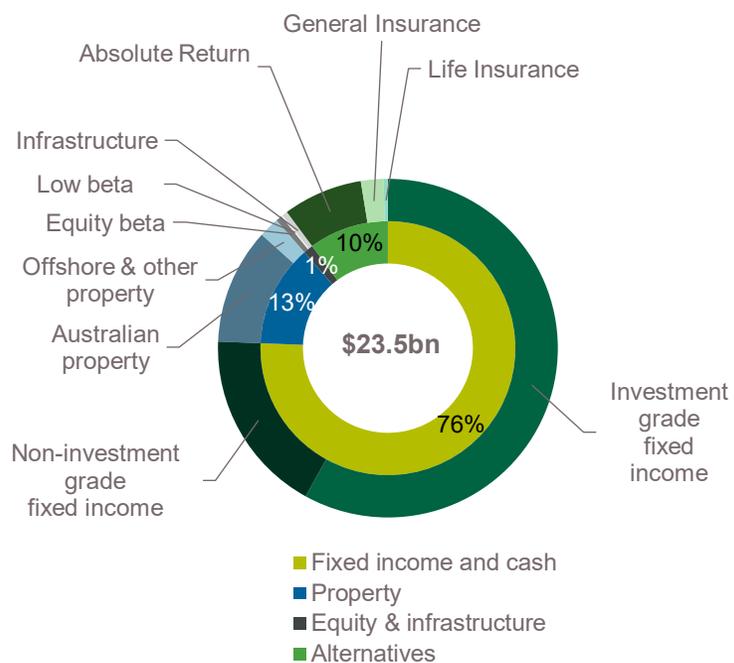
Capital and ROE

- Manage asset allocation to capital and ROE targets
- Investment decisions based on risk-adjusted returns

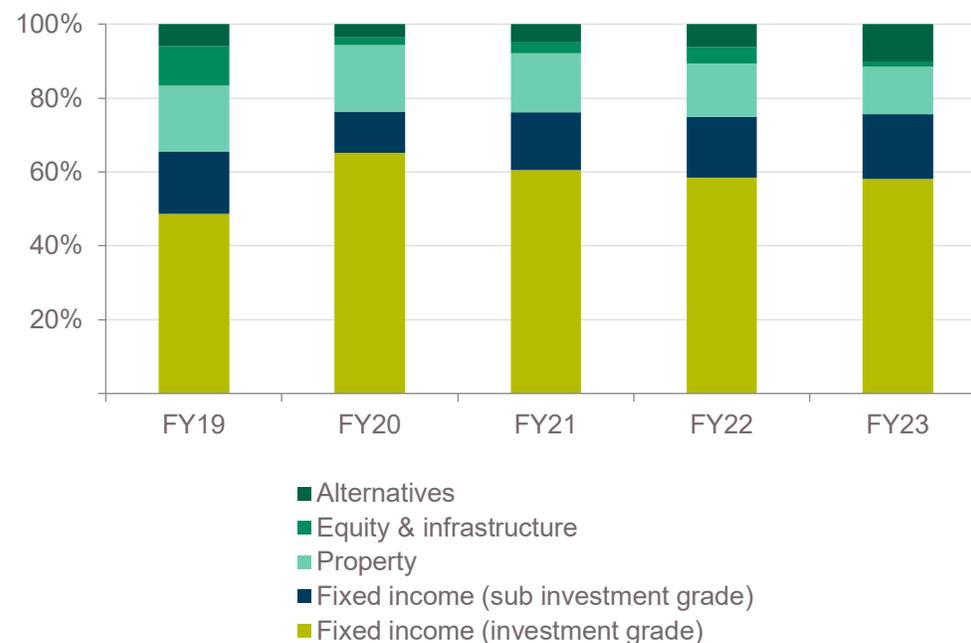
Life investment portfolio

High quality portfolio providing reliable income

Life investment portfolio¹



Life investment portfolio – asset allocation

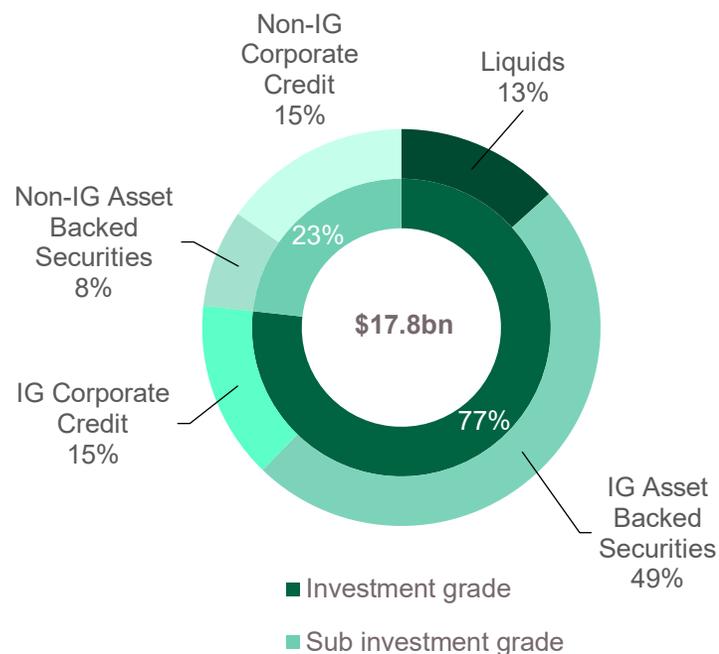


1. As at 30 June 2023.

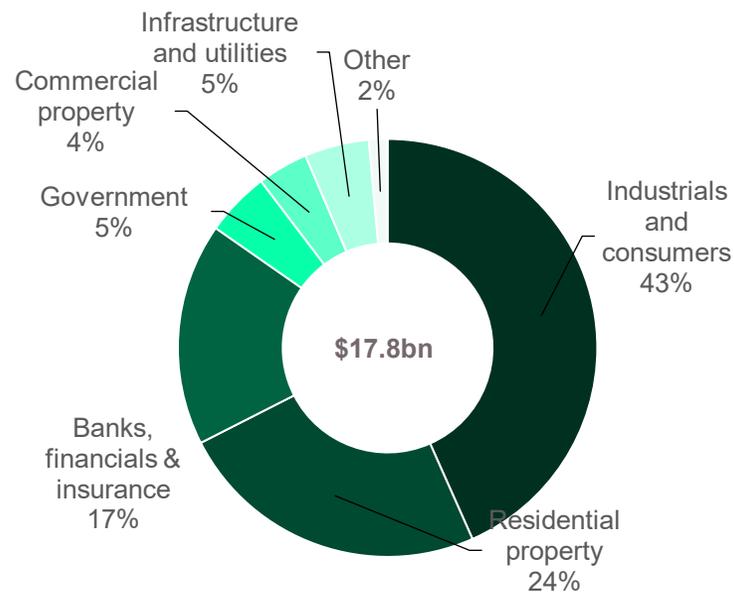
Fixed income portfolio

Represents 76% of portfolio¹ with 77% investment grade

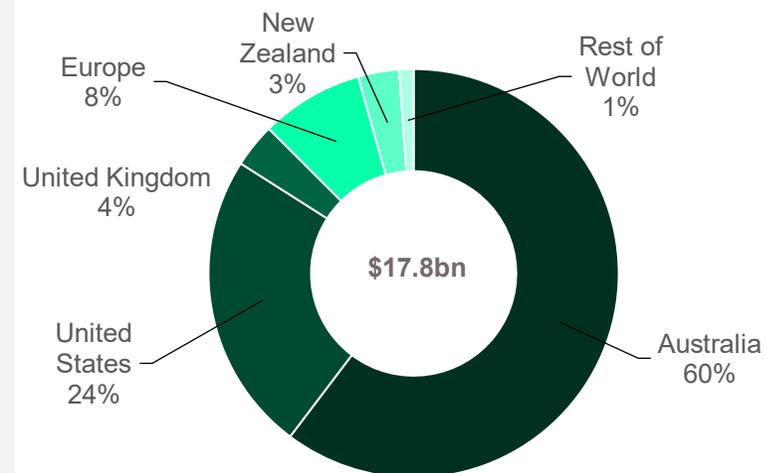
Fixed income portfolio by asset class¹



Fixed income portfolio by sector¹



Fixed income portfolio by geography¹



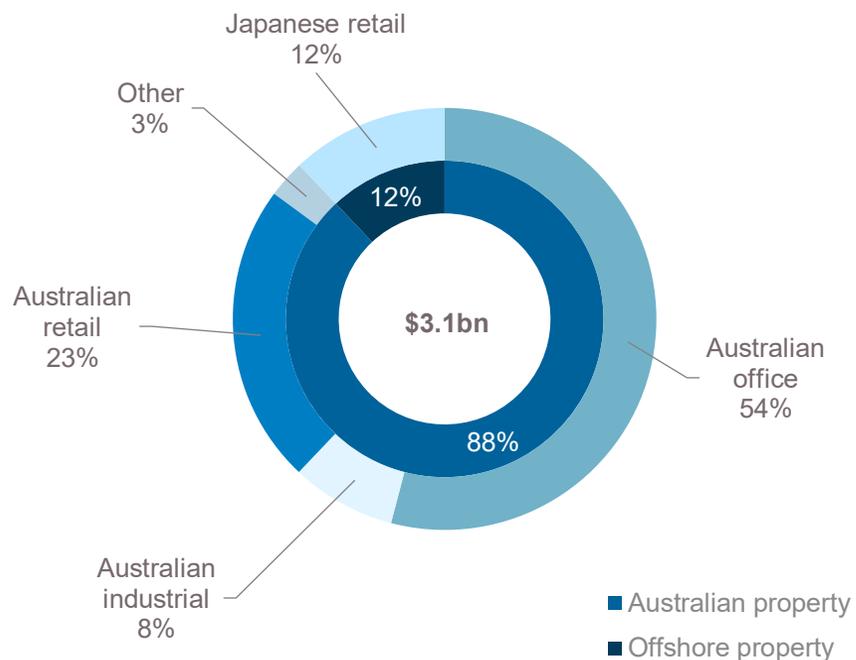
1. As at 30 June 2023.

Property portfolio

Represents 13% of portfolio

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

Property portfolio¹



Australian office 54%; Australian industrial 8%

- 10 office assets; 3 industrial assets
- Average cap rate 5.5% (office) & 5.0% (industrial); WALE² 5.8 years (office) & 7.2 years (industrial)
- ~54% of office rent from Government

Australian retail 23%

- 8 grocery anchored convenience based shopping centres
- Average cap rate 6.3%; WALE² 5.0 years
- ~50% of rental income from supermarkets, major banks, discount department stores and essential services

Japan retail & retail logistics 15%

- 19 predominantly grocery anchored neighbourhood centres
- 1 retail logistics facility
- Average cap rate 4.9%; WALE² 7.7 years
- ~50% of rental income from supermarkets and pharmacies

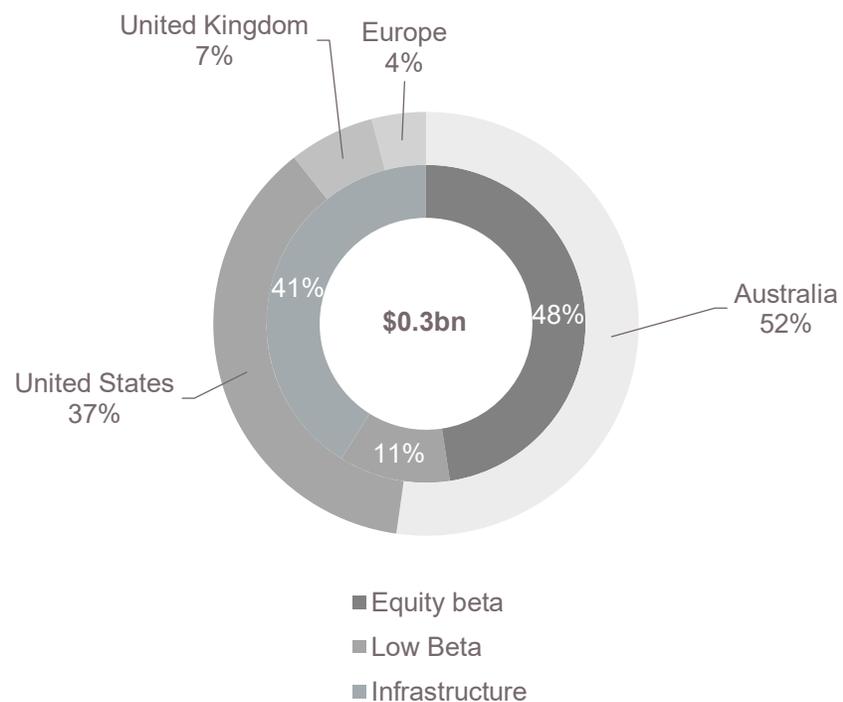
1. Property portfolio as at 30 June 2023.

2. Weighted Average Lease Expiry as at 30 June 2023. Assume tenants do not terminate leases prior to expiry of specified lease terms.

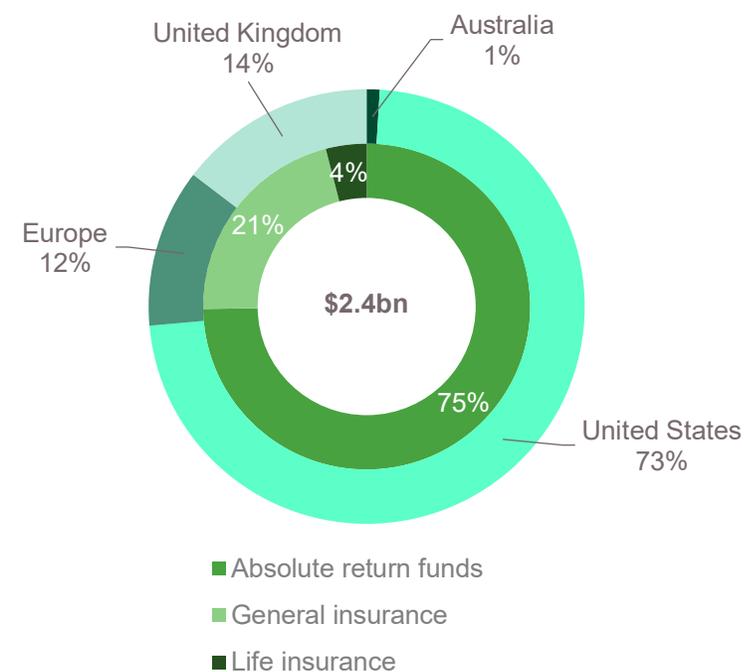
Life investment portfolio

Equity and infrastructure 1% of portfolio; Alternatives 10% of portfolio

Equity and Infrastructure portfolio¹



Alternatives portfolio¹



1. As at 30 June 2023.

Normalised profit framework

Reflects underlying performance of Life business

Investment Experience

Asset and policy liability valuation movements plus net new business strain

Asset and policy liability experience

Difference between expected capital growth¹ for each asset class compared to actual investment returns

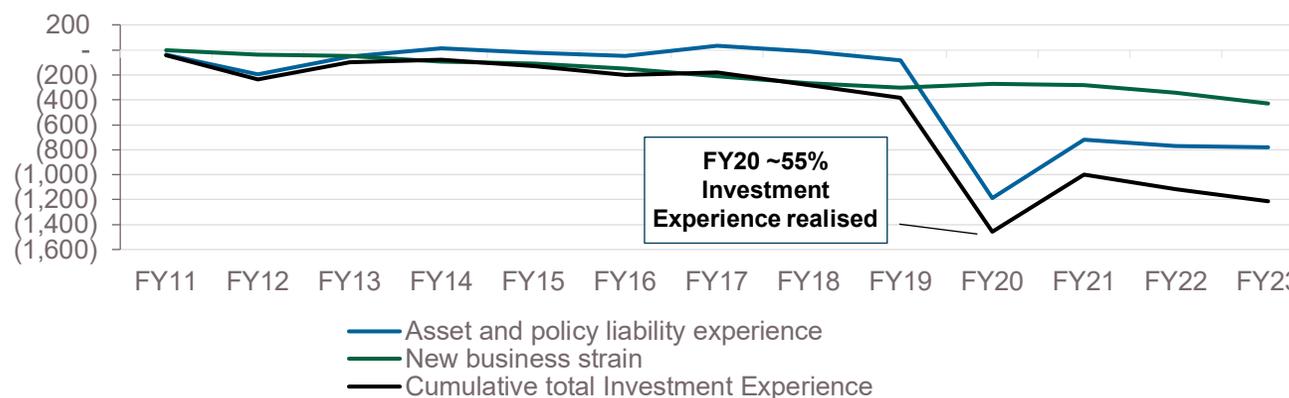
Includes impact of changes in macroeconomic variables² on the valuation of Life's liabilities

New business strain

New business strain is a non-cash accounting adjustment recognised when annuity rates on new business are higher than the discount rate (risk free rate plus an illiquidity premium³) used to fair value annuities. New business strain unwinds over the life of the annuity contract

Cumulative Investment Experience (pre-tax) (\$m)

Cumulative Investment Experience (pre-tax) (\$m)



FY23 normalised assumptions p.a. ¹	FY22	FY23
Fixed income (allowance for credit default)	-35 bps	-35 bps
Property	2.0%	2.0%
Equity and infrastructure (from 1 July 2020)	4.0%	4.0%
Alternatives (from 1 July 2020)	0.0%	0.0%

1. Based on normalised assumptions. Normalised profit framework and a reconciliation to statutory net profit after tax is disclosed in the 2023 Annual Report - Operating and Financial Review. Normalised growth assumptions were updated in FY21 for category changes and to ensure they reflect both the nature of the investments and long-term expected investment returns.

2. Macroeconomic variables include changes to bond yields, inflation factors, expense assumptions and other factors.

3. Annuities are fair valued using a risk-free discount rate, based on the Australian Commonwealth Government bond curve plus an illiquidity premium.

Asset liability matching

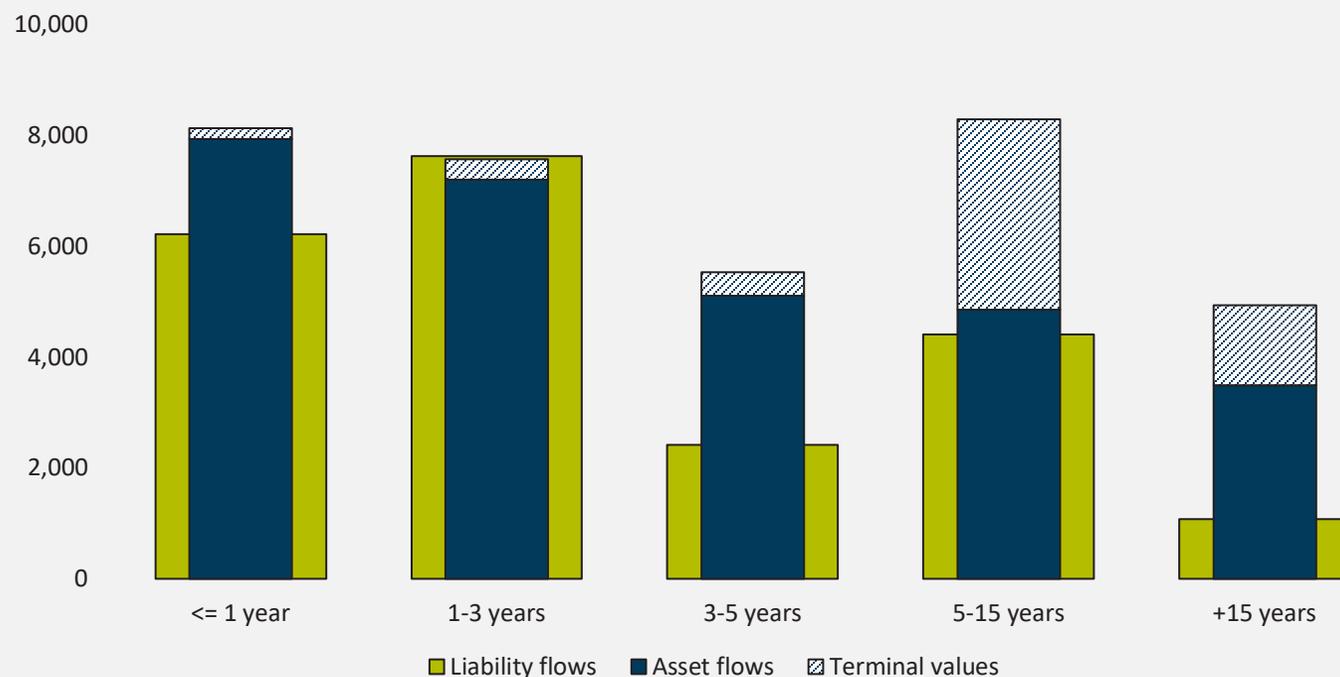
Unwanted risks mitigated with assets and liabilities cash flow matched

- Assets deliver contracted cash flows to match liability flows
- Risk appetite seeks to minimise duration mismatch
- Asset and liability matching impacts asset allocation

Minimise exposure to

- Foreign exchange risk
- Interest rate risk
- Inflation risk
- Liquidity risk
- Licence risk
- Operational risk

Asset and liability cash flow matching (\$m)¹



1. As at 30 June 2023.

Funds Management

Strong FUM growth track record

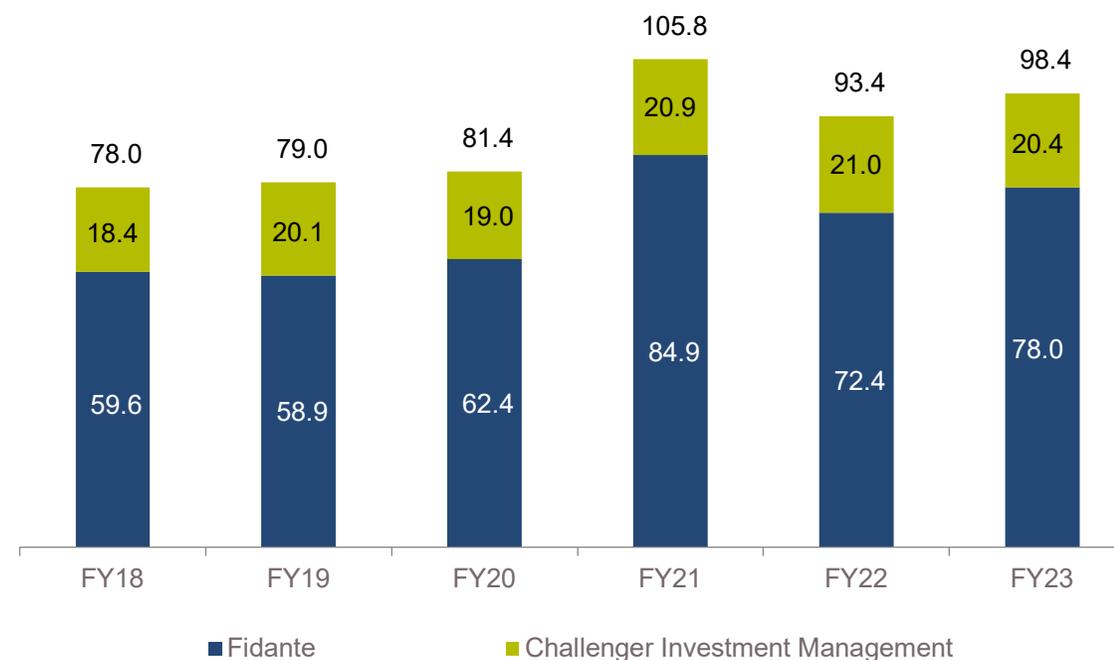
Fidante

- growing multiple affiliate platform
- located in Australia, the United Kingdom, Europe and Asia
- asset class diversification

Challenger Investment Management

- proven track record in asset origination
- strong investment performance
- growing 3rd party credit and property offerings

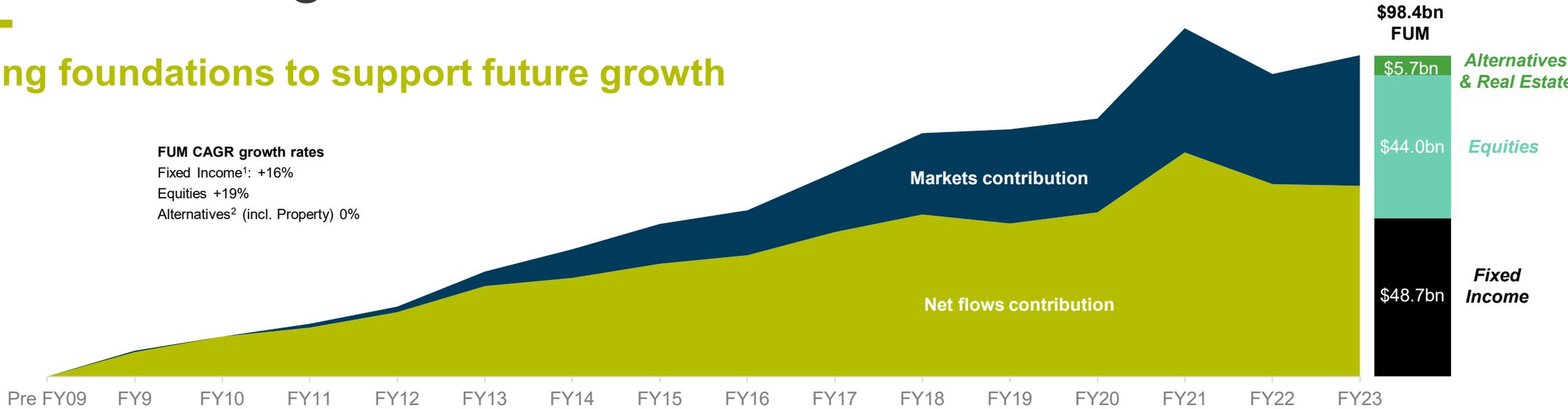
Funds Under Management (FUM) (\$bn) 5% 5-year CAGR



Funds Management

Laying foundations to support future growth

Funds Management sales and FUM



fidante

BUILD
high active affiliate Managers

PARTNER
with best-in-class Capability

challenger

BENTHAM ASSET MANAGEMENT

ARDEA Investment Management

MERLON INVESTMENT MANAGEMENT

WaveStone CAPITAL

NOVAPORT CAPITAL

Resonance Asset Management

challenger

Credit Income Fund

challenger

Multi-sector Private Lending Fund

challenger

Private Lending Opportunities Fund

LENNOX CAPITAL PARTNERS

ARES AUSTRALIA MANAGEMENT

PATRIZIA

IMPAX Asset Management

NOMURA

eiger capital

OX CAPITAL MANAGEMENT

cultiv8

Elanor

PROTERRA INVESTMENT PARTNERS

1. In July 2015 Kapstream was sold and \$5.4bn of institutional FUM was derecognised. Fidante continues to distribute Kapstream products to retail clients.
 2. In February 2022 Whitehelm Capital (Whitehelm) was sold and \$5.2bn of FUM was derecognised. Fidante continues to distribute Whitehelm products to retail clients.

Funds Management – multiple brands and strategies

Unique multi-asset platform supporting better customer outcomes

Affiliate brands, strategies and asset classes

Fixed Income \$49bn ¹	challenger 	ARDEA Investment Management 	Kapstream – JANUS HENDERSON – 	BENTHAM ASSET MANAGEMENT 	ARES ARES AUSTRALIA MANAGEMENT 		
Equities \$44bn ¹	Australian equities	alphinity INVESTMENT MANAGEMENT 	WaveStone CAPITAL 	MERLON CAPITAL PARTNERS 	LENNOX CAPITAL PARTNERS 		
	Global, regional & EM equities	alphinity INVESTMENT MANAGEMENT 	OX CAPITAL MANAGEMENT 	NOMURA 			
	Sustainable investments	alphinity INVESTMENT MANAGEMENT 	IMPAX Asset Management 				
Alternatives & Real Estate \$5bn ¹	challenger 	APOLLO 	Resonance Asset Management 	PATRIZIA 	PROTERRA INVESTMENT PARTNERS 	cultiv8 	Elanor 

Strong market position

#3 Largest active manager²

#1 Fixed income manager³

#4 Domestic equity manager³



1. Funds Under Management (FUM) as at 30 June 2023.
2. Calculated from Rainmaker Roundup, March 2023 data.
3. Plan for Life – March 2023 – based on fund size.

Fidante affiliate managers and partnerships

Diversified managers and investment strategies

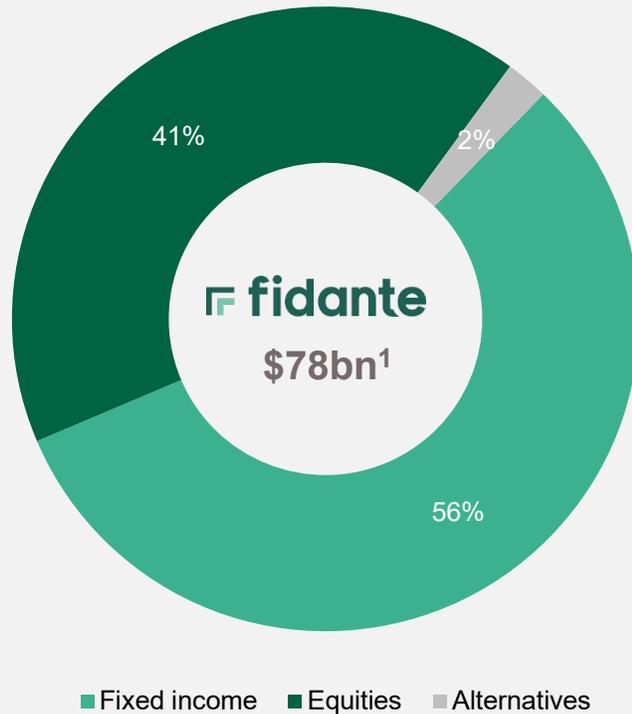
Affiliate	Partnership commenced	Asset class
 alphinity INVESTMENT MANAGEMENT	Aug 2010	Affiliate – Australian and global equities
 ARDEA Investment Management	Nov 2008	Affiliate – Australian fixed income
 APOLLO	Sep 2022	Partnership – Global credit & alternatives portfolios
 ARES ARES AUSTRALIA MANAGEMENT	Oct 2019	Affiliate – Global credit & alternative portfolios
 BENTHAM ASSET MANAGEMENT	Jun 2010	Affiliate – Global credit portfolios
 cultiv8	May 2022	Affiliate – Australian agriculture technology
 eiger capital	Apr 2019	Affiliate – Australian small cap equities
 Elanor	Jul 2023	Affiliate – Australian real estate investment
 Greencap CAPITAL	Sep 2006	Affiliate – Mid and large cap Australian equities
 IMPAX Asset Management	April 2021	Partnership – Impact investing
 Kapstream — JANUS HENDERSON —	Feb 2007	Affiliate – Global fixed income

Affiliate	Partnership commenced	Asset class
 kinetic SUCCESS PARTNERS	Oct 2005	Affiliate – Australian small cap equities
 LENNOX CAPITAL PARTNERS	Mar 2017	Affiliate – Australian small cap equities
 MERLON CAPITAL PARTNERS	May 2010	Affiliate – Australian equities (income focus)
 NOMURA	Mar 2021	Partnership – Equities and global credit
 NOVAPORT — CAPITAL —	Aug 2010	Affiliate – Australian small and micro cap equities
 OX CAPITAL MANAGEMENT	Jul 2021	Affiliate – Emerging markets equities
 PATRIZIA	Feb 2022	Partnership – Global real estate
 PROTERRA INVESTMENT PARTNERS	Nov 2020	Affiliate – Asian food strategy
 Resonance Asset Management	Jul 2015	Affiliate – Renewable energy and infrastructure
 WaveStone CAPITAL	Nov 2008	Affiliate – Australian equities (long only & long/short)

Fidante

Contemporary model with strong alignment of interests

Funds Under Management



Administration services

- Investment operations
- Client operations
- Risk and compliance
- IT infrastructure
- Finance
- Human Resources
- Company Secretarial
- Facilities

Distribution services

- Asset consultant & research
- Strategic positioning
- Product development
- Brand & marketing
- Sales planning & execution
- Investor relationships
- Client services
- Responsible Entity (RE)

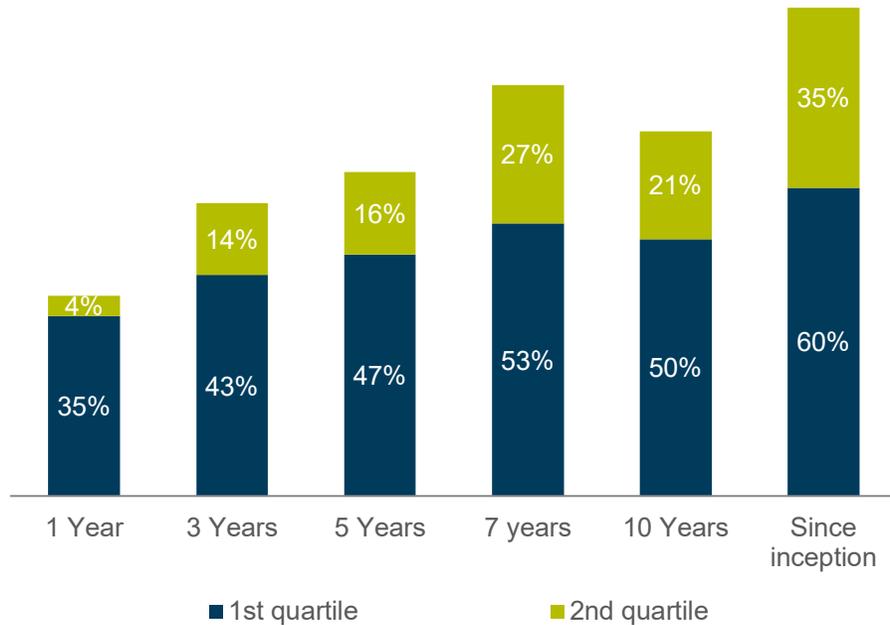
Partnership

- Equity participation and revenue share (Fidante non-controlling interest)
- Business planning, budgeting, strategic development, succession planning

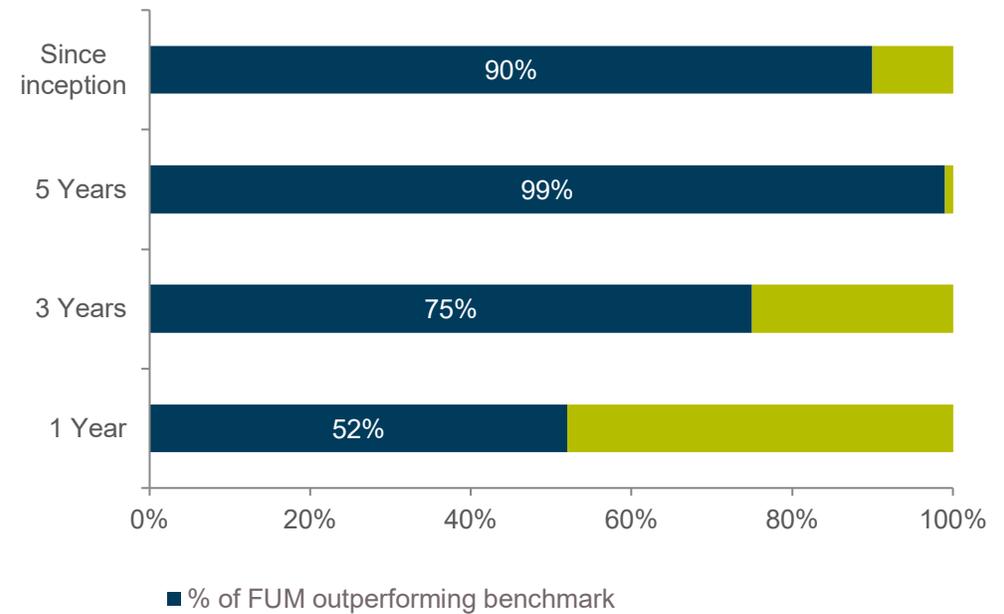
Fidante investment performance

Strong performance underpinning FUM growth

Fidante percentage of funds 1st or 2nd quartile¹



Fidante performance relative to benchmark²



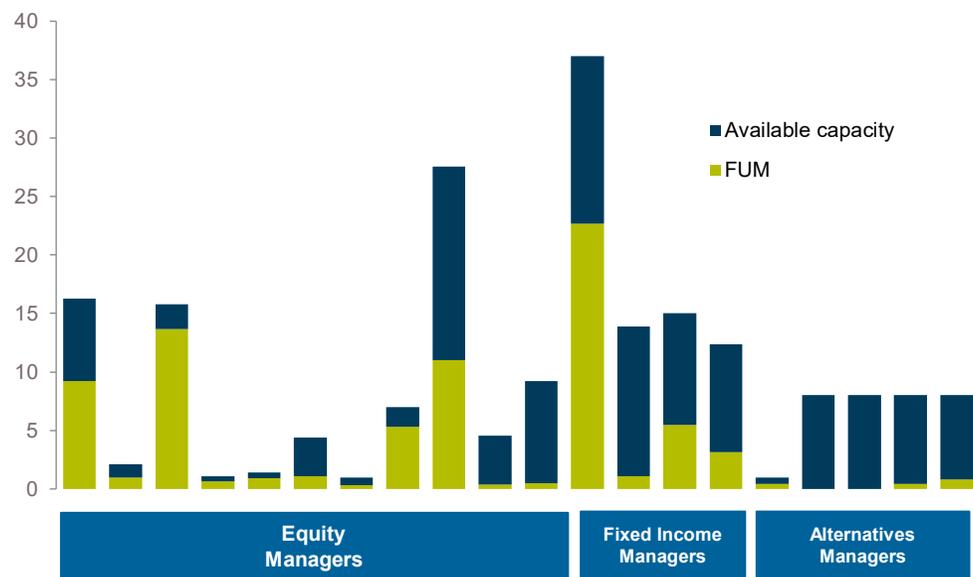
1. Mercer as at 30 June 2023.

2. As at 30 June 2023. Percentage of Fidante affiliates meeting or exceeding the performance benchmark, with gross performance weighted by FUM.

Funds Management

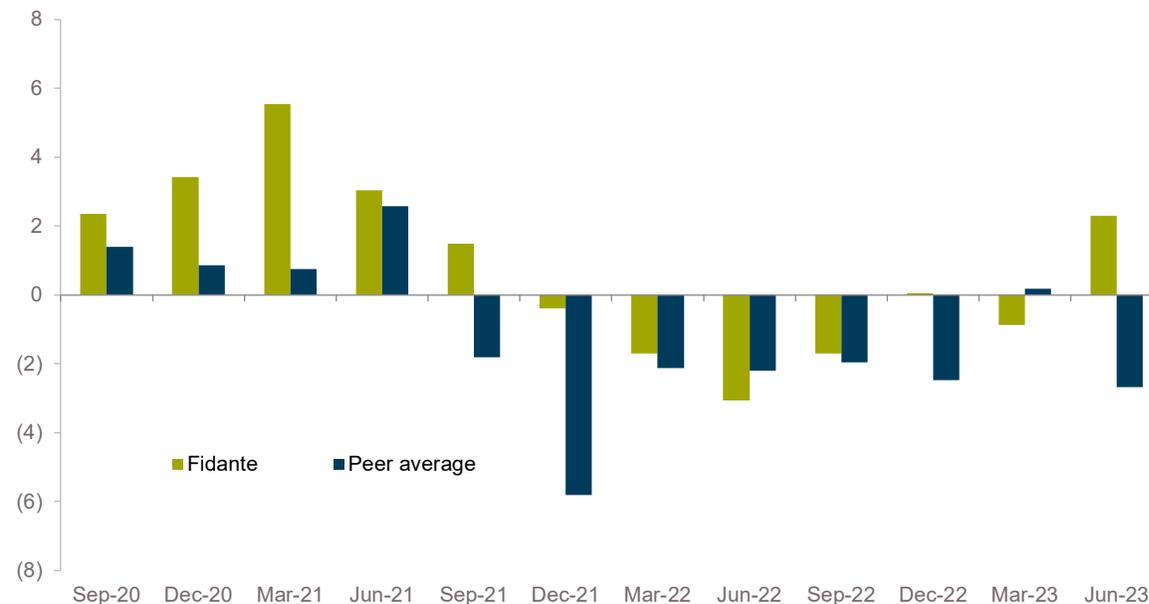
Growth supported by available capacity

Manager capacity (\$bn)



- ~\$150bn of available capacity¹
- Capacity provides platform for growth

Quarterly net flows vs peers² (\$bn)



1. As at June 2023.

2. Quarterly net flows for peers, include Magellan, PAC, Pental, Pinnacle, Perpetual and Platinum. June 2023 peer net flows includes only those that have reported data prior to 27 July 2023. Fidante 3Q22 (Mar-22) net flows excludes the impact of Fidante's sale of its 30% equity interest in Whitehelm Capital to PATRIZIA AG (\$5.2b derecognition of FUM). From 1Q23 Fidante net flows excludes the transfer of Solutions from Funds Management to Life.

Challenger Investment Management

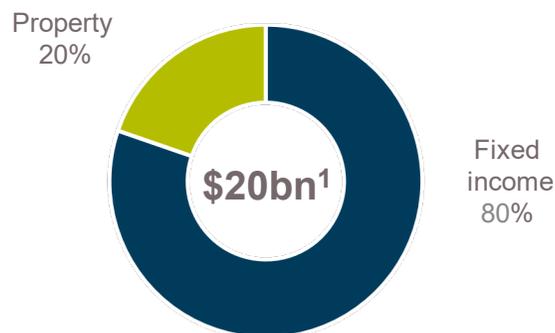
Proven long-term investment track record and capability

- \$20 billion of FUM¹
- Investment manager for Challenger Life and third party institutions
- Clients benefit from experience and market insights through breadth and scale of mandates

Trusted partner

- Local relationships
- Asset origination capability
- Proven track record
- Strong execution
- Risk management expertise
- Excellent client service
- Strong compliance culture

Asset specialisation



Institutional clients

- Sovereign wealth funds
- Government bodies
- Australian superannuation funds
- International funds
- International insurance companies
- Pension funds
- Large family offices

1. As at 30 June 2023.

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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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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 has been disclosed in the Operating and Financial Review section of the Directors' Report in the Challenger Limited 2023 Annual 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 2023 Annual 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.