

# Market Release

26 May 2026

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## Challenger Investor Day

Entering next era of growth as Australia's retirement leader

**Challenger Limited (ASX: CGF)** today provides an update on its strategy at its 2026 Investor Day.

As Australia enters the age of ageing Challenger outlines how it is delivering growth across each of its strategic pillars – retirement leader, investment excellence, and talented team and capability.

### Retirement leader

- Leading the development of Australia's retirement income market, backed by a strong brand and market position, as a record number of people enter the decumulation system.
- Unlocking the retirement ecosystem through partnerships.
- Partnering with advice technology platforms, enabling financial advisers for the first time to model retirement plans with guaranteed income.
- Expanding successful decade-long reinsurance partnership with MS Primary, creating an offshore reinsurance platform for further growth in Asia.

### Investment excellence

- New capital framework for longevity products represents a significant regulatory development, removing procyclicality, improving capital efficiency, and creating settings for a growing retirement income market.
- Investment capabilities combined as one team under new Group Chief Investment Officer, extending Challenger's asset origination capability and generating superior risk-adjusted returns.
- Driving income product innovation including the issuance of LiFTS notes.

### Talented team and capability

- Innovation, talent, collaboration and passion for our purpose maintained as core attributes of Challenger's culture.
- Investment in technology capability is removing customer friction, driving operational leverage, and creating a data and AI enabled environment.

## Managing Director and Chief Executive Officer Nick Hamilton said:

*"We have passed the inflection point for the retirement system in Australia that presents an exciting moment for our business, our shareholders and the customers we serve.*

*"We start from a position of strength to capture the retirement opportunity. The demographics, an industry that is now focusing on retirement and a new capital framework are all converging to create demand for the products and capabilities that Challenger has spent much of its 40 years building.*

*"Our transformation of recent years has brought us to this moment as a simpler, more focused business.*

*"We're building the bridge between the accumulation system and the retirement system through distribution partnerships, advice and product innovation, and customer education. We're making guaranteed income accessible in ways it simply wasn't before."*

*"I have never been more confident in our strategic position, or more excited for the opportunity that's here."*

### **Analyst and investor briefing**

Challenger Managing Director and Chief Executive Officer Nick Hamilton and members of Challenger's leadership team and management will present from 9.00am on Tuesday 26 May.

The Investor Day will be a hybrid event with the online webcast available to watch live and via playback at: [www.challenger.com.au/about-us/shareholder-centre](http://www.challenger.com.au/about-us/shareholder-centre)

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 

# 2026 Investor Day

26 May 2026

**Life. Well lived.**





## 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.

# Agenda



09.00

## Vision and ambition

Nick Hamilton – Managing Director and Chief Executive Officer



09.20

## Unlocking retirement and accelerating growth

Mandy Mannix – Chief Executive, Customer



09.40

## Future of retirement advice – panel discussion

Adrian Aardoom – General Manager, Distribution (moderator)



10.10

## Break



10.25

## Multi-affiliate platform – Fidante

Naomi Cunningham – Executive General Manager, Fidante



10.35

## Offshore reinsurance platform – Calix Re

Anton Kapel – Chief Executive, Insurance



10.45

## Capital settings and financial metrics

Alex Bell – Chief Financial Officer

Anton Kapel – Chief Executive, Insurance



11.10

## Investment excellence and balance sheet strategy

Damian Graham – Group Chief Investment Officer



11.30

## Wrap up and Q&A session

Nick Hamilton – Managing Director and Chief Executive Officer

# 1

## Vision and ambition

**Nick Hamilton**

Managing Director and  
Chief Executive Officer



**By 2030, 1 in 5 Australians will be over 65...**  
**By 2041, number of Australians over 85 will grow 140%**  
**Today, 285,000 Australians are retiring every year**  
**... in a couple, one is expected to live beyond 92**  
**Many will spend 30 years in part or full retirement**

# What we provide our customers goes beyond income

## Financial security unlocks peace of mind



Glenn and Annette Mitchell feel it was a mistake not to seek advice. PHOTO PETER WALLIS

**From page 29**  
**How much you can spend without outliving super**

Centimark is the ultimate longevity hedge. If you run out of money, then you'll qualify. The Treasury discussion paper says retirees tend to worry about the highest cost of annuities, don't like the idea that large sums of money are "locked away" when health or aged care emergencies might arise, and are worried about "wasting capital" if they die at an early age.

**The most important elements of a happy retirement**

Superannuation funds and insurance held in annuities. Unlike account-based pensions, annuities offer the option of receiving regular payments for life, regardless of how long a person lives.



**The retirees using super to create family memories instead of leaving a big inheritance for the kids**

By JULIE ANNE SPRAGUE Wealth editor



PH: ALIHOV, GRANDDAUGHTER MILA, SON BEN, SURROUNDED BY HER FAMILY AT WOOMERS PICTURE: COLIN MURTY

Health Superannuation & SMSFs Superannuation

### This couple built a future on property. Here's where they went wrong

Two investment properties weren't enough to stop Tom and Jenny Croucher from rapidly eating into their super when they retired. Here's how they fixed it.

Retirees Jenny and Tom Croucher outside Woolward Shores Retirement Village, Taren Point, Sydney. LAUREN KENNEDY

challenger Providing peace of mind and confidence in retirement

**"We don't worry about the little things anymore."**

Carol and Chris, Challenger customers (as featured on Weekend Sunrise, Channel 7)

After downsizing and purchasing a CR-linked lifetime annuity, Carol and Chris have embraced a retirement full of freedom, fun, and family, from tap dancing and water aerobics to travelling with their grandkids, they're living life without financial stress.

"We don't need a super yacht. What we have is the security to do what makes us happy," says Chris.



### Regrets? Overly frugal retirees can have a few

ANTHONY MANNIS  
 Senior Australians have mastered the art of building wealth, but many are falling at comfortably spending it. The Happiness Index Report shows that lead to people significantly underspending from their nest eggs can be just as damaging as overspending experts warn.

While research released this month by investment giant Challenger shows that 46 per cent of older Australians are worried about running out of money in retirement, separate figures from the Super Members Council show retirees over the age of 80 still have two-thirds of the super balance they had in their 60s.

Financial advisers say underspending can lead to regret and other psychological stresses when people near the end of their lives, and discover they could have been spending more.

Rob and Rhonda Cooke are among that group. For decades they have used the same financial adviser, Daniel Maloney, who gave Rob Cooke the welcome news that he could retire at 62 – earlier than he expected.

"We know we have a guaranteed income for life, which takes the worry out of retirement," says Rob Cooke, 78. "We have even been able to give each of our children an early inheritance and set up trusts to actually siphon money out when they turn 21."

Rhonda Cooke, 79, said financial security in retirement gave seniors the freedom to enjoy hobbies and interests that made them happy, "like my passion for art".

However, a report in late 2023 by the Super Members Council examining asset distribution shows that people over the age of 70 still have average super balances of \$35,000, almost 64 per cent of the average balance of 60-to-69 year-olds of \$497,000.

Another 2023 report by Generation Life shows that Australians fear outliving their nest eggs, and suggests people need to focus on managing their life as well as their money. It says "regret risk" is a very real phenomenon. It's the notion that retirees live frugally in the early years of their retirement out of fear of running out of savings, only to look back once they reach their later years and feel a sense of regret from being overly frugal or conservative."

### How much you can afford to spend in retirement

Continued from Page 13

"This sometimes means that the calculation of a safe-spending level is avoided."

Goldborough Financial Services director Brenton Mielgel said he had noticed retirees being more careful about bills, and some were delaying big-ticket expenses such as renovations, travel and new cars.

"I think running out of money is going to become more of a concern going forward, but the other side of the equation I'm starting to see is bigger super balances," he said.

"I'm finding that people are looking to have more to live on."

While Challenger's modelling allows for a retiree's super balance to shrink over time, many financial planners, including Mr Mielgel, take a simpler approach: the 5 per cent rule, where 5 per cent of the super balance can be allocated to covering expenses annually.

"If you have \$1m in super there's about \$50,000 a year continuing for the rest of your life," he said. "If you have a portfolio earn-



Retirees Denis and Liz Frith took financial advice

by 24 per cent, according to the ASFA Retirement Standard.

ASFA says that since the pandemic a couple have had to find an extra \$14,596 of annual income –

Retirees Denis and Liz Frith do not worry about running out of money, after working with the same financial adviser for the past 18 years and planning meticulously.

She said some of the couple's friends had bigger nest eggs but still worried about their finances.

"They panic all the time and they have a lot more money put aside than we have – they're frightened to spend anything," she said.

The Friths downsized to a retirement resort this year and spend their time volunteering in the community, caring for their grandkids and Mrs Frith's mother, and travelling overseas.

Mr Lowe said retirees not wanting to run out of money should retire their safe-spending level regularly and adjust spending if needed, understand how lifetime pensions and lifetime annuities work, and consider their age pension eligibility.

"Even if you aren't eligible initially for any age pension, you may be later in retirement," he said.

**HOW MUCH A RETIREE COUPLE CAN SAFELY SPEND**

Retirement	Annual amount	Retirement	Annual amount
\$200,000	\$33,600	\$2,200,000	\$103,000
\$400,000	\$60,600	\$2,400,000	\$108,800
\$600,000	\$66,200	\$2,600,000	\$114,800
\$800,000	\$70,400	\$2,800,000	\$120,900
\$1,000,000	\$74,000	\$3,000,000	\$127,000
\$1,200,000	\$77,800	\$3,200,000	\$133,500
\$1,400,000	\$82,200	\$3,400,000	\$140,200
\$1,600,000	\$86,900	\$3,600,000	\$147,100
\$1,800,000	\$92,000	\$3,800,000	\$153,800
\$2,000,000	\$97,200	\$4,000,000	\$160,700

Amount does not take into account super and other investment savings, also see page 13

Source: Challenger

# PEACE OF MIND

Graham, 78  
 Challenger Lifetime annuity customer

"I like that I receive an income for as long as I live. It's consistent.

And that's a real comfort to me. I get a part-age pension as well which I mainly use to pay the bills and everyday things. The annuity money is for "extras" like birthday presents or going out for a special occasion. It allows me to enjoy my retirement."

Amanda, 70, retired, QLD, Lifetime annuity investor

"Guaranteed regular income regardless of how long I live really resonates with me. That's why I bought a lifetime annuity in the first place."

"My adviser recommended a lifetime annuity because I wanted a guaranteed income for life. At my age, I didn't want to take any risk. I've been so happy with my lifetime annuity that I bought two more lifetime annuities with Challenger."

"Some of my friends invest in stocks on the share market but I like to know what I'm getting. I don't want that kind of risk at my age. I'm comfortable with the safe road that I have taken regarding my finances in retirement. I like the security the lifetime annuity offers."





Retirement is different

# Age of Ageing

**Retirement  
Leader**

**Investment  
Excellence**

**Talented  
Team &  
Capability**

## OUR PURPOSE

Providing financial security for a **better retirement**

## OUR POSITION

Australia's **leader** in retirement income

## OUR OPPORTUNITY

**1 in 5 Australians** will be in retirement by 2030

~90%

Annuities market share in Australia<sup>1</sup>

3

Major retirement partnerships in FY26

\$1bn+

Lifetime annuity sales on track to achieve in FY26

# Retirement Leader

Our core focus

## Brand and expertise



## Retirement Partnerships



## Advice Integrations



Unlocking the Retirement Ecosystem

## Growing in new adjacent markets



Calix Re

MS&AD

Mitsui Sumitomo Primary Life Insurance



1. Plan for Life – December 2025 – based on annuities under administration.

**\$1.7bn+**

Excess capital<sup>1</sup>

**\$5.9bn**

Originations in 1H26

**A+**

CLC Credit rating<sup>2</sup>

	Today	FY27 onwards
Asset origination	Generating attractive <b>risk-adjusted returns</b> Originating <b>high-quality assets</b> for Life <b>Whole loan</b> transactions	<b>Broader access</b> to capital efficient assets Long term <b>origination partnerships</b>
Investment excellence	<b>Experts in fixed income</b> and credit <b>LiFTS</b> notes platform Strong <b>ALM</b> capability	Growing <b>fee-related earnings</b> Expanding <b>LiFTS</b> program Scale <b>Fidante</b> platform
Capital	Capital <b>strength</b> <b>Buyback</b> program <b>AT1</b> redemption	<b>Lower capital intensity</b> balance sheet Capital <b>optionality</b>

Investment  
Excellence  
Our competitive moat

1. As at 31 December 2025.  
2. S&P Global Ratings.

# Talented Team & Capability

Our passion



## People

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- Passion for our purpose
- Collaborative and innovation culture
- Customer-centricity

## Technology

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- Future fit, data and AI enabled
- Removing customer sales friction
- Partnering with industry leaders

## Operating platform

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- Focus on operational efficiency
- Leverage core to broaden offer
- Product innovation

- Best in class teams
- Customer centric
- Removing sales friction



- Retirement partnerships
- Expand income solutions
- Materially higher demand

**Our flywheel**  
**a simpler business**

# For decades we have led the way

## With education and expert insights into the retirement economy

### Insights & Research

#### Challenger Retirement Happiness Index 2026

Drivers of happiness

Activities & hobbies	80
Mental health	77
Living at home	72
Social connections	71
Physical health	60
Living alone	57

Overall Index: 69.5

Who is happiest? (by household type):

- Retirees: 78.5
- Homeowners: 76.5
- Married couples: 75.5
- Single: 71.5
- Partners: 70.5
- Men: 69.5

Happiness by state:

- NSW: 70.5
- QLD: 70.5
- SA: 70.5
- WA: 70.5
- NT: 70.5
- ACT: 70.5
- Tas: 70.5

Cost of living continues to bite (high income most impacted by rising cost of living):

- Maintaining current lifestyle: 5%
- Preserving capital security: 5%
- Fear of money running out in retirement: 30%

Increasing demand for guaranteed regular income: 4 in 5

Financial security:

- 56% believe they would be much happier if they had guaranteed regular income for life.
- 46% believe they would be much happier if they had access to financial education.

Guidance needed to improve retirement:

- 1 Super fund or bank (free) 100%
- 2 Government agency (free) 100%
- 3 Financial adviser (paid) 100%

#### HOW TO NOT OUTLIVE YOUR SUPER

Work out which of these retirement options you are to grab your super early (or not working) says James Mackay

The quest for effective retirement advice lies in creating a plan that allows both income and security enabling clients to enjoy the lifestyle they've worked hard for. Advisers play a pivotal role in determining the order of advice to ensure strategies that mitigate risks such as longevity and market volatility, ensuring clients can sustain their desired standard of living.

With an ageing population and increasing life expectancy, this article explores the technical considerations behind ensuring income streams to help clients comfortably meet their income requirements while understanding the implications for social security entitlements, when relevant.

Pre-retirement income stream considerations:

- Consider an income stream over a long-term horizon.
- Ensure a sufficient income stream can be sustained for the entire retirement period.
- Consider the impact of inflation on the real value of the income stream.
- Ensure the income stream is structured to meet the client's needs for liquidity and flexibility.
- Consider the impact of market volatility on the income stream.
- Ensure the income stream is structured to meet the client's needs for capital preservation and growth.

#### Challenger Tech

NOVEMBER 2025

The devil is in the detail – navigating income stream considerations

By Mimi Deak, Technical Services Manager

The quest for effective retirement advice lies in creating a plan that allows both income and security enabling clients to enjoy the lifestyle they've worked hard for. Advisers play a pivotal role in determining the order of advice to ensure strategies that mitigate risks such as longevity and market volatility, ensuring clients can sustain their desired standard of living.

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### Education & Training

#### Webinar

### Planning for Aged Care in retirement

Register now

2nd December 12pm AEDT

Click here to RSVP

#### Join our upcoming webinar on the Challenger IM LiFTS 1 Notes (ASX: CIMHA)

Stephen Martin  
Anna Kirkby

April 22, 11:00am AEST

CPD Webinar

#### Webinar

### Xplan Retirement Income Solution webinar

Thursday, May 21 | 11:00am AEST

Register now

#### AGED CARE SIMPLIFIED FOR RETIREES

December 2nd 2025 12:00 PM AEDT

Free Live Webinar



### Leading voices & advocacy

#### Understanding member needs at retirement

#### The longevity revolution: Is your advice built to last?

A practical guide to help advisers build more resilient and sustainable retirement income strategies for their clients.

Challenger Retirement Happiness Index

Confidence, comfort, and certainty: How advice unlocks the retirement trifecta

Aaron Minney

#### CPD Webinar | 20th May, 2pm

### Macro Musing Live

Will the oil shock tip a slowing global economy over the edge?

Dr Jonathan Kearns  
Chief Economist and Head of Regulatory Affairs

REGISTER NOW

#### Institute for Lifetime Income

Challenge of the age: how to sustain income for longer lives?

#### Listen now

### The Australian Retirement podcast

Australians are living longer lives, but how we make income last for a longer time hasn't kept up.

Available on all major podcasting platforms

- Longevity risk: The risk of outliving your savings. A 65-year-old Australian woman has a 50% chance of living past 80. To beyond what most financial grants assume.
- Sequencing risk: Poor investment returns in the early years of retirement can permanently reduce how long savings can last for, even if markets recover.
- Inflation risk: Even modest inflation erodes purchasing power significantly over a 25-30 year retirement. Fixed income needs inflation protection built in.

Mandy Mannix



#### How much super do your clients need for a comfortable retirement\*

Singles \$630,000

Couples \$730,000

\*Assumes home ownership and part-Age Pension



Retirement is different

# Age of Ageing

**Retirement  
Leader**

**Investment  
Excellence**

**Talented  
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## OUR PURPOSE

Providing financial security for a **better retirement**

## OUR POSITION

Australia's **leader** in retirement income

## OUR OPPORTUNITY

**1 in 5 Australians** will be in retirement by 2030

# 2

## Unlocking retirement and accelerating growth

**Mandy Mannix**

Chief Executive, Customer



# Retirement in Australia is changing

It is no longer a point in time and has multiple phases

## Goal

To build a nest egg from which to fund retirement

Financial confidence achieved via:

Working life of 35-50 years

Supportive superannuation contributions rules

~40 years of super invested

SAVING FOR RETIREMENT

SPENDING IN RETIREMENT

## Goal

To convert nest egg and achieve income certainty

Financial confidence achieved via:

Establishing certainty of income to replace salary

Whole of portfolio decisions to manage retirement risks

Arrangements to action financial legacy to family/ friends/ charities



Starting out

Working

Paying off debt

Accumulating wealth

Starting retirement / travelling

Downsizing

Estate planning

Aged care

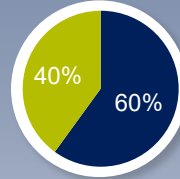
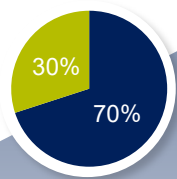
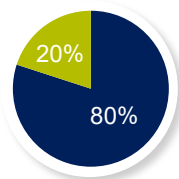
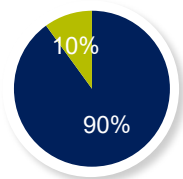
# Retirement in Australia is changing

Australians need help to navigate their way to build a personalised retirement plan

## Accumulation

Goal: To build a nest egg from which to fund retirement

Asset allocation shifts help to build wealth



- Growth assets
- Defensive assets

SAVING FOR RETIREMENT



Starting out

Working

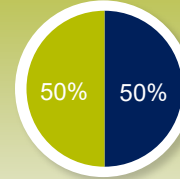
Paying off debt

Accumulating wealth

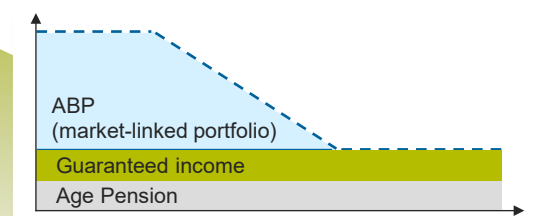
## Decumulation

Goal: To convert nest egg and achieve income certainty

Asset allocation alone cannot always achieve certainty



SPENDING IN RETIREMENT



Starting retirement / travelling

Downsizing

Estate planning

Aged care


**Risks in retirement:**


- |                 |  |                 |  |                |
|-----------------|--|-----------------|--|----------------|
| Longevity risk  |  | Sequencing risk |  | Market risk    |
| Regulatory risk |  | Inflation risk  |  | Emotional risk |


# Annuities provide confidence and regular income in retirement


## Annuities can play a core part in portfolio construction


### Annuities can help you spend with confidence

 Guaranteeing regular income

 Managing key risks in retirement

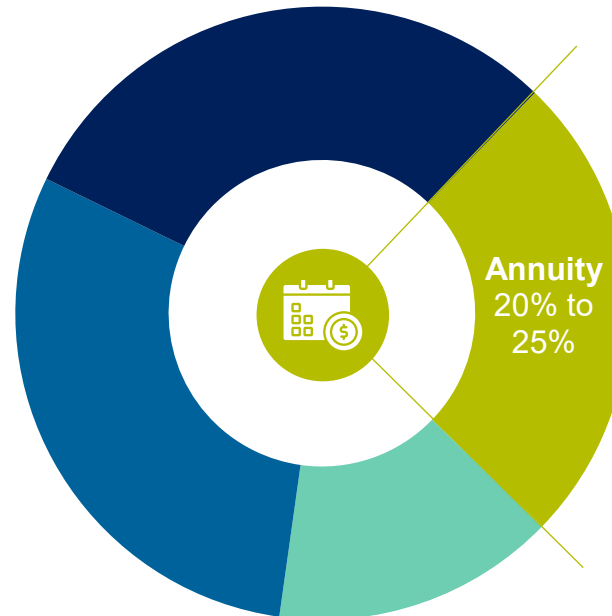
 Sustaining higher levels of income over retirement

 Maximising aged pension entitlements

 Estate planning through payments to beneficiaries and guaranteed death benefits

### Illustrative retirement portfolio

75%  
Account Based Pension  
+  
25%  
Annuity<sup>1</sup>



### Term annuities

- ➔ Guaranteed regular income for a fixed term of retiree's choice
- ➔ Flexible capital return options
- ➔ Attractive market leading rates

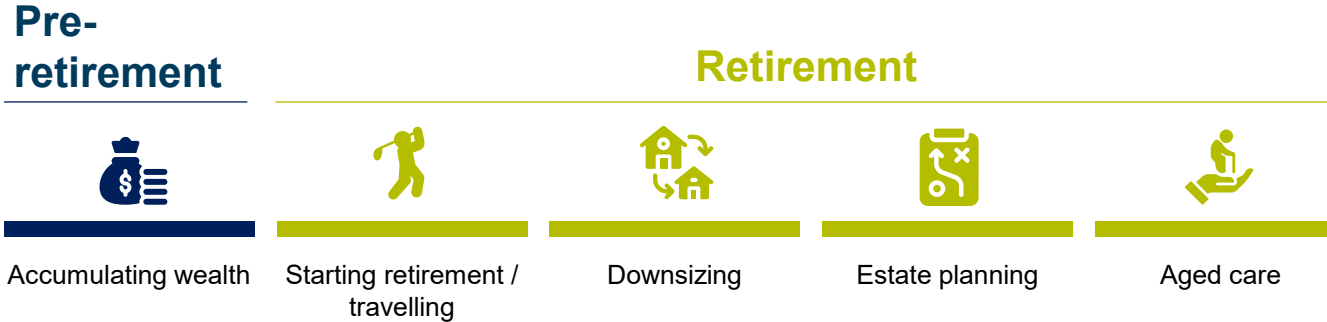


### Lifetime annuities

- ➔ Regular income for life
- ➔ Payments that keep pace with inflation
- ➔ Payments linked to investment markets
- ➔ Options to accelerate payments with lifestyle

# Supporting the retirement journey

## Partnering to unlock retirement ecosystem



Advice technology and guidance

**Super funds**

**Products**

- Annuities – Lifetime & term
- Aged care planning
- Innovative Retirement Income Stream (IRIS)

**Independent financial advisers**

**Products**

- Annuities
- Aged care planning
- Estate planning

Embedding retirement income and solutions into the ecosystem

**Over half a trillion dollars**

Platform assets

**2 million**

Super customers

**600k**

Super customers 65+ years

# Brand, content and education

## Amplifying brand through partnerships and supporting advisers



Rory McIlroy on Challenger's hole 11 at the 2025 Australian Open



### Repeated brand exposure via Golf...

- Broadcast reach: **23+ million**
- Major event attendance: **172,000+**
- Digital engagement: **50,000+** unique visitors to the Challenger website



### ... has strengthened Challenger's brand presence over the last two years

- Brand awareness
- Brand familiarity
- Brand consideration
- Lead generation: **30,000+** new newsletter subscribers via competitions





# Uplifting the user experience

## Enabling automated straight-through processing



### Transforming from...



Paper-based applications and manual processes



Paper-based non-real-time correspondence



Inconsistent investor and adviser experience



Increased risk of error and slower turnaround



Workflows with too many manual steps



High architectural complexity



Robust and modern core



Superb experience



Accelerated product launches



Lean and efficient operations



Regulatory confidence built-in

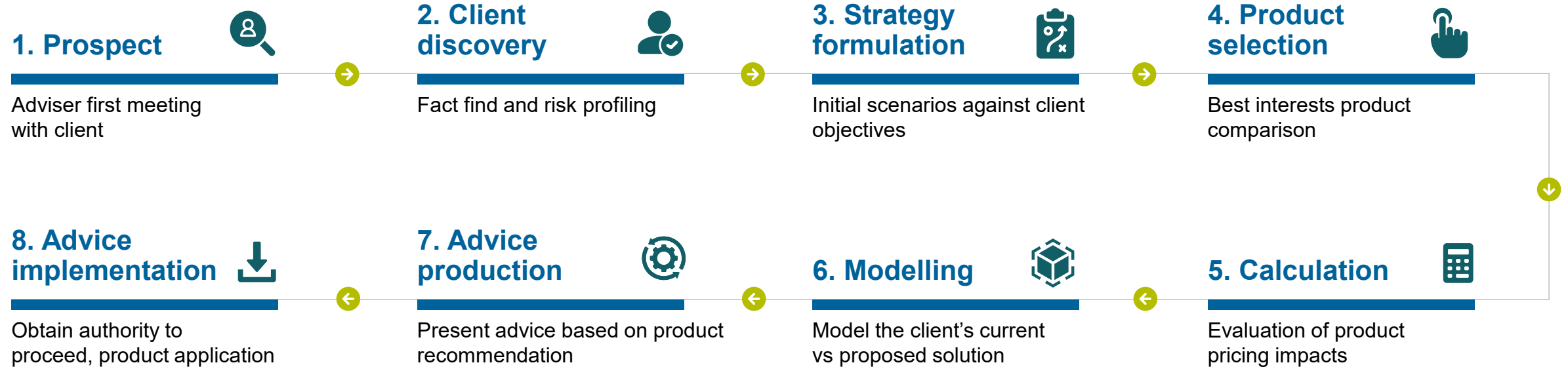


Scalable future-proof technology

### ...to a future ready retirement business

# Advice delivery process for accumulation

The advice journey that is asset allocation-based is linear



Before today, advice was delivered using asset-allocation models suitable for accumulation

# Fragmented retirement advice journeys

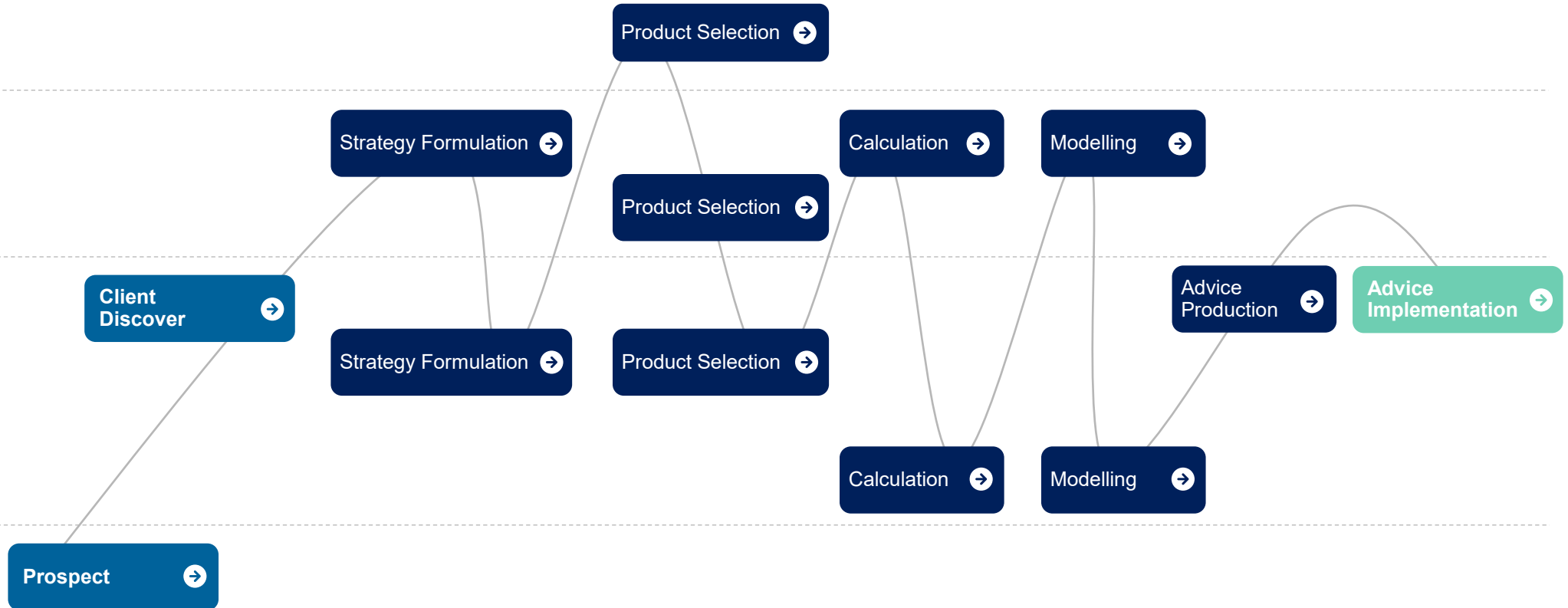
The previous journey for purchasing lifetime annuity was cumbersome and disjointed

Products  
Website/PDS

External  
Calculators/  
Tools

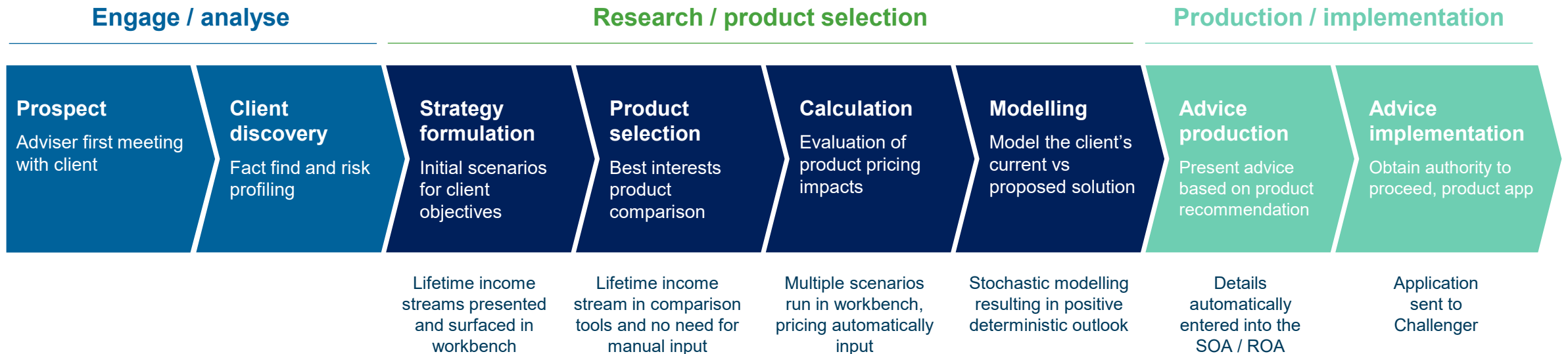
Advice  
Technology

CRM



# New advice delivery process for retirement

Lifetime income streams are now embedded in the advice process



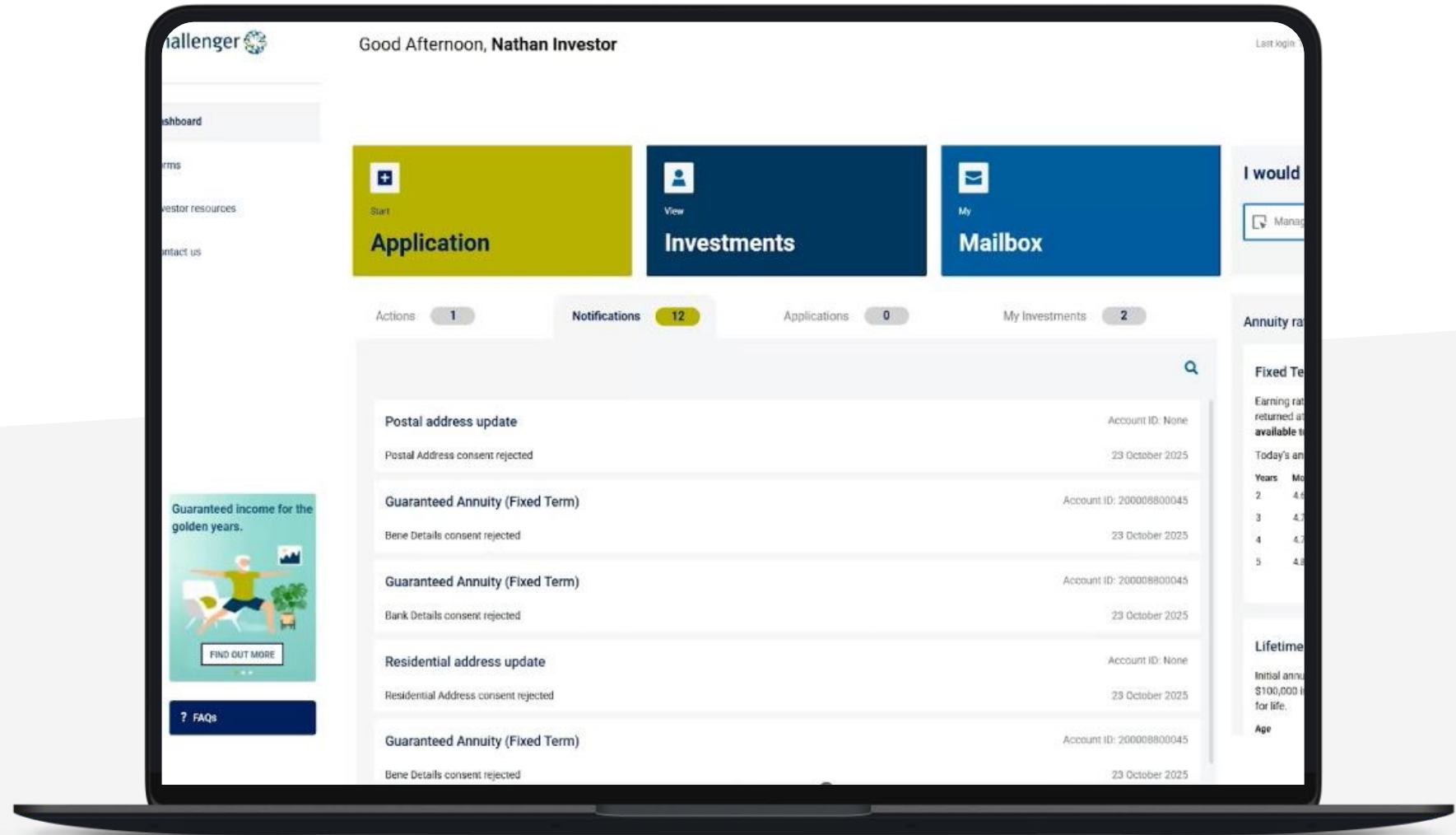
Iress has transformed its offering to allow advisers to incorporate lifetime income



New digital advice workbench provider that allows advisers to model scenarios in real time



# Modernising the user experience



# 3

## Future of retirement advice – panel discussion

**Adrian Aardoom**  
General Manager, Distribution



# Future of retirement advice – panel discussion

Delivering retirement advice at scale



**Terry Donohoe**  
Managing Director  
and CEO



**Sam Wall**  
CEO of  
Asia Pacific Wealth



**Amanda Gardner**  
Head of Institutional and  
Retail Partnerships



# Break

# 4

## Multi-affiliate platform – Fidante

**Naomi Cunningham**  
Executive General Manager,  
Fidante



# Multiple brands and strategies

Well diversified with opportunity for further growth

16

Investment managers across asset classes



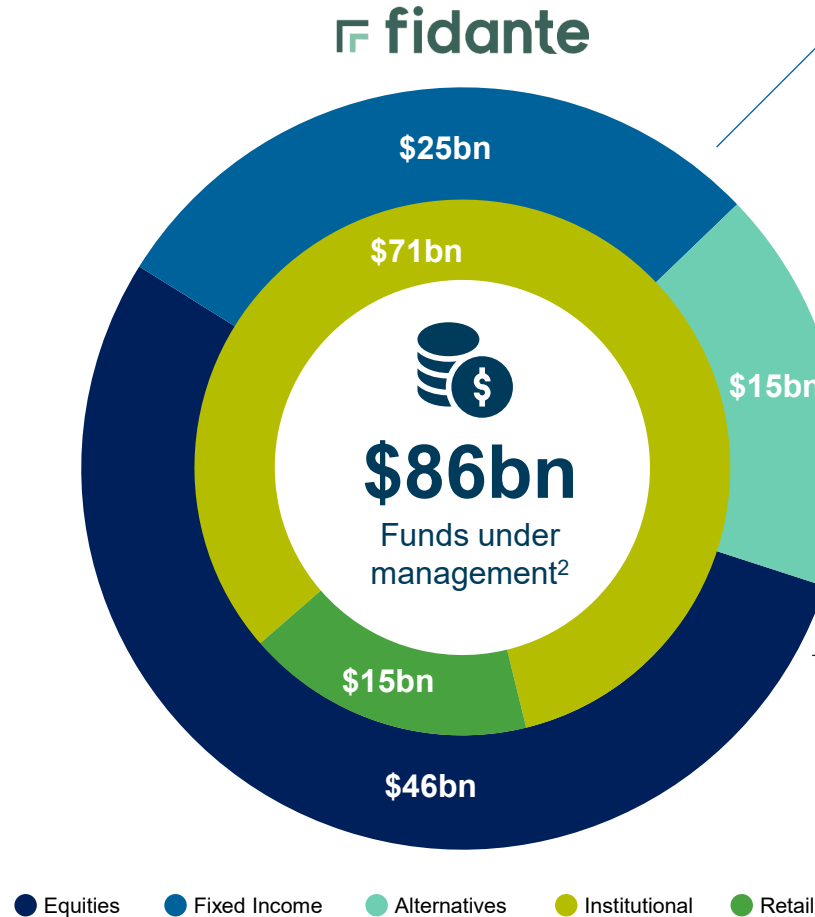
Global

footprint across Australia and select international markets



83%

Products recognised as high quality – Recommended or Highly recommend<sup>1</sup>



**Fixed income**

**#3**

Fixed income manager<sup>3</sup>

**96%**

Outperformance since inception<sup>4</sup>

**Alternatives**

Expanding alternatives offering

**17%**

Of total funds under management

**Equities**

Remaining true to investment processes and well-established strategies

1. Externally rated as either 'Recommended' or 'Highly Recommended' by research houses (Lonsec, Zenith and Morningstar) as at 31 December 2025.

2. As at 31 March 2026.

3. Plan for Life – December 2025 – based on fund size.

4. As at 31 December 2025. Percentage of Fidante affiliates meeting or exceeding the performance benchmark, with gross performance weighted by FUM.

# Future proofing Fidante

Capability + Distribution + Scale



## Integrated platform with enduring advantage

- **Deep trusted relationships** – 90% of Australia's top 25 superannuation funds are clients
- Leading **distribution capability**
- **Partner of choice** – curating differentiated, high quality strategies
- **Alternatives** driving future growth



## Future proofing the platform

- **Scaled, integrated operating platform** – built for efficiency and growth
- **Access to leading technology and capability** – enhancing operations, insight and long-term innovation
- **Strategic platform upgrade underway** – transition to be completed by end FY27



## Capturing shareholder value

- **Growing fee-related income** – high growth
- **Supporting Group ROE** – capital light earnings
- **Suite of contemporary strategies** – meeting customer needs pre-and-post retirement




# Next phase of growth

Expanding contemporary solutions to meet customer needs

## Investment managers, strategies and asset classes

Alternatives \$15bn <sup>1</sup>	 FULCRUM	 System Capital	 APOLLO	 PROTERRA INVESTMENT PARTNERS
	<hr/>			
Fixed Income \$25bn <sup>1</sup>	 ARDEA Investment Management	 BENTHAM ASSET MANAGEMENT	 challenger	 Kapstream - JANUS HENDERSON -
	<hr/>			
Equities \$46bn <sup>1</sup>	Australian equities	 alphinity INVESTMENT MANAGEMENT	 eiger capital	 Greencape CAPITAL
		 LENNOX CAPITAL PARTNERS	 WaveStone CAPITAL	
	Global, regional & EM equities	 alphinity INVESTMENT MANAGEMENT	 NOMURA	
	Sustainable investments	 alphinity INVESTMENT MANAGEMENT	 IMPAX Asset Management	

## New initiatives pipeline

	Growing liquid and illiquid Alternatives strategies
	Partnering opportunities with global private credit managers
	Broadening product range among existing affiliates to meet client demand

# 5

## Offshore reinsurance platform – Calix Re

**Anton Kapel**

Chief Executive, Insurance

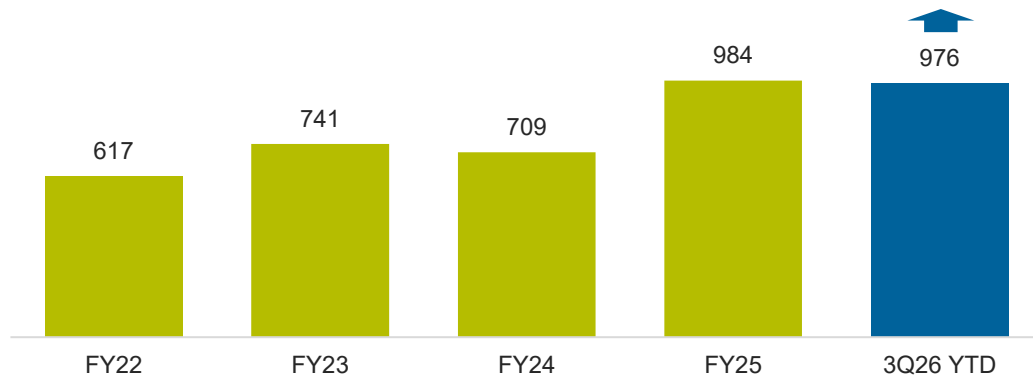


# MS Primary reinsurance partnership

## Successful long-term relationship



### Offshore annuity sales (\$m)



### Offshore reinsurance strategic rationale



1. Under the reinsurance arrangement, MS Primary provides Challenger an amount of reinsurance, across Australian dollar, US dollar and Japanese Yen denominated annuities, of at least ¥50b per year for a minimum of five years. 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.

# Calix Re

**A natural extension to our decade-long MS Primary reinsurance partnership**



## Class E insurer

Highest regulatory category for large, institutionally regulated life and annuity insurers



## Reinsurance solutions

To support de-risking of in-force liabilities for insurers, primarily across Asia



## 'A-' (Excellent)

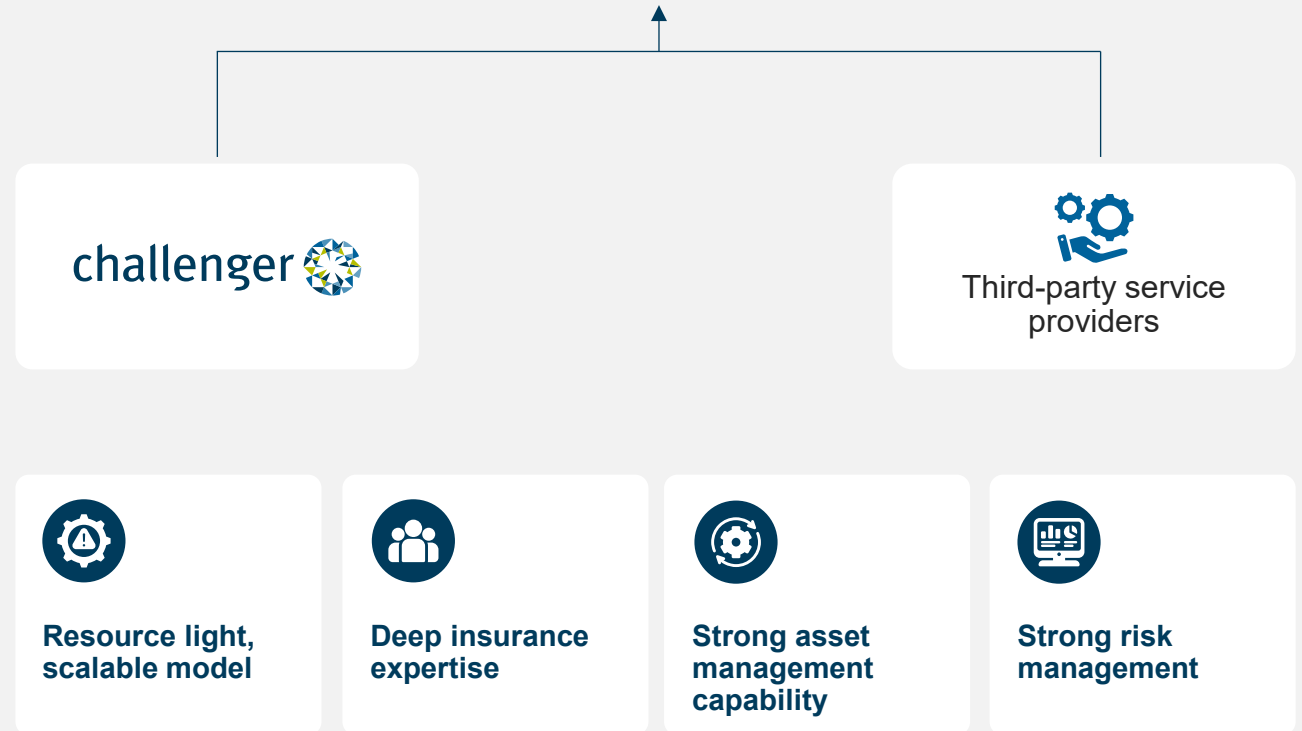
AM Best Credit Rating



Mitsui Sumitomo Primary Life Insurance

Existing reinsurance partnership to anchor flow

# Calix Re



# 6

## Capital settings and financial metrics

**Alex Bell**

Chief Financial Officer

**Anton Kapel**

Chief Executive, Insurance



# APRA's objectives

## Offering better retirement income solutions for Australians



### APRA objectives

1

Ensuring capital requirements for life insurers are not a disincentive to the development and competitive pricing of annuity products

2

Maintaining the financial resilience of life insurers

3

Improving alignment with comparable peer jurisdictions

### Benefits



Improved customer outcomes



Capital resilience



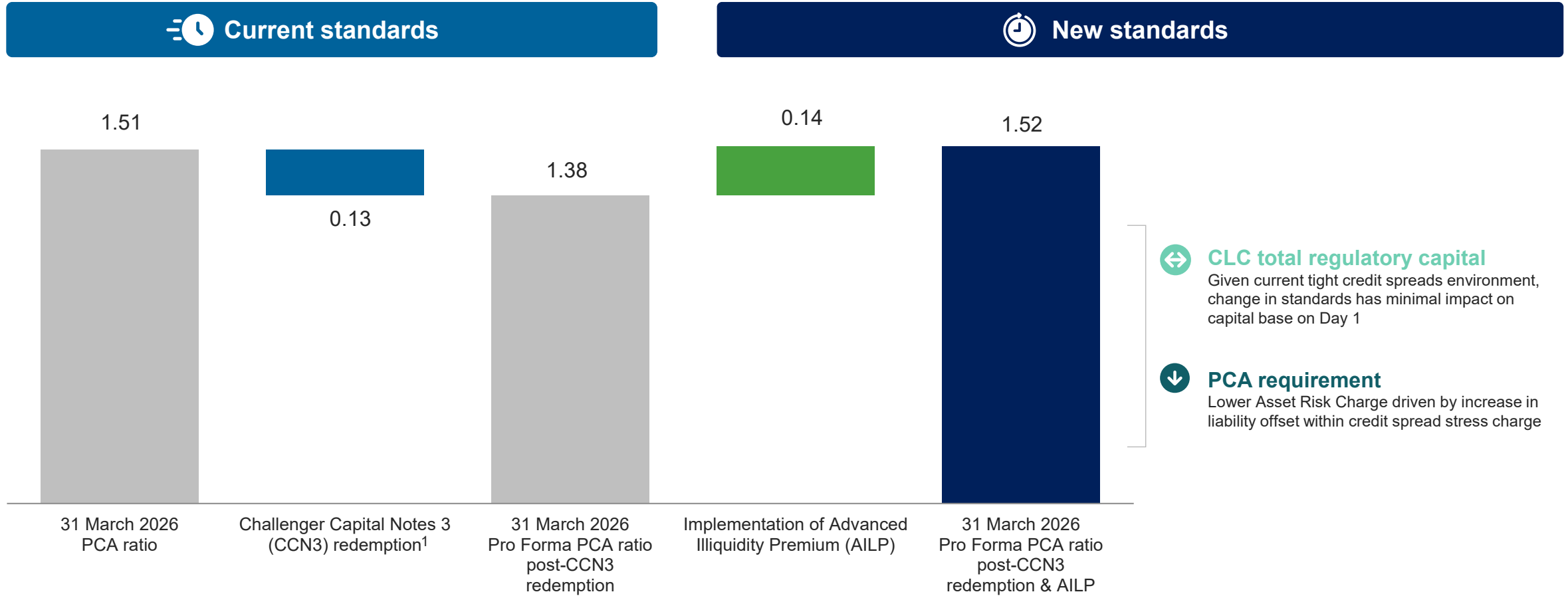
Excess capital to create strategic optionality



Platform for growth

# APRA capital standard changes

## A reminder of what to expect on 'Day 1'



# Capital resilience under a sharp market stress event

Capital position significantly more resilient to market shocks under new standards

Risk of management actions needing to be taken is materially reduced

## Illustrative example of capital position<sup>1,2</sup>

	Reference	Current Standards	New Standards
<b>31 March 2026</b>			
Regulatory capital base	A	\$4.2b	\$4.2b
Prescribed Capital Amount (PCA)	B	\$3.0b	\$2.8b
<b>PCA ratio<sup>3</sup></b>	<b>A / B</b>	<b>1.38x</b>	<b>1.52x</b>
<b>Impact of instantaneous shock (no management actions)</b>			
<i>Change in Capital Base (Asset Impact)</i>	C	-\$1.3b	-\$1.3b
<i>Change in Capital Base (Liability Impact)</i>	D	+\$0.1b	+\$1.0b
<i>Change in PCA</i>	E	-\$0.2b	-\$0.2b
Regulatory capital base	F = A + C + D	\$2.9b	\$3.9b
PCA	G = B + E	\$2.8b	\$2.6b
PCA ratio	<b>F / G</b>	<b>1.06x</b>	<b>1.48x</b>
<b>Change in PCA ratio</b>		<b>(0.32x)</b>	<b>(0.04x)</b>
<b>Management actions</b>			
De-risking		Required	✓ Not required
Impact of market recovery		Profit foregone	✓ Full benefit

1. Refer to Appendix D for modelling assumptions used.

2. Stress event is assumed to occur before any asset allocation changes are made in response to the new capital standard changes.

3. Pro forma 31 March 2026 capital position after redemption of \$385m Challenger Capital Notes 3.

# Capital resilience under a prolonged market stress event

## Opportunity to capitalise on changing market conditions

### Illustrative example of capital position<sup>1</sup>

	Reference	Current Standards	New Standards
<b>31 March 2026</b>			
Regulatory capital base	A	\$4.2b	\$4.2b
Prescribed Capital Amount (PCA)	B	\$3.0b	\$2.8b
<b>PCA ratio<sup>2</sup></b>	<b>A / B</b>	<b>1.38x</b>	<b>1.52x</b>
<b>Impact of prolonged stress (no management actions)</b>			
Change in Capital Base (Asset Impact)	C	-\$2.2b	-\$2.2b
Change in Capital Base (Liability Impact)	D	+\$0.1b	+\$1.0b
12-months of earnings <sup>3</sup>	E	+\$0.3b	+\$0.3b
Change in PCA	F	-\$0.2b	-\$0.1b
Regulatory capital base	G = A + C + D + E	\$2.5b	\$3.4b
PCA	I = B + F	\$2.8b	\$2.7b
PCA ratio	G / I	<b>0.87x</b>	<b>1.26x</b>
<b>Change in PCA ratio before active portfolio management</b>		<b>(0.51x)</b>	<b>(0.26x)</b>
Illustrative active portfolio management <sup>4</sup>	H		-\$0.3b
<b>PCA ratio after active portfolio management</b>			<b>1.41x</b>
<b>Management actions</b>			
De-risking		Required	✓ Not required
Impact of market recovery		Profit foregone	✓ Full benefit

1. Refer to Appendix D for modelling assumptions used.

2. Pro forma 31 March 2026 capital position after redemption of \$385m Challenger Capital Notes 3.

3. Challenger Life average annual statutory earnings FY21 – FY25.

4. Active portfolio management can provide reduction in PCA without diluting earnings, illustrative of the potential benefit from investment and capital optionality provided by the improved capital resilience under the new capital standards.

# Management actions during prolonged stress event

## Flexibility to pro-actively rotate from Alternatives to Fixed Income

### LUACSTAT<sup>1</sup> Credit Spread



### Opportunities for active portfolio management

Example: Liquidating a portion of the ARFs portfolio and redeploying into Fixed Income

	Absolute Return Funds (ARFs)	Fixed Income	Difference
Asset rotation	-\$1.2bn	+\$1.2bn	-
Yield above the cash rate	4.75%	5.00%	+0.25%
<b>Earnings</b>	<b>-\$57m</b>	<b>\$60m</b>	<b>+\$3m</b>
PCA Capital Intensity	30%	7%	23%
<b>PCA</b>	<b>-\$0.4bn</b>	<b>+\$0.1bn</b>	<b>-\$0.3bn</b>



**~\$0.3bn**

Reduction in PCA (~15pts to PCA ratio)



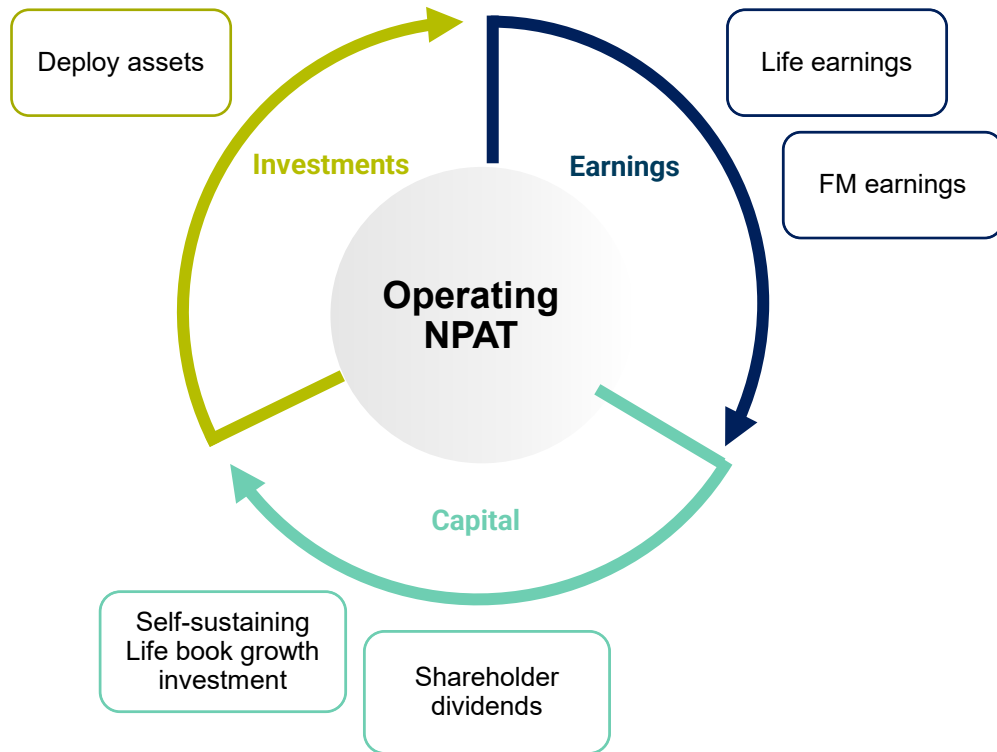
Minimal impact to expected profit with opportunity to increase returns depending on scenario

# Enhanced financial flywheel

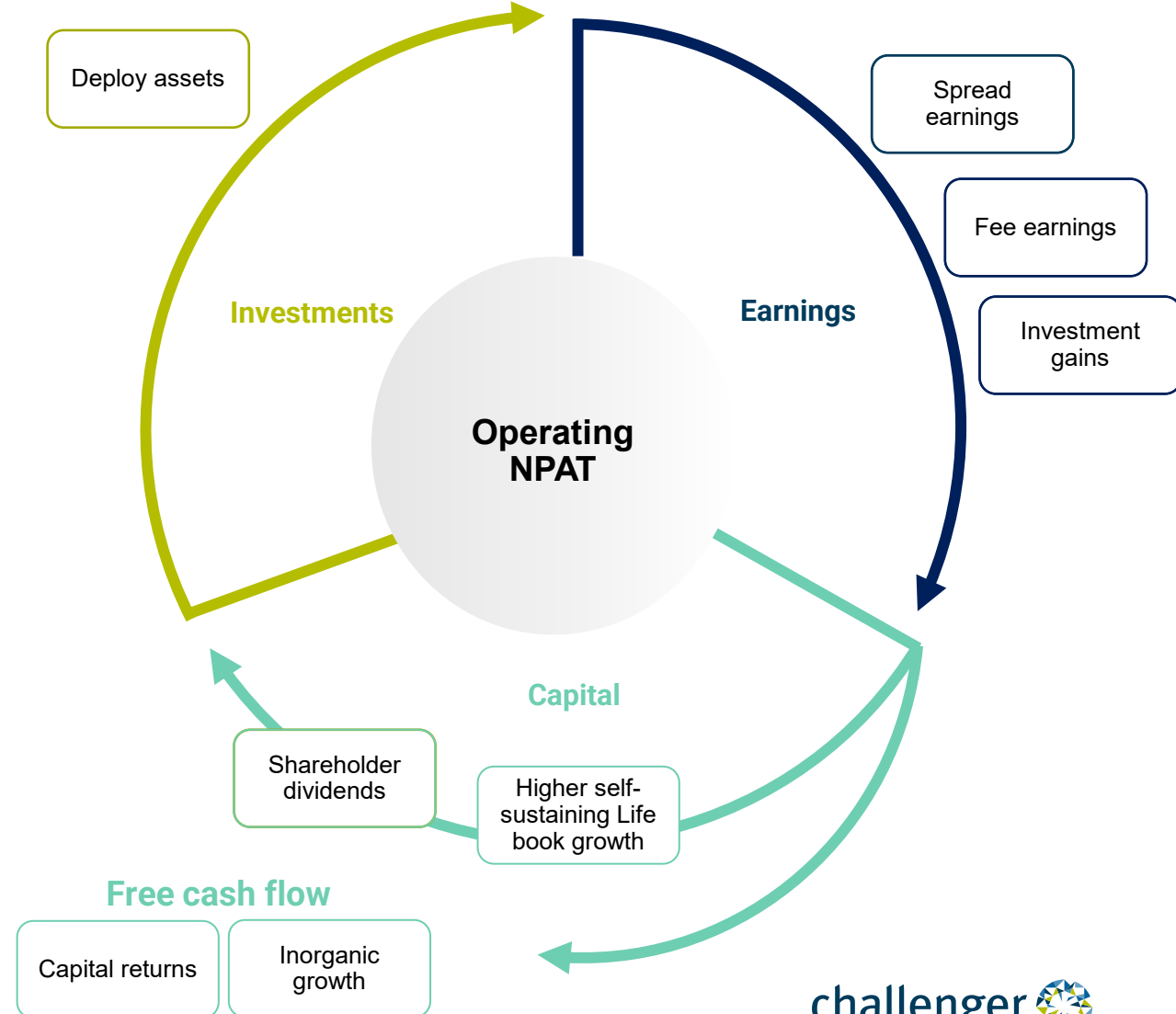
## Driving superior value creation

### Today

⚡ **Constraining**      ⚠ **Capital consuming**



### FY27 onwards



# New reporting framework and metrics

## Clear building blocks of shareholder value



### Spread income

- ✓ Stable and steady growth
- ✓ Lower capital volatility
- ✓ Less capital intensive

- Represents investment yield less attributed interest expense (cost of funds and financing costs for AT1 and subordinated debt)



### Fee related income

- ✓ High growth
- ✓ Capital light
- ✓ Strong compounding effects

- Fidante net income
- Challenger third-party revenue
- Life Risk income



### Investment gains/ (losses)

- ✓ Positive through cycle
- ✓ Investment excellence “premium”
- ✓ Lower volatility expected due to lower allocation to growth assets over time

- Total return on growth assets less the attributed funding cost
- Mark-to-market impacts on policy liabilities
- Excludes normalised growth
- Excludes net new business strain and AASB 17 impact



### Shareholder outcomes



Earnings per share (after tax)



Operating profit (after-tax)



Operating ROE (after-tax)

# New reporting framework and metrics

## Enhanced transparency of higher quality earnings

### Today

Normalised COE (Life)

Net fee income (FM)

Other income

**Total Income**

**Total Expenses**

Interest and borrowing costs

**Normalised NPBT**

Normalised tax

**Normalised NPAT**

Asset experience after tax

Liability experience after tax

Significant items after tax

**Statutory NPAT**



### FY27 Onwards

Investment yield

Interest expense

**Spread income**

Fee related income

**Total Revenue**

**Total Expenses**

**Core Earnings**

**Investment gains/(losses)**

Tax expense

**Operating profit after tax**

New business strain after tax

AASB17 after tax

Significant items after tax

**Statutory NPAT**

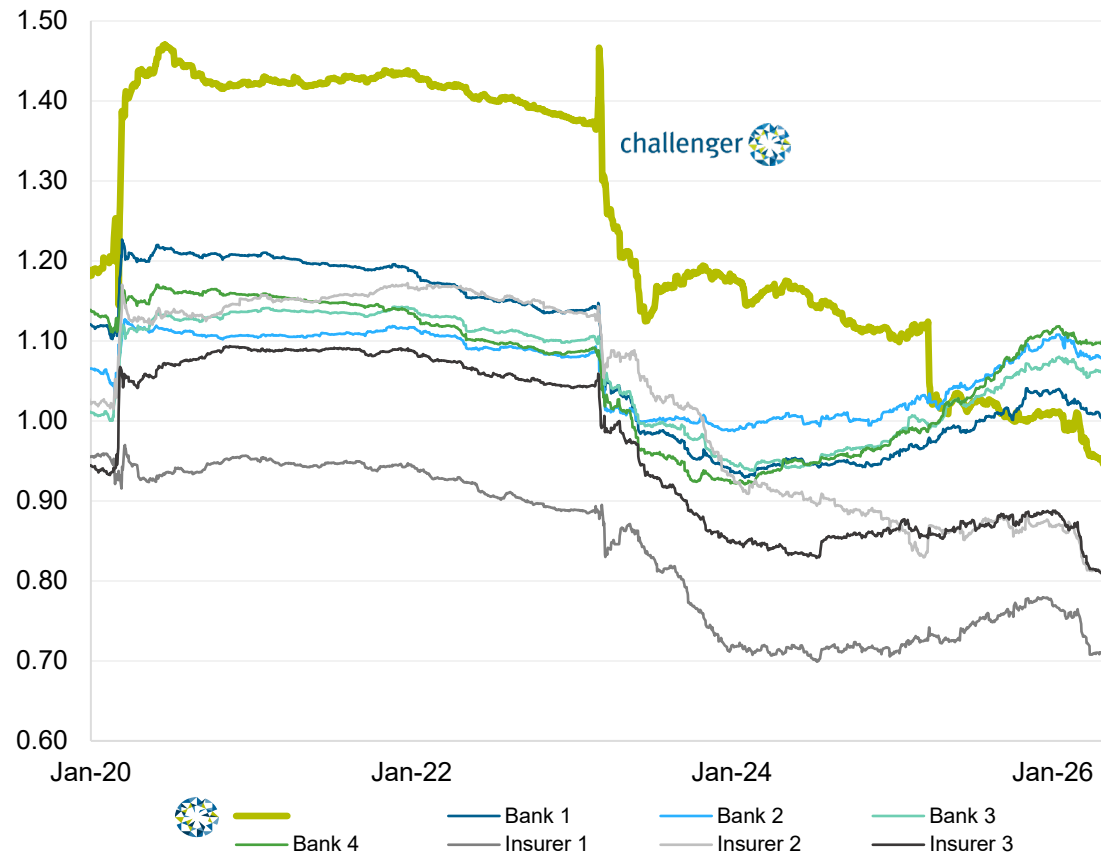
# Delivering shareholder value

Challenger's CAPM-derived beta historically higher than peers

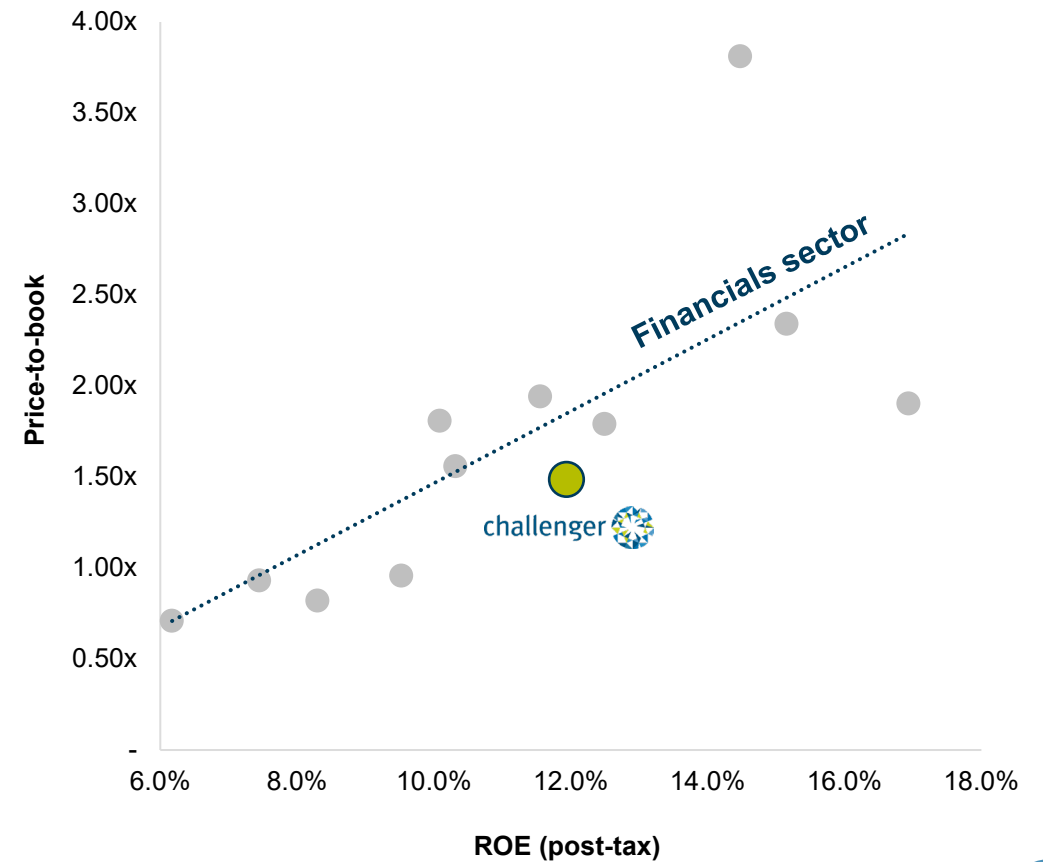
Higher returns and reduction in earnings volatility to support valuation uplift

## Illustrative adjusted beta<sup>1</sup>

Domestic capital-intensive peers over the L10Y



## Challenger and Financials sector - ROE vs P/B<sup>2</sup>



1. Source: FactSet as at 14-May-26. Beta calculated using L3Y daily returns against ASX200 and adjusted as unadjusted beta multiplied by two-thirds plus 1.00 beta multiplied by one-third.  
 2. Source: FactSet as at 8-May-26. Calendarised to Jun-YE. Regression based on listed Financials sector. Challenger not included in regression calculation. Excludes the impact of buy-back from book value.

# Investment thesis

## Shareholder value proposition



**Downside risk  
substantially eliminated**



**Higher  
quality earnings**



**Lower  
capital volatility**



**Free cash flow and  
capital optionality**

# 7

## Investment excellence and balance sheet strategy

**Damian Graham**

Group Chief Investment Officer



# Challenger Investments

Deep expertise through market cycles



\$26bn

Life Assets Under Management<sup>1</sup>

100+

Investment team

24

Average years of market experience of our Portfolio Managers

8

Size of independent Credit Risk function

\$18bn

Funds Under Management across credit markets<sup>1</sup>

## Proven Platform

Delivering consistent, risk-adjusted returns across multiple market cycles.

Since 2010 delivered illiquidity premiums of 1-2% per annum by investing in less liquid credit with consistent risk levels

## Value Discipline

Identifying value-driven opportunities across public and private credit markets to enhance return potential

# Challenger Investments

Combined Challenger investment team to enhance targeted capabilities

## Current focus

### Challenger Life Company

- Experienced team delivering outcomes for Life balance sheet
- Strong ALM capability
- Diversified portfolio optimised for return on capital

### Challenger Investment Management

- Leading credit manager for Life and third-party clients
- Deep experience across the fixed income and credit universe
- Track record of delivering outperformance across strategies

## Future focus

### Creating centres of excellence



#### Asset management

Origination and management of external assets



#### Investment strategy

Group wide investment strategy and implementation of core funding sources



#### Capital markets

Structuring and financing across the range of funding sources



#### ALM and liquid strategies

to optimise risk/return and drive capital efficiency

### Broadening funding sources

Challenger Life

→ Calix Re

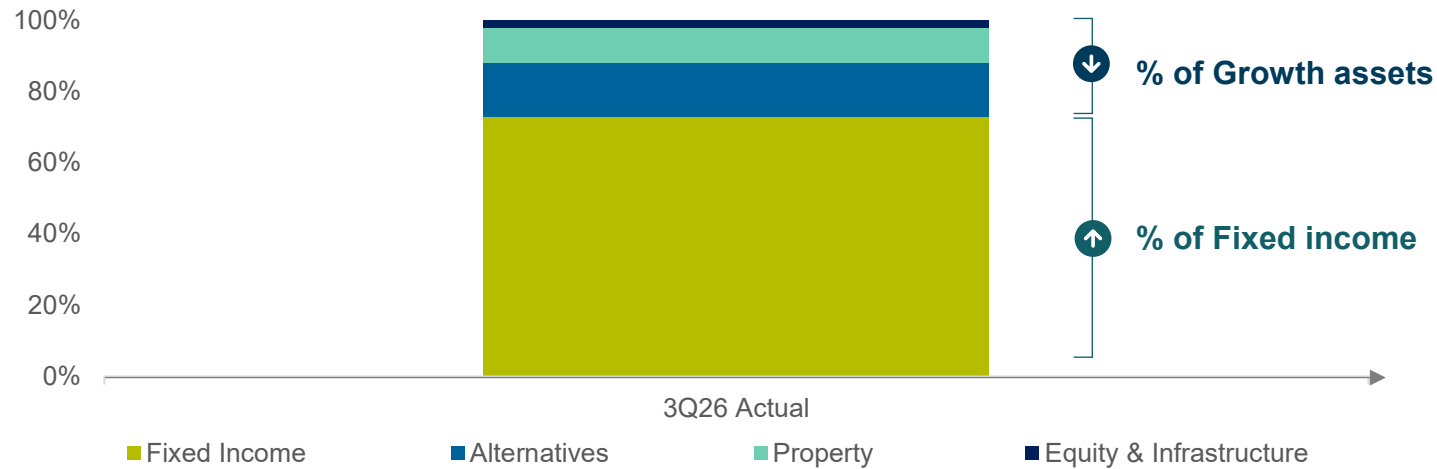
Third party funds

Other sources

# Asset allocation

## Moving to a lower capital intensity balance sheet

### Life asset allocation – FY27 onwards



### Key opportunities



Increase in fixed income allocation as new business written is backed by fixed income



Opportunities in whole loans, asset backed and private credit to support growth and provide compelling returns



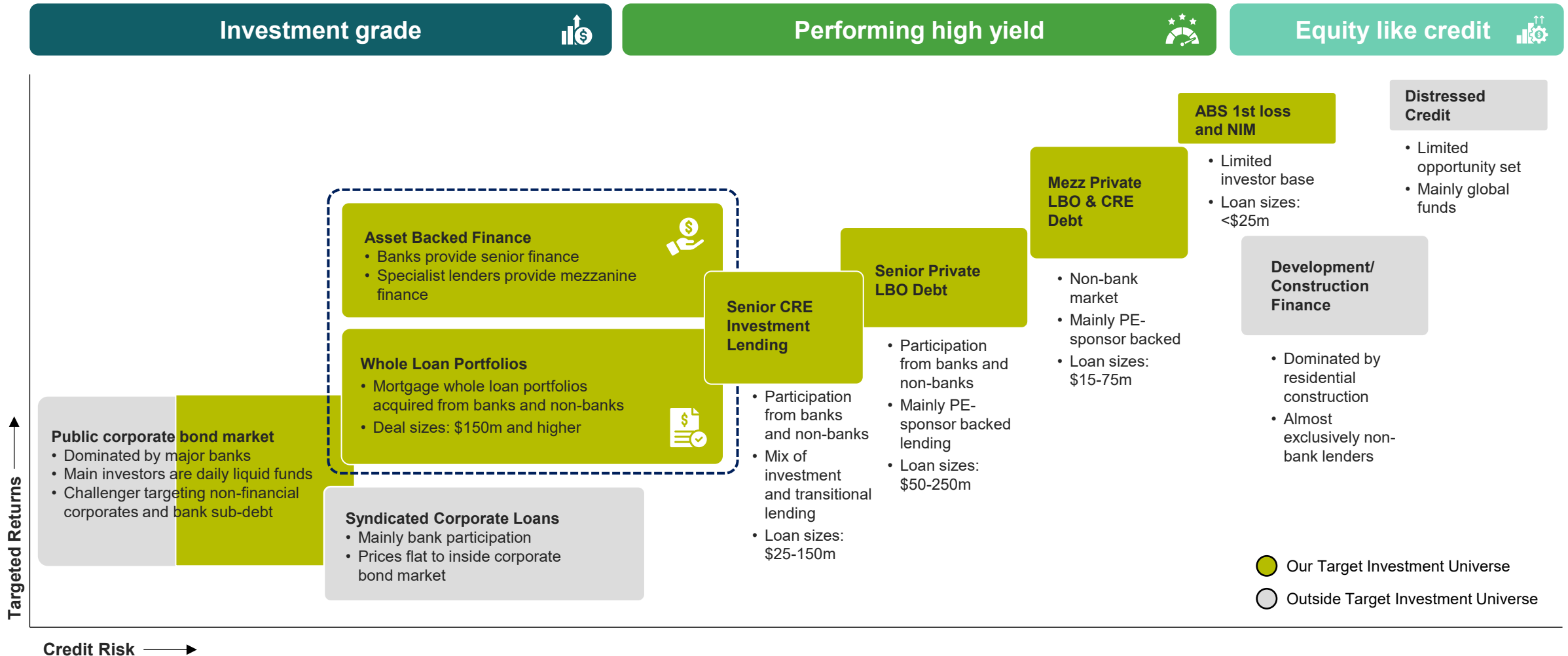
Opportunity to remix balance sheet by reducing growth asset exposure



Flexibility to support growth with capital intensity to reduce

# Leveraging the fixed income universe

Broad access to high-quality, capital efficient assets



# Private credit investing needs strong governance

Practices are not equal across the market



## Valuation of Private Assets

- Private assets are fully re-valued monthly
- Valuations are from independent, third-party sources, and we also utilise appropriate models where not available

- Risk of over or underpaying at entry/exit if a fund's assets aren't properly valued
- Avoid finding out about a deteriorating asset when it defaults and take a significant mark-to-market



## Independent Credit Risk Team

- Team reports to the Chief Risk Officer
  - ✓ Assess credit risk of transactions
  - ✓ Assign credit ratings on private transactions
  - ✓ Manage workout process

- An independent review of credit risk, similar to the banks, is best practice, leading to lower defaults and better assessment of relative value



## Conflict Management and Disclosure

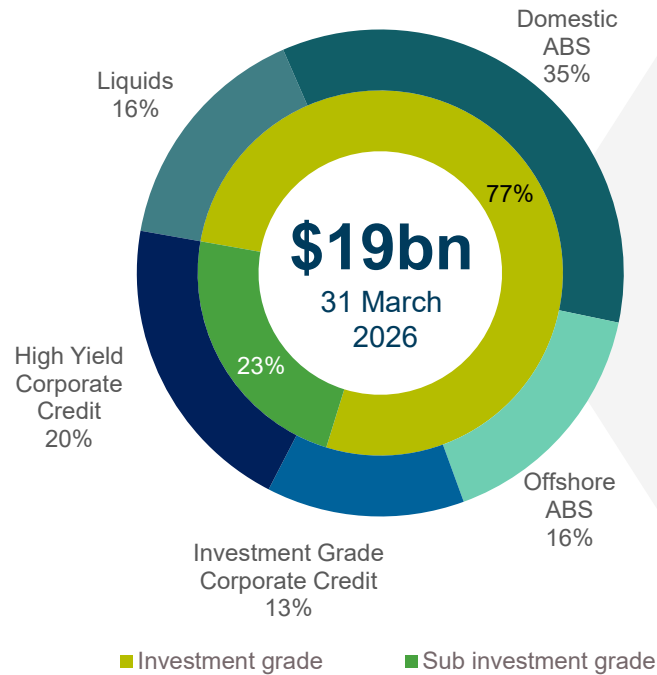
- We ensure that disclosure is comprehensive and includes any potential for conflicts
- We pass to our investors revenues received in funds
- We have in place policies and processes to avoid conflicts or manage any that occur

- Undisclosed revenue creates misalignment of interests between manager and investor
- Our risk culture instils a discipline of not just "can we?" but also "should we?"

# Our fixed income excellence

## Scaling private credit origination capabilities

Fixed income portfolio  
by asset class



### Whole loans – manufacturing capital-efficient securities and higher returns



#### A large and diverse opportunity set

- Long-term partnerships with banks, non-banks and large corporates
- Accessing large scalable portfolios across mortgages, SME, consumer and asset finance



#### Capital efficient with strong structural controls

- Control of portfolio composition and investment structure to optimise outcomes
- In-house loan servicing capability enhances control over performance



#### Attractive returns

- Returns driven by direct origination, illiquidity and flexibility, not incremental credit risk
- Greater control over risk while generating higher absolute returns
- Consistent premium to public ABS/RMBS markets
- Access to NIM delivers attractive profit participation in the overall lending economics

# Strategic value creation – BOQ Group case study

## Accessing asset origination capability

## Generating recurring supply of high-quality assets

Asset origination

BOQ

Securitisation

challenger

Value creation



### High-quality asset origination platform

Challenger acquires equipment finance loan book and enters into forward flow arrangement



### Recurring access to bank prime assets

Diversifying Challenger's non-bank exposure into main street Australia

Multi-year access to originations



### Control over securitisation

Challenger securitises its share of originations into publicly rated ABS

Senior Notes (AAA eqv)  
Banks | Third parties

Sell

Mezzanine Notes  
Externally rated | Investment Grade

Retain

Junior Notes

Retain

Excess Spread

Retain

### Banks and Third parties

- Sell AAA tranches
- Low-cost funding

challenger

- Retain AA- down
- Mezzanine and junior notes delivering higher risk adjusted returns and ROE compared to corporate credit

challenger

- NIM (excess spread) from securitised structures captures additional return

# Relative value of mezzanine securitised risk

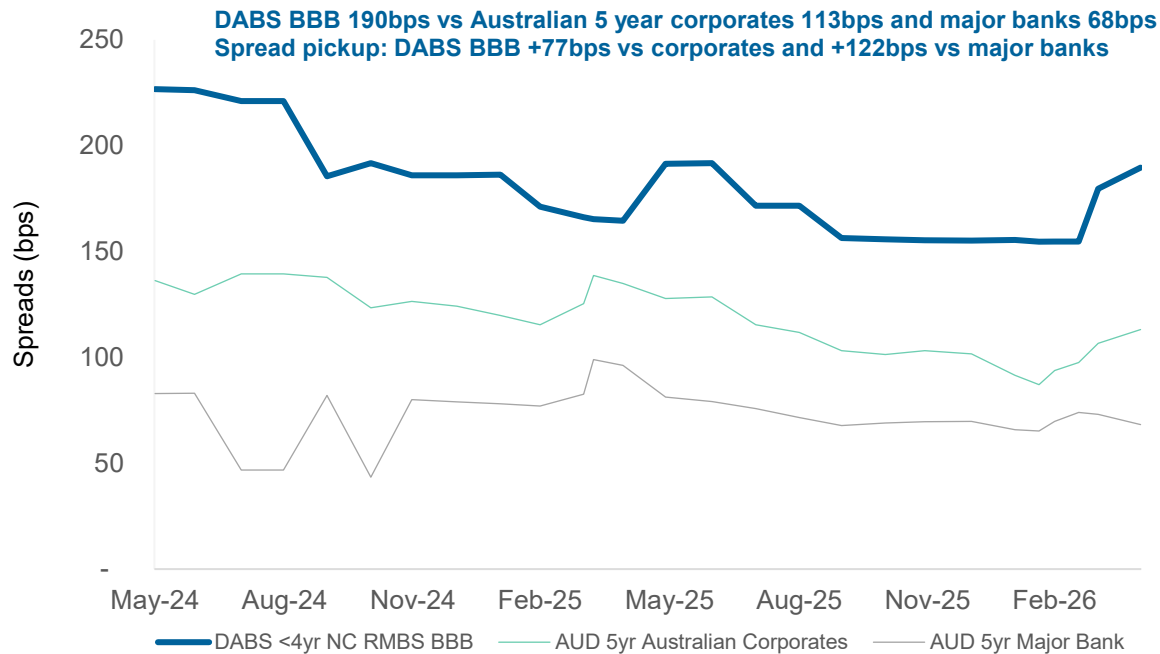
Australian structured credit delivers higher returns

Structured credit more stable than Corporate

## Higher returns, lower capital

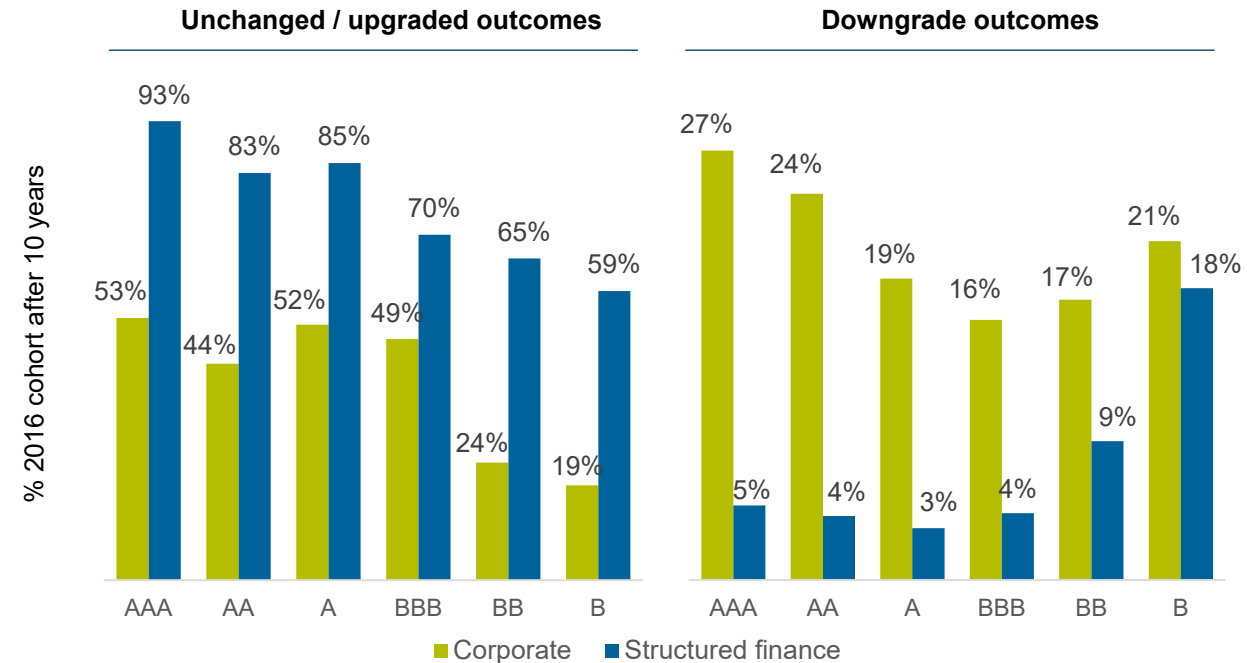
### Historical spread comparison<sup>1</sup>

DABS <4yr NC RMBS BBB vs Australian 5yr corporate and major banks



## Greater ratings stability

### Post-GFC 10-year cohort: corporate vs structure finance rating outcomes<sup>2</sup>



1. Source: Bloomberg and Challenger Investment Management, 30 April 2026  
 2. Source: Fitch 2025 Transition and Default. Uses ten-year transition matrices for the 2015 cohort, observed from 2016 to 2025 and excludes GFC-era cohorts and Withdrawn Ratings. Original-cohort basis; Paid In Full (PIF) treated as unchanged/stable for structured finance.

# Challenger LiFTS

## Innovative non-guaranteed income solution

### Listed hybrid market



#### Demand tailwind

Wholesale and retail AT1 hybrids redeployed into other listed income products.



### Annual roll-off over next 6 years



#### Opportunity set

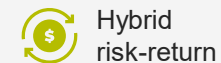
Strong client demand for defensive income alternatives



### Challenger LiFTS 1 note

- \$350m ASX-listed floating rates note<sup>2</sup> – oversubscribed demand
- Offers fixed term structure and daily liquidity
- Backed by diversified portfolio of public and private credit

#### Unique offering



Hybrid risk-return



Transparent fee structure



For wholesale, HNW, and family offices



First-loss buffer to provide additional credit enhancement to Noteholders

# Market themes

## Well positioned for macro environment



### Increasing inflation and interest rates

- Higher inflation in the near-term
- Interest rate increases priced into the market



- Investment portfolio hedged to position for these impacts
- Supportive for product pricing and new business sales



### Ongoing market volatility

- Elevated geopolitical risk
- Central bank policy risk
- Economic growth slowing



- Diversified portfolio
- Active management extremely important and a key driver of performance
- New capital settings to increase capital resilience



### Tight spreads and competition for assets

- Spread levels driven by strong fundamentals and asset demand
- Consistent supply challenging with significant scaling within ABS trades



- Expanding asset origination capabilities
- Leverage existing deep relationships to ensure ongoing asset pipeline
- Private fixed income opportunities supportive for new business profitability

# 8

## Wrap up

**Nick Hamilton**

Managing Director and  
Chief Executive Officer





Retirement is different

# Age of Ageing

Retirement  
Leader

Investment  
Excellence

Talented  
Team &  
Capability

## OUR PURPOSE

Providing financial security for a **better retirement**

## OUR POSITION

Australia's **leader** in retirement income

## OUR OPPORTUNITY

**1 in 5 Australians** will be in retirement by 2030

# Appendix

# Appendix A – Demand for income and financial security

## Tailwinds to support growth

### AGEING POPULATION

**1 in 5**

Australians  
will be over 65 by 2030<sup>1</sup>

**1.3m**

Australians over 85  
by 2041<sup>2</sup>

**285k**

Australians retiring  
every year<sup>3</sup>

**30** years

In part or full retirement<sup>4</sup> and for a  
couple, one is expected to live into  
their early 90s and potentially  
beyond<sup>5</sup>

1. Source: ABS

2. Wilson, T. & Temple, J. (2022). New projections for Australia's ageing population. ARC Centre of Excellence in Population Ageing Research (CEPAR)

3. Based on # Australians aged 65 retiring each day. Australian Bureau of Statistics, December 2024, National, state and territory population statistics.

4. ABS, Retirement and Retirement Intentions October 2025 and ABS Life expectancy data

5. Challenger research, based on AGA's Australian Life Tables.

# Appendix B - APRA's new capital standard settings

## Introduction of the advanced illiquidity premium

	CURRENT SETTINGS	NEW SETTINGS
<b>Illiquidity premium (ILP) formula</b>	Standard ILP = 33% x (A-rated yield 3-year – CGS <sup>1</sup> yield 3-year)	Advanced ILP = Spread on ILP reference portfolio less risk allowance (greater of either cost of default and downgrades or 45% of long-term average spread)
<b>Benchmark / reference portfolio</b>	3-year Australian A-rated spreads	Single reference index or weighted average of up to 3 indices <sup>2</sup>
<b>Long-term rate implementation</b>	10-years	Last point insurer can achieve cashflow matching
<b>Long-term (ultimate) rate</b>	20 bps	Subject to a cap of 50 bps
<b>Cap</b>	150 bps	No cap during cashflow matching period
<b>Asset Risk Charge – Credit Spread Stress (LPS 114 change)</b>	30 bps increase in ILP in first 10 years	Portion of the increase in ILP to flow through to credit spread stress charge in LPS 114
<b>Cashflow matching requirement</b>	Not applicable	Cumulative cashflow test with Appointed Actuary attestation

1. Commonwealth Government Securities.

2. Can include international indices. Must be corporate or government bond index rated by APRA-recognised rating agencies, calculated by independent provider, published daily.

# Appendix C - Assumptions

## Assumed application of new capital standards

Item	Comment
<b>Standard Illiquidity Premium</b>	Illiquidity Premium: 0.29% (Yrs 0-10); 0.20% (Yr 10+)
<b>Advanced Illiquidity Premium</b>	
Reference Index	Bloomberg US Corporate Statistics Index (LUACSTAT) Credit spread = 0.89%
Risk Allowance	Long-term LUACSTAT spread = 1.29% (based on year 1990 onwards) Risk allowance = 45% x 1.29% = 0.58%
Illiquidity Premium	0.89% - 0.58% = 0.31% (subject to a floor of the Standard Illiquidity Premium)
<b>Long-term illiquidity premium implementation period</b>	Maximum cashflow matching term = 30 years Advanced Illiquidity Premium cap of 0.50% after 30 years does not apply at 30 June 2025
<b>Asset Risk Charge (LPS 114)</b>	Calculation based on the credit ratings of index constituents Average credit spread increase of index = 1.37% Credit spread increase with LPS 114 Adjustment Factors = 0.85%
<b>Products included</b>	All illiquid products eligible for the Advanced ILP

# Appendix D - Assumptions

## Capital resilience illustrative examples

Item	Instantaneous market shock	Prolonged stress event
<b>Nature of stress</b>	Sharp market drawdown COVID-style stress Modelled as an instantaneous shock to balance sheet	Extended recessionary conditions similar to GFC-style stress Modelled as a cumulative projection combining the worst observed market drawdown with a 12-month allowance for defaults/downgrades.
<b>Asset Portfolio</b>	Current asset portfolio (including no allowance for any potential return of capital)	
<b>Capital Standards</b>	Assumed that criteria to apply Advanced Illiquidity Premium are satisfied <b>Note:</b> to satisfy Cash Flow Matching criteria, small modifications to asset portfolio may be required	
<b>Choice of Reference Index</b>	Bloomberg US Corporate Statistics Index (LUACSTAT)	
<b>Market Shock Parameters</b>	Aligned to 1-month market performance from 24/02/2020 to 23/03/2020	Aligned to market conditions of 2008/2009 <sup>1</sup>
IG spreads (A/BBB)	+300bps	+400bps
HY spreads (BB)	+600bps	+900bps
Defaults <sup>2</sup> (IG/HY)	n/a	0.9% / 6.6%
Equity	-35%	-45%
Property	-7%	-14%
Absolute Return Funds	-3%	-7%

1. The stress test identifies the most constraining point for CLC's capital position over the stress period. The shock parameters represent the worst drawdown for that asset class over the period, not necessarily coinciding with the most constraining point for CLC's capital position.  
2. Effect of downgrades is allowed for separately.

# Important note

This presentation was prepared for the purpose of a briefing to equity analysts and certain wholesale investors on 26 May 2026.

The material in this presentation is general background information about Challenger Limited'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, potential investors or any other person 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.

Past performance is not an indication of future performance.

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

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