

# Challenger IM Credit Income Fund

A high income, defensive and diversifying investment opportunity

## A unique offering

The Challenger IM Credit Income Fund (the Fund) is a floating rate, multi-sector credit strategy which invests across high quality, predominantly investment grade opportunities. The Fund is a unique offering in the Australian marketplace investing in both public and private debt markets whilst being appropriately structured to ensure the underlying liquidity of the portfolio meets the withdrawal provisions of the Fund. In doing so, the Fund provides a high income, defensive and diversifying investment opportunity without taking what we believe to be excessive credit or interest rate risk.

## Who is the Fund suitable for?

The Fund is best suited to investors who:

- require an investment with consistent levels of income
- understand and are willing to accept a higher level of liquidity risk in order to generate higher returns than daily liquid fixed income products
- have an investment horizon greater than 3 years

## Fund facts

<b>Investment return objective</b>	The Fund aims to achieve superior absolute returns over the medium to long term whilst offering capital stability and a steady income stream.
<b>Performance target</b>	Bloomberg AusBond Bank Bill Index + 3% after fees
<b>Liquidity</b>	Monthly with 10% fund level gate
<b>Distribution frequency</b>	Quarterly
<b>Recommended investment horizon</b>	3 years +
<b>Fees (Class A)</b>	0.60% p.a.
<b>Minimum initial investment (Class A)</b>	\$10,000 AUD

## Why Challenger IM

### Proven Platform

Since 2005, our leading alternative credit platform has delivered strong risk adjusted returns in public and private credit markets. Many private credit investors claim to be the first call on a new transaction. But few can offer evidence of this throughout multiple cycles across multiple markets.

### Value Discipline

We are value investors in credit markets, rotating between public and private credit according to where we see the best value whilst always maintaining discipline around price.

### Committed to exceptional risk management

Our credit portfolios benefit from an independent credit risk oversight and valuation function. As a part of a publicly listed and regulated insurance group, our risk management framework undergoes continuous and rigorous scrutiny, enhancing discipline and leading to better investment outcomes.

### Diversification

The Fund invests across both public and private credit markets providing the opportunity to allocate to the most attractive sectors over time. The Fund targets a weighted average investment grade rating and the diversified set of asset classes in which the Fund can invest includes secured loans, securitised credit, corporate bonds and real estate debt.

## Key mitigants to risk

- Low interest rate risk with maximum one year duration.
- All assets hedged to Australian Dollars minimises currency risk.
- Covenant to maintain average investment grade credit rating limits the risk of the manager taking on excessive levels of credit risk.
- A 10% cap on monthly redemptions reduces the potential for large withdrawals to negatively impact remaining unitholders.

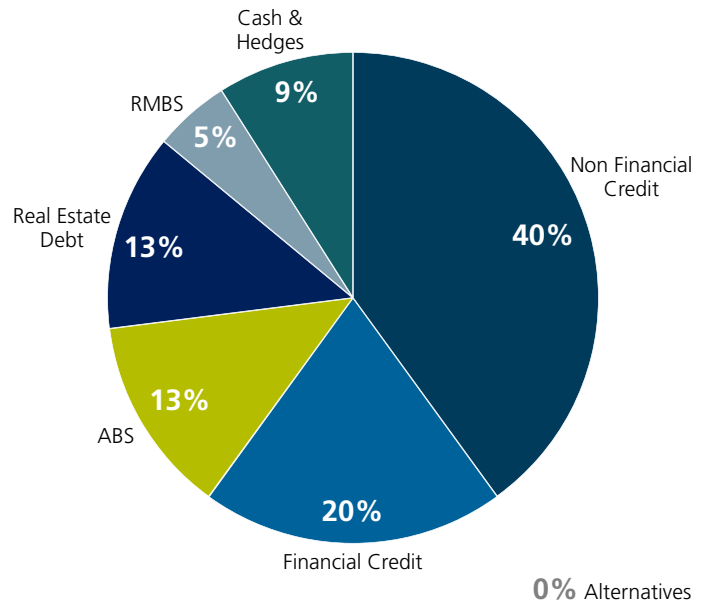
For a full description of the risks related to investing in the Fund please refer to the Product Disclosure Statement (PDS).

## Challenger Investment Management

Challenger Investment Management Fixed Income is an alternative investment manager covering a global opportunity set in credit. The CIM FI team believe that high income, diversifying and defensive portfolios can be constructed by taking a multi-sector approach to credit investing across both public and private markets. By having broad mandates which incorporate both public and private credit they seek to identify and exploit pricing inefficiencies across credit, liquidity and complexity risks.

The team looks to minimise capital volatility and maintain consistent income by avoiding interest rate and currency risks and keeping spread duration relatively short compared to more traditional credit income strategies.

## Fund Asset Allocation\*



\*As at 31 Dec 2023. Figures may be rounded to the nearest whole percentage.

## Contact

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