

Challenger IM LiFITS 1 Notes

Monthly Report December 2025

ASX: CIMHA

The Challenger IM LiFITS 1 Notes (LiFITS) are unsecured, deferrable¹, redeemable, floating rate notes in the form of listed debt securities backed by a portfolio of public and private credit assets managed by Challenger Investment Management. LiFITS are issued by Challenger IM Capital Limited (the Company or Issuer).

The Interest Payment paid in December represents the full target payment to investors. As at the date of releasing this report, subsequent payments may have been announced and/or paid. Refer to the Issuer's latest announcements via ASX or at www.challengerim.com.au/funds/challenger-im-lifts-1-notes/.

Interest Payments (\$/note)²

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2025	-	-	-	-	-	-	-	-	-	-	1.34	0.55

Interest Payment Returns³

Interest Period	20 Nov - 21 Dec 2025
Interest Period (days)	32
Benchmark Rate: BBSW (1 month) mid ⁴ (2dp)	3.55% p.a.
Margin	2.75% p.a.
Total Interest Rate ⁵ (2dp)	6.30% p.a.

Note Details

Name	Challenger IM LiFITS 1 Notes	Target Repayment Date	4 September 2031
Issuer/Company	Challenger IM Capital Ltd	First Loss Buffer Percentage (month end) ⁶ (2dp)	8.44%
ASX Code	CIMHA	Note Face Value	\$100
ASX Last Price (month end)	\$99.38	Notes on Issue	3,500,000
Payment Frequency	Monthly	Investment Manager	Challenger Investment Partners Limited
Maturity Date	6 September 2032	Note Trustee	Equity Trustees Limited

¹ Interest deferrable (in limited circumstances) and cumulative, and redeemable by the Issuer.

² Interest payable per note is calculated in accordance with the LiFITS Prospectus. No allowance is made for tax. Past performance is not a reliable indicator of future performance.

³ Based on payments made during the named reporting month.

⁴ The Benchmark Rate is recalculated on the first day of each Interest Period.

⁵ Past performance is not a reliable indicator of future performance.

⁶ As defined and calculated per the LiFITS Prospectus.

Key Features of LiFTS



Backed by a diversified portfolio of public and private credit assets



Fixed term



Managed by a trusted institutional team with 20 years' experience



A limited first loss buffer for Noteholders in the event of a shortfall in income



Monthly interest of 1-month BBSW + 2.75% p.a.



Listed on ASX with daily liquidity

Platform Availability

AMP North	HUB24	Netwealth
BT Panorama	MLC Expand	Powerwrap (IDPS)
Dash	Macquarie Wrap IDPS & Super	Praemium (IDPS)
CFS Edge (IDPS)	Mason Stevens	

Ratings

BondAdviser

Issuer Name
Challenger IM Capital Limited
Security Name
Challenger IM LiFTS 1 Notes
Security Recommendation
Subscribe
Security Risk
Upper Medium



About Challenger Investment Management

Challenger Investment Partners Limited, or Challenger Investment Management (Challenger IM), a wholly owned subsidiary of Challenger Limited, is an alternative investment manager with a strong pedigree in global developed credit markets. The Fixed Income division currently manages assets across a global opportunity set in public and private credit markets. Since 2005, Challenger IM has invested for Challenger's balance sheet alongside clients across a range of strategies. For further information on Challenger IM and its strategies, please visit www.challengerim.com.au.

For further information, please contact Fidante:

P: 1300 721 637 | e: info@fidante.com.au | w: www.fidante.com



CHALLENGER IM CAPITAL LTD

Important Notices

Unless otherwise specified, any information contained in this material is current as at the date of publication and has been prepared by Challenger IM Capital Limited ACN (687 738 263) (**Issuer**), a wholly owned subsidiary of Challenger Limited. Challenger Investment Partners Limited (also referred to as **Challenger Investment Management** or **CIM**) (ABN 29 092 382 842, AFSL 234 678) provides investment management and other services to the Issuer.

The Issuer does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act 2001 (Cth) (**Corporations Act**). Accordingly, to make offers to arrange for the issue of the Notes, the Issuer has appointed Fidante Partners Services Limited ABN 44 119 605 373 AFSL 320505 as its authorised intermediary to make offers to arrange for the issue of the Notes, pursuant to section 911A(2)(b) of the Corporations Act.

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Past performance is not a reliable indicator of future performance. Investments in the Notes are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group or any other person.

This information is not intended to constitute financial product advice. This information must not be distributed, delivered or otherwise disclosed to any investor. It has been prepared without taking into account any person's objectives, financial situation or needs. Investors should consider whether the information is suitable to their circumstances.

The Prospectus for the offer of the Notes and the Target Market Determination, available at www.fidante.com/challenger-im-lifts, should be obtained and read in their entirety by an investor before making a decision to acquire the Notes. No cooling off rights will apply to an investment in Notes issued pursuant to the offer. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, reasonableness, completeness or reliability of any statements, estimates or opinions or other information contained in this material. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (Challenger IM LiFTS 1 Notes (CIMHA) assigned August 2025 referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at Fund Research Regulatory Guidelines.

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Any research house rating only represents the opinion of the research house, which is relative and subjective, on the investment merits of the product. The Issuer advises that such ratings are intended to be general advice and to be used by wholesale clients only and should never be relied on by retail clients when making a decision about investing in the Notes.

ASX Listing Rule 15.5

The Company and Issuer of LiFTS is a wholly owned subsidiary of Challenger Limited (ASX:CGF).

The Company address is 2/5 Martin Place, Sydney NSW 2000 Australia.

This document has been authorised for release by the Company's Continuous Disclosure Committee.

6 February 2026

Challenger IM Capital Ltd

Note Issuer Monthly Report - December 2025

Challenger IM Capital Limited (Company) is an unlisted public company which is the issuer of the Challenger IM LiFTS 1 Notes (Notes). The portfolio of assets generating the Note returns are managed by Challenger Investment Management (Challenger IM) and are primarily held in the Challenger IM Capital Wholesale Trust 1 (WT1) (ABN 46 876 337 040), a wholesale managed investment scheme. As such, this report has been generated with reference to the assets of WT1 (unless otherwise noted). The Company is also expected to directly hold an immaterial¹ weighting of cash and other highly liquid assets.

Figures and charts contained in this report are per month end.

Monthly Commentary

Performance Update:

For the December quarter, WT1 had a post-tax return of 1.35%².

Credit spreads were moderately tighter over the month which had a small positive contribution to returns. Returns were not attributable to any single asset across each of the underlying portfolio strategies. There were no individual positions which materially impacted performance over the period.

Portfolio Positioning:

Domestic private credit markets experienced a burst of activity prior to year end. The resultant pipeline of opportunities has helped WT1 in moving towards the targeted asset allocation. At December month end WT1 is fully invested if all commitments proceed through due diligence, with around 5% in liquid positions to be rotated into current commitments as they require funding.

Current private credit commitments comprise 3 transactions. One is a senior secured commercial real estate loan over a hotel in a capital city with the remaining two being non-financial corporate borrowers across hospitality (leading Australia wide venue operator) and healthcare sectors.

Portfolio Details

Gross Asset Value (\$Million) ³	382
Secured Financial Indebtedness ⁴	0.0%

Key Statistics

Number of Issuers	122
Running yield (%) p.a	7.1
Modified duration (yrs)	0.1
Portfolio Credit Spread Duration (yrs)	1.9
Average Issuer Weighting	0.7%
Weighted average traded margin (bps)	382

¹ The Company expects that on average there will be no greater than \$3m cash held within the Company, other than for a finite period leading up to each monthly interest payment on the Notes.

² Past performance is not a reliable indicator of future performance

³ Relates to all assets held by the Company as Issuer, rather than the assets held by WT1.

⁴ As defined in the Prospectus for the Notes dated 11 August 2025.

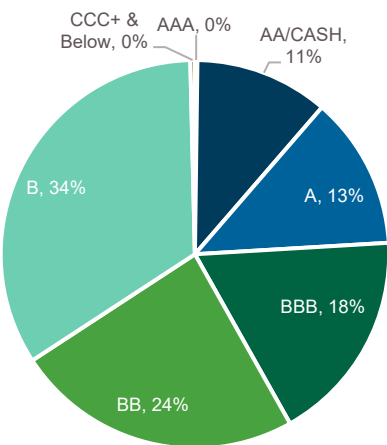
Over the quarter, four new corporate transactions settled across various industries including engineering services, consumer durables, healthcare and insurance related remedial building services. These were funded from excess cash held following the LiFTS 1 note issuance and from early repayments of existing investments. Several asset backed finance facilities repaid principal following public securitisation transactions. In the coming months these facilities will be progressively re-drawn back towards their committed limits. In the interim these funds have been allocated into liquid investment grade credit and positioning has been driven by relative value.

The portfolio positioning is in line with guidance in the Prospectus with strong diversification across issuers, sub-strategies and industries. Private market credit spreads continue to be attractive relative to public market credit spreads. There are no major sectoral biases with room to add senior secured corporate, real estate loans and private asset backed transactions as opportunities emerge.

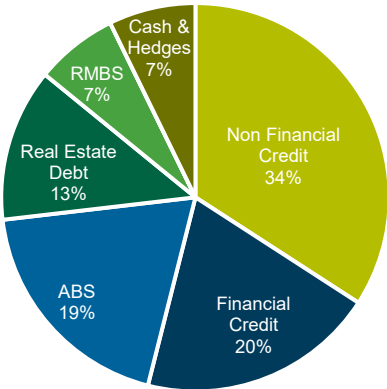
Asset quality of WT1 was unchanged over the month with no new direct assets on the watchlist and only a small percentage (<0.5%) of watchlist names held indirectly via the unit holding in the Challenger IM Multi-Sector Private Lending Fund. The largest watchlist position represents an exposure of 0.2% of this portfolio and relates to a real estate holding; a senior secured loan against established residual housing stock at a loan to valuation ratio of circa 60% in the Melbourne CBD. The borrower has been impacted by a dispute between the equity holders which has triggered a breach under the loan documents even though the loan is performing and the risk of principal loss or interest deferral is low.

The weighted average Australian dollar denominated asset swapped margin of the portfolio is in at around 3.8% p.a. currently with the yield to expected maturity at around 7.2% p.a. There is currently no Secured Financial Indebtedness (as defined in the Notes Prospectus).

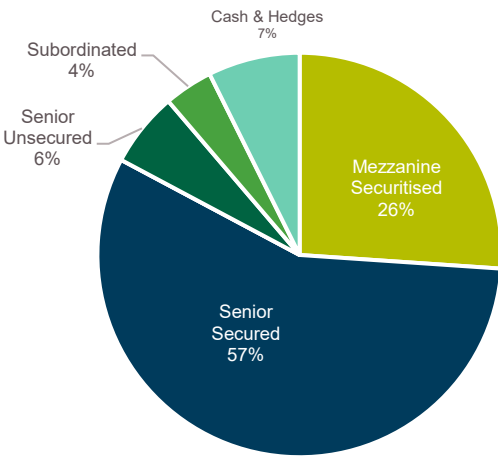
Portfolio Credit Quality



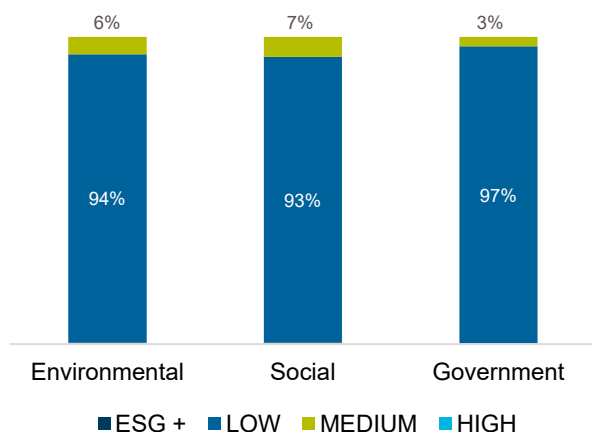
Portfolio Asset Allocation



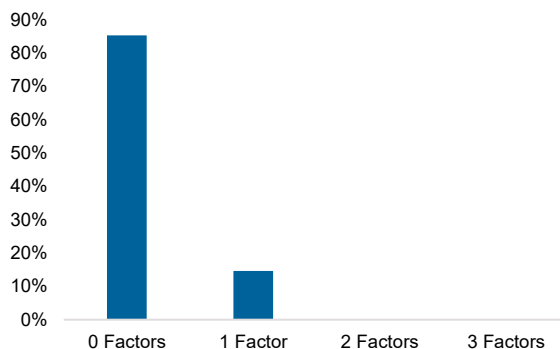
Portfolio Ranking



ESG Profile



ESG Risk Layering



Number of risk factors rated Medium or High

Percentage of deals which have multiple risk factors rated Medium or High. For example, 2 might be Environmental and Governance risk rated Medium.

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