

CHALLENGER IM CAPITAL LIMITED

# Challenger IM LiFTS 1 Notes Prospectus

11 August 2025

The offer is made by Challenger IM Capital Limited ACN 687 738 263 for the issue of up to 3,500,000 unsecured, deferrable, redeemable, floating rate notes (the **Challenger IM LiFTS 1 Notes** or the **Notes**) to raise up to \$350 million.

## Manager

Challenger Investment Partners Limited  
(ACN 092 382 842; AFSL 234678)

## Authorised Intermediary

Fidante Partners Services Limited  
(ACN 119 605 373; AFSL 320505)

## Joint Lead Arrangers

National Australia Bank Limited

Morgans Financial Limited

E&P Capital Pty Limited

Commonwealth Securities Limited

## Joint Lead Managers

National Australia Bank Limited

Morgans Financial Limited

E&P Capital Pty Limited

Commonwealth Securities Limited

Canaccord Genuity (Australia) Limited

Ord Minnett Limited

Taylor Collison Limited

Wilsons Corporate Finance Limited

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

You should read this Prospectus in its entirety before deciding whether to subscribe for Notes. There are risks associated with an investment in the Notes offered under this Prospectus.

If you do not understand any part of this Prospectus or are in doubt as to what you should do, you should consult your stockbroker, accountant, financial adviser or other qualified professional adviser immediately.

If you are a Retail Investor and wish to participate in the Offer, you must seek advice as to whether you are within the target market as set out in the Target Market Determination and if an investment in the Notes is suitable for you in light of your particular investment objectives, financial situation and needs. You can only apply for Notes if you are within the target market and you have received personal advice from a qualified financial adviser. If you wish to apply for Notes, you must contact a Broker.

Not for release or distribution outside of Australia.

**Challenger IM LiFTS 1 Notes are not guaranteed by Challenger Investment Partners Limited or any other member of the Challenger Group or any other person.** Challenger IM LiFTS 1 Notes are unsecured, deferrable, redeemable, floating rate debt securities in the form of notes that are intended to be quoted on the ASX. The **LiFTS** acronym is comprised of the following features: **Listed, Floating Rate, Term, Securities**.

# Important information

## ABOUT THIS PROSPECTUS, THE ISSUER AND THE MANAGER

This Prospectus is issued by Challenger IM Capital Limited ACN 687 738 263 (**Issuer**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). The Issuer is a recently incorporated unlisted Australian public company limited by shares.

This Prospectus expires on the Expiry Date which is 13 months after the Prospectus Date. No Notes will be issued on the basis of this Prospectus after the Expiry Date.

The offer contained in this Prospectus (**Offer**) is an invitation to acquire unsecured deferrable redeemable floating rate debt securities in the form of notes that are intended to be quoted on the ASX with the ticker code "CIMHA" (the **Challenger IM LiFTS 1 Notes** or the **Notes**).

The Issuer has entered into an Investment Management Agreement with Challenger Investment Partners Limited (ACN 092 382 842, AFSL 234678) (Challenger Investment Management, CIM or the **Manager**) authorising the Manager to provide investment management and other services to the Issuer pursuant to the terms of the Investment Management Agreement. The Issuer and the Manager are subsidiaries of Challenger Limited (ABN 85 106 842 371), an ASX-listed company (ASX:CGF) ("**Challenger**") and together with its subsidiaries, the "**Challenger Group**".

## AUTHORISED INTERMEDIARY

The Issuer has appointed Fidante Partners Services Limited ACN 119 605 373 (**FPSL**) as authorised intermediary to make offers to arrange for the issue of Notes under the Prospectus, pursuant to section 911A(2)(b) of the Corporations Act. FPSL is the holder of Australian Financial Services Licence (**AFSL**) number 320505 and is a subsidiary within the Challenger Group.

## NOT GUARANTEED BY CHALLENGER

**Challenger IM LiFTS 1 Notes are not guaranteed by Challenger Investment Partners Limited or any other member of the Challenger Group or any other person.**

Challenger IM LiFTS 1 Notes are:

- unsecured and do not have the benefit of security granted by the Challenger Group;
- not policy liabilities of Challenger, Challenger Life Company Limited (CLC) or any other member of the Challenger Group;
- not investments in any superannuation or other fund managed by a member of the Challenger Group; and
- not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

## ROLE OF JOINT LEAD ARRANGERS AND JOINT LEAD MANAGERS

The Joint Lead Arrangers and Joint Lead Managers will together manage the Offer on behalf of the Issuer. The Joint Lead Arrangers and Joint Lead Managers are Morgans Financial Limited (ACN 010 669 726; AFSL 235410) (**Morgans**), National Australia Bank Limited (ACN 004 044 937; AFSL 230 686) (**NAB**), E&P Capital Pty Limited (ACN 137 980 520; AFSL 338 885) (**E&P**) and Commonwealth Securities Limited (ACN 067 254 399; AFSL 238 814) (**CommSec**). Canaccord Genuity (Australia) Limited (ACN 075 071 466; AFSL 234 666) (**Canaccord**), Ord Minnett Limited (ACN 002 733 048; AFSL 237 121) (**Ord Minnett**), Taylor Collison Limited (ACN 008 172 450; AFSL 247 083) (**Taylor Collison**) and Wilsons Corporate Finance Limited (ACN 057 547 323; AFSL 238 383) (**Wilsons**) are also Joint Lead Managers.

The Joint Lead Arrangers and Joint Lead Managers functions should not be considered to be an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. The Joint Lead Arrangers and Joint Lead Managers do not guarantee or warrant the success or performance of the Issuer, the Notes or the returns (if any) to be received by investors on the Notes, or any amounts payable in connection with the Notes, the Issuer or the Challenger Group. Neither the Joint Lead Arrangers, the Joint Lead Managers nor any other person, other than the Issuer, is responsible for, or has caused the issue of, this Prospectus.

## LODGEMENT AND LISTING

This Prospectus is dated 11 August 2025 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Issuer will apply to the Australian Securities Exchange (**ASX**) for admission to the official list as an ASX Debt Listing and for quotation of the Notes on the ASX no later than 7 days after the Prospectus Date.

Admission is conditional on the ASX approving the application for admission and quotation of the Notes. If such approval is not received by the Issuer within three months after the Prospectus Date, the Offer will be withdrawn in which case any application money received may need to be dealt with in accordance with section 724 of the Corporations Act.

**None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.**

It is expected that the Notes will be quoted on the ASX on a normal settlement basis.

## NOTE TO APPLICANTS

The information contained in this Prospectus is not personal financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of any prospective investor. This Prospectus should not be construed as financial, taxation, legal or other advice. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Notes.

In particular, in considering the Offer, you should consider the risk factors that may affect the performance of the Issuer and its ability to pay the interest and repay the Face Value under the terms of the Notes. None of the Issuer, the Manager, the Note Trustee, the Joint Lead Arrangers, the Joint Lead Managers nor any other person associated with the Notes or the Issuer guarantees or warrants the future performance of the Notes, the Issuer or the Challenger Group or the return on an investment made under this Prospectus, the repayment of capital on the Notes or the payment of Interest on the Notes. You should carefully consider these risks in light of your personal circumstances (including your investment objectives, financial situation, tax position and any other needs) and seek professional guidance from your financial or other licensed professional adviser before deciding whether to invest in the Notes.

## INVESTMENT CARRIES RISKS

Some of the key risk factors that should be considered by prospective investors are set out in Section 7. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

## TARGET MARKET DETERMINATION

The Issuer has issued a Target Market Determination with respect to the Notes which is available at [www.fidante.com/au/CHAL-TMD-LIFTS.pdf](http://www.fidante.com/au/CHAL-TMD-LIFTS.pdf). See Section 10.10 for a summary. The Target Market Determination itself does not form part of this Prospectus.

If you are a Retail Investor and wish to participate in the Offer you can only do so through the Broker Firm Offer. You must seek professional advice as to whether you are within the Target Market of the Notes set out in the Target Market Determination and if an investment in the Notes is suitable for you in light of your particular investment objectives, financial situation and needs. You can only apply for the Notes if you are within the Target Market of the Notes and you have received personal advice from a qualified financial adviser. If you wish to apply for the Notes, you must contact a Broker.

## EXPOSURE PERIOD

The Corporations Act prohibits the Issuer from processing applications to subscribe for Notes offered under this Prospectus (**Applications**) in the seven-day period from the Prospectus Date (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period.

No preference will be conferred on any Applications received during the Exposure Period.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application received during the Exposure Period may need to be dealt with in accordance with section 724 of the Corporations Act.

## OBTAINING A COPY OF THIS PROSPECTUS

This Prospectus will only be provided in electronic form to Australian residents who have access to the Cornerstone Offer or the Broker Firm Offer. Persons who access the electronic version of this Prospectus should ensure that they receive and read the entire Prospectus. The Offer constituted by this Prospectus in electronic form is available only to Australian residents receiving the electronic form of this Prospectus.

This Prospectus is not available to persons in other jurisdictions, including the United States.

## APPLICATIONS

Cornerstone Investors have received an invitation setting out how they can participate in the Cornerstone Offer. Cornerstone Investors are required to indicate their interest in the Cornerstone Offer by executing a binding pre-commitment letter prior to the close of the Cornerstone Offer.

Applications for the Notes under the Broker Firm Offer may only be made on either a printed copy of the Application Form accompanying this Prospectus or via the electronic Application Form that you have received from your Broker.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing an Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. Refer to Section 10 for further information.

The Issuer is entitled to refuse Applications for Notes under this Prospectus if it believes that the Applicant did not receive the Offer in Australia.

## NO COOLING OFF RIGHTS

Cooling off rights do not apply to an investment in the Notes issued pursuant to the Offer. This means that you will be unable to withdraw your Application once it has been accepted.

## RIGHTS AND OBLIGATIONS ATTACHED TO THE NOTES

Equity Trustees Limited (ACN 004 031 298; AFSL 240975) (**Note Trustee**) is acting as the note trustee for the holders of the Notes issued under this Offer (**Noteholders**) pursuant to the note trust deed (**Note Trust Deed**) in accordance with Chapter 2L of the Corporations Act. Notes issued by the Issuer are subject to the Note Trust Deed including the base terms of issue attached to the Note Trust Deed (**Base Terms**). The Notes will also be subject to the offer specific terms of issue dated

11 August 2025 (**Offer Specific Terms** and together with the **Base Terms**, the **Terms of Issue**). The rights and obligations of the Noteholders are set out in the Terms of Issue and the Note Trust Deed. The Noteholders will have no direct right to claim against the Issuer or the assets of the Issuer except as provided in the Note Trust Deed.

The Notes are not “simple corporate bonds” and do not comply with the requirements for simple corporate bonds under the Corporations Act. In particular, the Notes allow for interest to be deferred if there is Insufficient Income in relation to a month and repayment of the Notes is not guaranteed.

The Base Terms and the Offer Specific Terms are attached as a Schedule to this Prospectus and certain key features are summarised in Section 2. The material provisions of the Note Trust Deed are summarised in Section 11.2. A copy of the Note Trust Deed (including the Base Terms and the separate Offer Specific Terms) is also available during the Offer Period to Australian resident investors, who have received this Prospectus, by calling the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.

## **RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Notes or the Offer, or to otherwise permit a public offering of the Notes in any jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, any person in the United States. In particular, the Notes to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States.

Refer to Section 10.11 for more detail on selling restrictions that apply to the Offer and sale of Notes in jurisdictions outside Australia.

Unless otherwise agreed with the Issuer, any person applying for Notes shall by virtue of such application be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this Prospectus and are not acting for the account or benefit of a person within such jurisdiction.

None of the Issuer, the Manager, the Note Trustee, the Joint Lead Arrangers, the Joint Lead Managers, nor any of their respective directors, officers, employees, consultants, agents, partners, advisers or affiliates accept any liability

or responsibility to determine whether a person is able to participate in the Offer.

## **NO INFORMATION OR REPRESENTATION OTHER THAN IN THIS PROSPECTUS**

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Issuer, the directors or officers of the Issuer, or any other person in connection with the Offer. You should rely only on the information contained in this Prospectus when deciding whether to invest in the Notes.

Except as required by law, and only to the extent so required, none of the Issuer, any person named in this Prospectus, or any other person warrants or guarantees the future performance of the Issuer, or any return on any investment made pursuant to this Prospectus.

Unless otherwise indicated, all information in this Prospectus, while subject to change from time to time, is current as at the date of this Prospectus.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements which are statements that may be identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends”, “considers” and other similar words that involve risks and uncertainties.

The Issuer does not have any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Issuer, and the directors and management of the Issuer, that could cause actual results, performance, events or outcomes to differ materially from the results, performance, events or outcomes expressed or anticipated in these statements. Forward-looking statements should therefore be read in conjunction with, and are qualified by the risk factors as set out in Section 7, and other information in this Prospectus.

The Issuer cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Except where required by law, the Issuer does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

## PRIVACY

The information about Applicants to be included in an Application Form is used for the purposes of processing the Application Form and to administer the successful Applicant's holding of any of the Notes. By submitting an Application Form, each Applicant agrees that the Issuer may use the information provided by the Applicant on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Note Registry, the Issuer, the Manager and the Note Trustee and their related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, to the Joint Lead Managers and to ASX and other regulatory authorities.

The Corporations Act requires the Issuer to include information about each holder of Notes issued by the Issuer (including name, address and amount) in its public register. Information contained in the Issuer's register is also used to facilitate payments and corporate communications (including the Issuer's financial results, annual reports and other information that the Issuer wishes to communicate to holders of the Notes) and compliance by the Issuer with legal and regulatory requirements.

Under the Privacy Act, you may request access to, or correction of, your personal information held by, or on behalf of, the Issuer or the Note Registry. A fee may be charged for access. You can request access to your personal information by telephoning or writing to the Note Registry as follows:

Telephone: 1300 721 637 and +61 2 8023 5428  
(outside Australia)

Address: GPO Box 3993, Sydney NSW 2001

The Issuer and the Note Registry may disclose your personal information for purposes related to your investment to their agents and service providers.

See also Section 12.7 for details of how your personal information is handled.

## ISSUER'S WEBPAGE

Any references to documents included on the Issuer's webpage on the website [www.fidante.com/challenger-im-lifts](http://www.fidante.com/challenger-im-lifts) are provided for convenience only, and none of the documents or other information on this website, or any other website referred in this Prospectus, is incorporated in this Prospectus by reference.

## FINANCIAL INFORMATION

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Section 5 of this Prospectus sets out certain financial information of the Issuer. The basis of the preparation of the financial information is set out in Section 5.3.

The Pro Forma Financial Information has been prepared in accordance with the recognition and measurement

principles of Australian Accounting Standards (as adopted by the Australian Accounting Standards Board). The financial information is presented in an abbreviated form, it does not include all of the presentation and disclosure required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

## NON-IFRS FINANCIAL INFORMATION

Investors should be aware that certain financial data included in this Prospectus is non-IFRS financial information under Regulatory Guide 230 (Disclosing non-IFRS financial information) published by ASIC. Non-IFRS information can provide useful information to users in measuring the financial performance and condition of the Issuer. The non-IFRS measures do not have standardised meaning prescribed by the Australian Accounting Standards and may not be comparable to similar titled measures prescribed by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned not to place undue reliance on any non-IFRS financial information, ratios and metrics included in this Prospectus.

## ROUNDING

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

## INVESTIGATING ACCOUNTANT'S REPORT ON THE ISSUER'S PRO FORMA FINANCIAL INFORMATION

The Investigating Accountant's Report on the Issuer's Pro Forma Financial Information is provided in Section 6.

## NO ADVICE OR DUTY DISCLAIMER OF JOINT LEAD MANAGERS

Neither any Joint Lead Arranger nor any Joint Lead Manager nor their respective related bodies corporate, and/or their respective directors, officers, employees or clients act as the adviser of or owe any fiduciary or other duties to any recipient of this Prospectus in connection with the Notes and/or any related transaction (including, without limitation, in respect of the preparation and due execution of the transaction documents and the power, capacity or authorisation of any other party to enter into and execute the transaction documents). No reliance may be placed on any Joint Lead Arranger or any Joint Lead Manager for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

Persons contemplating purchasing the Notes should make their own decision as to the sufficiency and relevance for their purpose of the information contained in this Prospectus and any other offering documentation in respect of the Notes, undertake their own independent investigation of the appropriateness of Notes for them taking into account their



financial and taxation circumstances, investment objectives and particular needs and take all appropriate advice from qualified professional persons as they deem necessary. Any investment decision should rely on that investigation and appraisal and not on this Prospectus.

The Joint Lead Arrangers and the Joint Lead Managers are not underwriting the Offer.

## CONFLICTS OF INTEREST

The Joint Lead Arrangers, the Joint Lead Managers and their respective related bodies corporate and affiliates and any of their respective directors, officers, employees, partners, advisers, contractors or agents (the “**Lead Manager Parties**”) are involved in a wide range of financial services and businesses including (without limitation):

- securities issuing, securities trading, brokerage activities, the provision of retail, business, private, commercial and investment banking, investment management, corporate finance, credit and derivatives trading, research products and services and the provision of finance; and
- issuing, arranging the distribution of, and distributing, and the provision of advice in connection with, securities and other financial products,

including (without limitation) to, or in connection with, customers, investors or other persons directly or indirectly involved or associated with the Issuer, the Manager, the Challenger Group, the Note Trustee or the Offer and their respective related bodies corporate and affiliates and their respective officers, directors, employees, partners, advisers, contractors and agents (“**Relevant Persons**”). The Lead Manager Parties may receive fees and other benefits in connection with those activities, out of which conflicting interests or duties may arise.

In the ordinary course of these activities, each Lead Manager Party may at any time hold long or short positions, and may trade or otherwise effect transactions or take or enforce security, for, or in connection with, its own account or the accounts of Relevant Persons, including through transactions involving debt, equity or hybrid securities loans, financing arrangements, other financial accommodation, financial products or services, in connection with, or which rely on the performance of obligations by, any Relevant Person.

## ABOUT THE NOTE TRUSTEE

The Note Trustee and its directors, employees, officers, affiliates, agents, advisers, intermediaries, and related bodies corporate:

- have not authorised or caused the issue or distribution of this Prospectus, were not involved in preparing this Prospectus and do not make any statement or purport to make any statement in this Prospectus or any statement on which a statement in this Prospectus is based;
- do not assume any responsibility for or make representations as to the truth, accuracy or completeness of any information contained in this Prospectus;

- to the maximum extent permitted by law, expressly disclaim all liability in respect of, make no representation or any statement regarding, and take no responsibility for, any part of this Prospectus, or any statements in, or omissions from, this Prospectus, other than (in the case of the Note Trustee only) references to its name which are included in this Prospectus with its written consent;
- in the case of the Note Trustee only, has given, and has not, before the lodgement of this Prospectus with ASIC, withdrawn, its written consent to be named in this Prospectus in the form and context in which it is named;
- have relied on the Issuer for the accuracy of the contents of this Prospectus;
- do not make any representation or warranty as to the performance of the Issuer, the performance of the Notes, the payment of Interest or repayment of the Face Value of the Notes; and
- are not, subject to the Note Trustee's obligations under the Corporations Act, responsible for monitoring the Issuer's business.

## NOT FINANCIAL PRODUCT ADVICE

**This Prospectus does not provide financial product or investment advice – the Issuer strongly recommends that you seek your own personal advice from a qualified financial adviser before making an investment decision.**

The information in this Prospectus does not take into account your investment objectives, financial situation, or particular needs as an investor. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues). See in particular the risks set out in Section 7.

If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in the Notes or not, it is recommended that you seek personal advice from a qualified financial adviser before deciding whether to invest.

## PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams in this Prospectus do not necessarily depict assets or equipment owned or used by the Issuer. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

## DEFINITIONS

Terms used in this Prospectus are defined in the Glossary in Section 14.

## TIME REFERENCES

A reference to time in this Prospectus is to the local time in Sydney, Australia, unless otherwise stated.

## **CURRENCY**

All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

## **QUESTIONS**

If you have any questions in relation to the Offer or how to apply for Notes, please contact the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.

Instructions on how to apply for Notes are set out in Section 10.5 and on the Application Form. If you have any questions about whether to invest in the Notes, you should seek professional guidance from your financial or other licensed professional adviser.

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# Letter from the Issuer

11 August 2025

Dear Investor,

Thank you for your interest in participating in the subscription for Challenger IM LiFTS 1 Notes (**Offer**) to be issued by Challenger IM Capital Limited (**Issuer**). Under the Offer, investors are invited to apply for Notes at \$100 per Note (**Issue Price** or **Face Value**) to raise a minimum of \$200 million, with the ability to raise up to a maximum of \$350 million.

The Notes are unsecured, deferrable, redeemable and floating rate notes, as explained in this Prospectus.

The Notes are intended to deliver investors regular monthly interest income, generated from a diversified portfolio of debt instruments (directly or indirectly) acquired and held by the Issuer.

The Notes are intended to be quoted on the ASX, with the ticker code 'CIMHA'.

## ABOUT THE MANAGER

The assets of the Issuer are managed by the fixed income division of Challenger Investment Partners Limited (**Manager, Challenger Investment Management** or **CIM**), part of "**Challenger Group**". CIM is an investment management company specialising in public and private credit markets with over \$16 billion assets under management<sup>1</sup>. CIM's investment team has experience investing in and managing portfolios of public and private credit markets across multiple credit cycles and is focused on maximising returns through disciplined credit selection, conservative deal structuring and active portfolio management.

The Manager is a subsidiary of Challenger Limited (ABN 85 106 842 371), an ASX-listed company (ASX:CGF) and Australia's largest annuity provider<sup>2</sup> as well as one of its largest active fund managers<sup>3</sup>. The Challenger Group provides operational and risk management support to CIM through functions including credit risk management, legal and tax support and sustainability and macroeconomic research.

## ABOUT THE NOTES

The Notes are intended to provide regular monthly income. Each Note is a separate unsecured debt obligation of the Issuer in note form, constituted by and owing under the Note Trust Deed. The Issuer will invest the proceeds from the Notes in a portfolio of public and private credit investments (debt instruments) in Australia, New Zealand and global developed

markets across a range of credit sub-strategies, including but not limited to corporate, commercial real estate (excluding residential construction and development) loans and asset backed finance. This may be achieved by a combination of direct investment in such portfolio assets and/or the acquisition of units in funds managed by the Manager (**CIM Managed Funds**), which in turn hold such portfolio assets.

Key benefits and features of investing in the Note include:

- *Monthly floating rate income* - the Interest Rate applicable to Notes is a benchmark rate of BBSW (1 month) + a margin of 2.75% per annum which accrues on a monthly basis. If there is Insufficient Income, Interest may be deferred on an Interest Payment Date and such deferred amounts will also accrue interest at the same Interest Rate.
- *A diversified underlying portfolio* – the Issuer will invest in a diversified portfolio of public and private credit investments across corporate lending, asset backed finance and commercial real estate lending (but excluding residential construction and development) lending.
- *An experienced manager* – the Manager has experience investing in public and private credit through multiple credit cycles including the Global Financial Crisis, having commenced lending on behalf of its clients in 2005. The team of over 40 individuals within the Manager are backed by risk management and operational support from the ASX-listed Challenger Group.
- *Alignment of the Challenger Group's investment with Noteholders* – there will be additional capital invested in the Issuer in the form of the Equity Shares and the Junior Notes, which will rank behind the Notes in the event there is a shortfall in income or capital on wind-up, and income otherwise payable to the Equity Investor and Junior Noteholders will be held back in certain circumstances.
- *Defined repayment date* - the Notes will have a Target Repayment Date of 4 September 2031 and Maturity Date of 6 September 2032. The Notes will pay a Redemption Amount of \$101 per Note if they are redeemed more than 12 months prior to the Target Repayment Date.
- *Step Up Rate* - After the Target Repayment Date, the applicable Margin will increase by 1 percentage point per annum to 3.75% per annum (if the Notes are not repaid by the Target Repayment Date).

<sup>1</sup> As at 31 March 2025.

<sup>2</sup> Plan For Life – September 2024 – based on annuities under administration.

<sup>3</sup> Calculated from Rainmaker Roundup, September 2024 data.

## RISKS

The Manager may be unsuccessful in providing all these benefits to the Noteholders of the Notes. An investment in the Notes is subject to a range of risks, which are more fully detailed in Section 7 of the Prospectus. Key risks to the Notes include the risk that the Investment Strategy will not be able to generate sufficient income to pay the Interest Payments or repay the Face Value or that the portfolio will not be as diversified as contemplated, credit spread risk, default risk, interest rate risk and liquidity risk, among others. If any of these risks or other material risks eventuate, it will likely have an adverse impact on the Issuer's future financial performance and position and may impact the return on your Notes.

An investment in the Notes also carries investment risks such as loss of invested capital, Notes trading at below Face Value, inability to buy and sell Notes on the ASX, volatility of returns and the Note not delivering the Interest Payments set out above.

The Prospectus contains important information regarding the Offer. We encourage you to read it carefully and in its entirety, including the risk factors set out in Section 7. If you have any questions, you should seek relevant professional advice before making an investment decision.

It is important to note that the Broker Firm Offer is expected to open at 9:00am on 19 August 2025 and closes at 5:00pm (Sydney time) on 26 August 2025. Details of the Offer and how to invest are contained in Section 10.

If you would like further information regarding the Offer please contact the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.

For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser without delay. You should be aware that the Issuer has not had regard to your individual circumstances or needs, including your personal taxation or financial position, in issuing this Prospectus and accompanying information to you. If you have any doubt about whether you should invest in the Offer, you should seek professional guidance from your financial or other licensed professional adviser before deciding whether to invest.



**Victor Rodriguez**

Chairperson, Executive Director  
Challenger IM Capital Limited

# Guidance for Retail Investors

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## 1. Read this Prospectus in full

This Prospectus is important and should be read in its entirety.

You should have particular regard to the:

- “Important notices” and “Key Offer information” at the front of this Prospectus;
- “Investment overview” in Section 1 and “About the Notes” in Section 2;
- “Risk factors” in Section 7; and
- “Terms of Issue of the Notes” in the Schedule.

In considering whether to apply for the Notes, it is important that you consider all risks and other information regarding an investment in the Notes in light of your particular investment objectives and circumstances.

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## 2. Speak to a Broker and obtain personal advice

If you are a Retail Investor and wish to participate in the Offer, you must seek professional advice as to whether you are within the Target Market and if an investment in the Notes is suitable in light of your particular investment objectives, financial situation and needs.

You can only apply for the Notes if you are within the Target Market and you have received personal advice from a qualified financial adviser. The Target Market is set out in the Target Market Determination issued by the Issuer which is available at [www.fidante.com/au/CHAL-TMD-LIFTS.pdf](http://www.fidante.com/au/CHAL-TMD-LIFTS.pdf).

All Applications must be submitted through a Broker. No Applications can be made directly to the Issuer.

If you have any questions about the Offer, the Notes or the Target Market, you should contact a Broker or other professional adviser or seek personal advice from a qualified financial adviser who is licensed by ASIC to give that advice.

ASIC has published guidance on how to choose a professional adviser on its MoneySmart website. You can also search “choosing a financial adviser” at [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

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## 3. Obtain further information about the Issuer and the Notes

The Issuer is a disclosing entity for the purposes of the Corporations Act that, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and (on and from the Admission Date) the ASX Listing Rules.

Information about the Issuer, including its annual financial reports, presentations and other investor information, can be obtained from [www.fidante.com/challenger-im-lifts](http://www.fidante.com/challenger-im-lifts).

On and from the Admission Date, the Issuer’s ASX announcements can be found at [www.ASX.com.au](http://www.ASX.com.au).

Copies of documents lodged with ASIC can be obtained from ASIC’s website [www.asic.gov.au](http://www.asic.gov.au) (a fee may apply).

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## 4. Enquiries

If you have any questions in relation to the Offer, please contact the Offer Information Line on 1300 721 637 (within Australia) or +61 8023 5428 (outside Australia) Monday to Friday 8:30am to 5:00pm (Sydney time) or call a Broker.

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## Key Offer information

### Key dates for the Offer of the Challenger IM LiFTS 1 Notes

Lodgement of Prospectus	Monday, 11 August 2025
<b>Opening Date</b> of the Broker Firm Offer	Tuesday, 19 August 2025
<b>Closing Date</b> of the Broker Firm Offer	Tuesday, 26 August 2025
<b>Issue Date and Allotment Date</b> of Notes under the Offer	Thursday, 4 September 2025
Expected date for dispatch of Holding Statements	Friday, 5 September 2025
Commencement of trading of Notes on the ASX on a normal settlement basis	Wednesday, 10 September 2025

**Notes:** The dates shown above are indicative only and may change without notice. The Issuer reserves the right to vary these dates, including whether to close the Offer early, extend the Closing Date or accept late Applications, without notice. The Opening Date may be affected by any extension of the Exposure Period. The Offer may close early so you are encouraged to submit your Application Form as soon as possible after the Opening Date.

Key Offer statistics Challenger IM LiFTS 1 Notes	Minimum Amount \$200 million	Maximum Amount \$350 million
Issue Price per Note under the Offer	\$100	\$100
Total number of Notes to be offered under the Offer	2,000,000	3,500,000
Cash proceeds of the Offer	\$200,000,000	\$350,000,000
Total number of Notes on issue after completion of the Offer	2,000,000	3,500,000
Gross proceeds of the Offer	\$200,000,000	\$350,000,000
Percentage of all Notes that will be owned by Applicants under the Offer, following completion of the Offer	100%	100%

If the Minimum Amount is not raised, the Issuer will withdraw the Offer. In addition, the Issuer reserves the right, subject to the Corporations Act and the ASX Listing Rules, to withdraw the Offer at any time before the issue of the Notes.

If the Offer does not proceed for any reason, all Application Monies will be refunded (without interest) to the Applicants as soon as practicable.

### Key dates for the Challenger IM LiFTS 1 Notes

First Interest Payment Date	Thursday, 20 November 2025
Target Repayment Date	Thursday, 4 September 2031
Maturity Date	Monday, 6 September 2032

Except as otherwise specified in the Terms of Issue, if any of these dates are not Business Days and an event is stipulated to occur on that day, then the event will occur on the next Business Day.

# 1. Investment overview

This section provides a summary of information that is key to a decision to invest in the Notes. This is a summary only. Investors should read this entire Prospectus carefully. You should seek professional guidance from your financial or other licensed professional adviser before deciding whether to invest.

## 1.1 Overview

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.1.1</b> <b>Who is the Issuer?</b>	<p>Challenger IM Capital Limited ACN 687 738 263 is the issuer of the Notes and this Prospectus.</p> <p>The Issuer is a recently incorporated unlisted Australian public company limited by shares.</p> <p>The Issuer has appointed Fidante Partners Services Limited (FPSL) as its authorised intermediary to make offers to arrange for the issue of Notes under the Prospectus, pursuant to section 911A(2)(b) of the Corporations Act. FPSL is the holder of Australian Financial Services Licence (AFSL) number 320505 and is a subsidiary within the Challenger Group..</p>	Section 3
<b>1.1.2</b> <b>What are the Notes?</b>	<p>The Notes are unsecured deferrable redeemable floating rate notes with a face value of \$100 (<b>Face Value</b>) to be quoted on the ASX with the ticker code "CIMHA".</p> <ul style="list-style-type: none"><li>• <b>Unsecured</b> – the Noteholders of the Notes will have no security over the assets of the Issuer as described in more detail in Section 2.4.</li><li>• <b>Deferrable</b> – while the Issuer intends to pay Interest on a monthly basis, it may defer the payment of (part or all of the) Interest on any Interest Payment Date (on a cumulative basis with interest accruing on such deferred Interest) if there is Insufficient Income as described in more detail in Section 2.2. To the extent that Interest is deferred, this does not in itself constitute a Winding Up Event.</li><li>• <b>Redeemable</b> – the Issuer may mandatorily redeem all or some of the Notes on issue on each Interest Payment Date during the term of the Notes (if only some of the Notes are redeemed, this will be undertaken on a pro rata basis). If a redemption date falls on a date that is more than 12 months prior to the Target Repayment Date, the redemption will be at a price of 101% of the Face Value of the Notes. Redemptions less than 12 months before (or after) the Target Repayment Date will be at a price of 100% of the Face Value of the Notes. The Notes may also be redeemed by the Issuer in case of a Tax Event and, at the request of the Noteholders by Ordinary Resolution, in case of a Change of Control Event over the Manager (in each case at Face Value). More detail is provided in Section 2.3.</li><li>• <b>Floating Rate</b> – the interest rate applicable to Notes is a benchmark rate of BBSW (1 month) + a Margin of 2.75% per annum which accrues on a monthly basis. After the Target Repayment Date, the applicable Margin will increase by 1 percentage point per annum to 3.75% per annum (if not repaid by the Target Repayment Date). This is described in more detail in Section 2.2.</li><li>• <b>Debt Securities</b> – the Notes are a promise by the Issuer to pay monthly Interest on each Interest Payment Date (subject to the deferral of payment described below) and the Face Value of the Notes on the Maturity Date. They are not an investment in or interest in the Issuer or the assets of the Issuer. They are not guaranteed by the Manager, the Challenger Group, the Note Trustee, FPSL or any other person. This is described in more detail in Section 2.1.</li></ul>	Section 2

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
(continued)	<ul style="list-style-type: none"> <li>• <b>Listed</b> – the Issuer will apply for the Notes to be quoted on the ASX with the ticker code “CIMHA”.</li> </ul> <p>The <b>LiFITS</b> acronym is comprised of the following features: <b>Listed</b>, <b>Floating rate</b>, <b>Term</b>, <b>Securities</b>. The Notes offered under this Prospectus are the first Series offered by the Issuer and are referred to as Challenger IM LiFITS 1 Notes.</p> <p>The Notes are not “simple corporate bonds” and do not comply with the requirements for simple corporate bonds under the Corporations Act. In particular, the Notes allow for Interest to be deferred if there is Insufficient Income in relation to a month and repayment of the Notes is not guaranteed.</p> <p><b>Challenger IM LiFITS 1 Notes are not guaranteed by Challenger Investment Partners Limited or any other member of the Challenger Group or any other person.</b></p>	
<b>1.1.3</b> <b>What are the key Offer details?</b>	<p>The Offer is for the issue of Challenger IM LiFITS 1 Notes to raise a Minimum Amount of \$200 million, but no more than \$350 million.</p> <p>The “<b>Issue Price</b>” is \$100 per Note, which is also the “<b>Face Value</b>” of each Note.</p>	Section 10
<b>1.1.4</b> <b>What is the purpose of the Offer?</b>	<p>The purpose of the Offer as detailed in this Prospectus is to raise funds to allow the Issuer to, directly and indirectly, acquire a portfolio of public and private credit investments (debt instruments) in Australia, New Zealand and global developed markets across a range of credit sub-strategies as described in Section 4.</p>	Section 10.3
<b>1.1.5</b> <b>Important matters to be aware of</b>	<p><b>ASX listed</b></p> <p>The Notes are expected to be quoted on the ASX under code “CIMHA” and may be traded on the ASX. Noteholders may seek to sell their Notes on the ASX, but there is no guarantee that they will be able to do so, or do so at Face Value or an acceptable price. This may particularly be the case if the Issuer’s financial position or performance, or broader economic or market conditions, materially deteriorate. If ASX does not grant permission for the Issuer to be admitted to the Official List as an ASX Debt Listing and/or the Notes to be quoted on the ASX within three months of the date of the Prospectus (or within such longer period as may be permitted by ASIC), no Notes will be issued and all Application Monies received under the Offer will be returned to Applicants without interest. Any interest earned on the Application Monies will be retained by the Issuer.</p> <p><b>Seek professional advice</b></p> <p>An investment in the Notes is subject to a number of risks. You should seek professional guidance from your financial or other licensed professional adviser before deciding whether to invest. See Section 7 for a description of some of the relevant risks.</p>	



## 1.2 What are the key terms of the Notes?

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.2.1</b> <b>What is the legal form?</b>	Each Note is a separate unsecured debt obligation of the Issuer in note form, constituted by and owing under the Note Trust Deed. They are not an investment in or interest in the Issuer or the assets of the Issuer. They are not guaranteed by the Manager, the Note Trustee, FPSL, the Challenger Group or any other person.	Section 2.1
<b>1.2.2</b> <b>What is the face value?</b>	The Face Value of each Note is \$100 and must be fully paid to the Issuer as consideration for the issue of a Note.	Section 2.1
<b>1.2.3</b> <b>What is the Interest Rate?</b>	<p>The interest rate applicable to the Notes is a benchmark rate of BBSW (1 month) + Margin of 2.75% per annum (i.e. a floating rate) which accrues monthly and is intended to be payable monthly on each Interest Payment Date (subject to the deferral of payment described below).</p> <p>If the Notes have not been redeemed by the Target Repayment Date, the Interest Rate will be BBSW (1 month) + a Margin of 3.75% per annum for any Interest Period after this date.</p> <p>Note that for the First Interest Period, the Issuer will use the benchmark rate of BBSW (2 month) as described in Section 2.2.</p>	Section 2.2
<b>1.2.4</b> <b>What is the timing of the Interest payments?</b>	<p>Intended to be monthly payable on the 20th of each month, or the following Business Day if that day is not a Business Day (with the first Interest Payment Date occurring on 20 November 2025). Interest will be paid to the Noteholder who held the Note on the Record Date.</p> <p>However, the Issuer may defer the payment of (part or all of the) Interest on any Interest Payment Date if there is Insufficient Income generated by the underlying investments of the Issuer. This means that potentially you may not receive regular payments or may not receive the full amount of Interest Payments payable on your Notes if the underlying investments of the Issuer do not generate sufficient income.</p> <p>Should Interest Payments be deferred, interest will accrue on the deferred payments at the Interest Rate and the Issuer will be required to pay the aggregate amount (comprising the deferred Interest Payment and the accrued interest) on the next Interest Payment Date on which the Issuer has received sufficient investment income. This aims to restore investors to their original economic position, as if the interest payments had not been deferred.</p> <p>If you transfer your Notes, you will cease to be entitled to any deferred Interest Payment amounts in respect of such Notes. Such deferred amount will instead attach to the Notes and will become payable to the purchaser of the Notes held as at the next Record Date (if the Issuer determines to pay any deferred amount to the Noteholders on the relevant Interest Payment Date).</p>	Section 2.2
<b>1.2.5</b> <b>What is the Maturity Date?</b>	<p>The date which is seven years after the Issue Date, expected to be 6 September 2032. The Issuer must redeem the Notes and pay the Face Value plus any accrued but unpaid Interest (including all outstanding deferred Interest) on the Maturity Date.</p> <p>However, the Target Repayment Date for the redemption of all Notes by the Issuer is the date which is six years after the Issue Date, expected to be 4 September 2031. This is a target only and the Issuer may elect at its discretion not to redeem the Notes at the Target Repayment Date.</p>	Section 2.3

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.2.6</b> <b>What will I receive on the Maturity Date?</b>	<p>On the Maturity Date, the Noteholders will be entitled to receive the sum of:</p> <ul style="list-style-type: none"> <li>• 100% of the Face Value of each Note the Noteholder holds that is being redeemed (i.e. \$100 per Note); and</li> <li>• any accrued but unpaid Interest (including any deferred Interest).</li> </ul> <p>The aggregate of the above amounts is the <b>“Redemption Amount”</b>. The Issuer must pay the Redemption Amount within 10 Business Days after the Maturity Date. The same “Redemption Amount” (calculated as at the Target Repayment Date) would apply on the Target Repayment Date.</p> <p>Payment of the Redemption Amount in respect of a Note will be made to the person registered at 5:00pm (Sydney time) on the Maturity Date (or Target Repayment Date if paid then) as the Noteholder in respect of that Note.</p>	Section 2.3
<b>1.2.7</b> <b>Can Notes be redeemed early?</b>	<p>The Issuer may redeem all or some of the Notes on issue on any Interest Payment Date prior to the Maturity Date.</p> <p>If the Issuer redeems some but not all of the Notes on issue, the redemption must be made on a pro-rata basis in respect of all Noteholders, subject to adjustments to take into account marketable parcels and whole numbers of Notes or any minimum holding determined by the Issuer.</p> <p>If Notes are redeemed more than 12 months prior to the Target Repayment Date the Noteholders will receive 101% of the Face Value of the redeemed Notes.</p> <p>The Issuer may redeem the Notes at any time in case of a Tax Event, or at the request of the Noteholders by Ordinary Resolution in case of a Change of Control Event, at 100% of their Face Value regardless of when that occurs.</p> <p>The Noteholders have no early redemption rights prior to the Maturity Date, even if the Interest Payments are deferred.</p>	Section 2.3
<b>1.2.8</b> <b>The Notes are unsecured</b>	<p>The Noteholders of the Notes will have no security over or other interest or rights in relation to the assets of the Issuer.</p>	Section 2.4
<b>1.2.9</b> <b>What is their ranking?</b>	<p>The Notes will rank equally with all of the Issuer’s other unsubordinated non-preferred unsecured obligations. In a Winding Up Event, except for obligations with a Legal Preference and Secured Financial Indebtedness (if any), all other obligations (including any future Series) of the Issuer will rank equally or behind the Notes.</p> <p>For the avoidance of doubt, at quotation of the Notes, there will not be any Secured Financial Indebtedness.</p> <p>The Notes will rank ahead of the Equity Investor Shares and Junior Notes issued by the Issuer. Equity Investor Shares and the Junior Notes are intended to be issued by the Issuer to ensure that at quotation there will be a capital ‘buffer’ provided for the benefit of the Noteholders. See Section 1.4.5 and Section 2.5.8 for further details.</p> <p>In addition, the Equity Investor Shares enable alignment of the Challenger Group’s investment with that of Noteholders over the long term. The Junior Notes provide the Issuer with an additional source of capital and the flexibility to invite external parties to participate as Junior Noteholders for the purposes of future issuances of Notes, while ensuring that control of the Issuer remains with the Challenger Group as the ultimate holding company. See Section 1.4.6 for further details.</p>	Section 2.4

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.2.10</b> <b>What are the triggers for winding up the Issuer?</b>	<p>There are certain Winding Up Events, which include the failure of the Issuer to repay any of the Face Value or pay the Interest Payments due on any Note within 10 Business Days of the relevant Maturity Date.</p> <p>The deferral of Interest Payment by the Issuer on any Interest Payment Date does not in itself constitute a Winding Up Event.</p>	Section 2.5
<b>1.2.11</b> <b>Who is the Note Trustee and what is its role?</b>	<p>Equity Trustees Limited (ACN 004 031 298, AFSL 240975) has been appointed as Note Trustee under the Note Trust Deed, as required by Chapter 2L of the Corporations Act. The Note Trustee is independent of the Challenger Group. The Note Trustee will hold the benefit of certain rights of the Noteholders against the Issuer on trust, including the right to enforce the repayment of the Notes and the right to enforce any other duties of the Issuer as issuer of the Notes under the terms of the Notes, the Note Trust Deed and the law.</p> <p>The Note Trustee is not obliged to enforce those rights unless it is directed to do so by the Noteholders and certain other conditions are satisfied pursuant to the Note Trust Deed. The Noteholders will have no direct right to claim against the Issuer except as provided in the Note Trust Deed.</p> <p>The Note Trustee's fees and expenses will be paid in priority to any claims by Noteholders and notwithstanding any Winding Up Event.</p>	Section 2.5
<b>1.2.12</b> <b>What are the voting rights?</b>	<p>The Notes confer no rights on a Noteholder to vote at any meeting of the shareholders of the Issuer. However, Noteholders are entitled to vote at meetings of Noteholders on certain matters that affect their rights under the Note Trust Deed.</p>	Section 2.5
<b>1.2.13</b> <b>Will the Notes be quoted on the ASX?</b>	<p>The Issuer will apply for the Notes to be quoted on the ASX under the ticker code "CIMHA".</p>	Section 2.1
<b>1.2.14</b> <b>Can the Issuer issue further debt securities</b>	<p>The Issuer may issue further tranches (<b>Tranches</b>) of Notes which will have identical terms to the Notes issued under this Prospectus.</p> <p>The Issuer reserves the right to issue future series of notes (<b>Series</b>), and multiple tranches within each Series.</p> <p>Each Series will have the same Base Terms (as amended from time to time) as the Notes to be issued under this Prospectus but the Base Terms of the notes of these future Series will be supplemented, amended, modified or replaced by the "offer specific terms" in respect of each Series, including different interest rates, interest periods, redemption dates and maturity dates.</p> <p>The investment assets of the Issuer will not be segregated on a Series-by-Series basis, that is, each Series will have exposure to the same assets of the Issuer.</p> <p>All future Series will rank equally with, or behind, the Notes. The Tranches are separate tranches of notes within the same Series.</p> <p>The Notes do not confer on Noteholders any right to subscribe for any new Series but the Issuer may offer this opportunity at its discretion.</p> <p>The Issuer will also issue Junior Notes prior to or around the listing of the Notes and may issue further Junior Notes in the future. Each of the Junior Notes will be an unsecured subordinated debt obligation in the form of a note issued by the Issuer which ranks behind the Issuer's obligations under the Notes. The Notes do not confer on Noteholders any right to subscribe for any Junior Notes issued by the Issuer.</p>	Section 2.5

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.2.15</b> <b>Can the Issuer incur any other liabilities that would rank prior to the Notes?</b>	<p><i>Issuer may borrow on a short term basis</i></p> <p>The Issuer may incur “Short-Term Financial Indebtedness” in the ordinary course of the Issuer’s investment activities which, subject to Legal Preferences, will rank equally (or behind) the Notes. This includes indebtedness incurred in relation to foreign exchange hedging, swaps, repos and settlements.</p> <p><i>Limited ability to borrow and grant security over assets of the Issuer</i></p> <p>The Issuer may also incur other Financial Indebtedness that is secured over the assets of the Issuer (“<b>Secured Financial Indebtedness</b>”) for the purpose of efficiently scaling up portfolios ahead of future new note issuances, with the aim of reducing the overall deployment timeframe. The Issuer intends to incur such Secured Financial Indebtedness only for the purpose of efficiently scaling up portfolios on a temporary basis. The Issuer is required to ensure that:</p> <ul style="list-style-type: none"> <li>• at the time that the security interest is granted, the aggregate principal amount of all Secured Financial Indebtedness secured by such security interests must not exceed 25% of the Gross Asset Value of the Issuer; and</li> <li>• the interest rate of such Secured Financial Indebtedness will not exceed the lowest interest rate applicable in relation to the Notes (and any Series).</li> </ul> <p>The Issuer considers that the temporary use of Secured Financial Indebtedness in the above circumstances will be beneficial to Noteholders (as well as subscribers for notes under subsequent Series offerings) by building up the size and diversity of the portfolio of assets of the Issuer. As Secured Financial Indebtedness involves the granting of security to the provider of the funding, any Secured Financial Indebtedness ranks ahead of the Notes.</p> <p>No other obligations of the Issuer, other than those which have a Legal Preferences, will rank prior to the Notes.</p> <p>The Short-Term Financial Indebtedness and the Secured Financial Indebtedness will be the only permitted Financial Indebtedness of the Issuer and are together referred to as the “<b>Permitted Financial Indebtedness</b>”.</p> <p>Other than the Secured Financial Indebtedness and any liens which arise by operation of law in the ordinary course of trading, the Issuer will not create any security interests over its assets.</p>	Section 2.5

## 1.3 What is the Investment Strategy

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.3.1</b> <b>What is the Issuer’s Investment Strategy?</b>	<p>The Investment Strategy of the Manager for the Issuer will be to invest in a portfolio of public and private credit investments (debt instruments) in Australia, New Zealand and global developed markets across a range of credit sub-strategies, including but not limited to corporate, commercial real estate loans (excluding residential construction and development loans) and asset backed finance. This may be achieved by a combination of:</p> <ul style="list-style-type: none"> <li>• direct investment in such portfolio assets; and/or</li> <li>• the acquisition of units in funds managed by the Manager (<b>CIM Managed Funds</b>), which in turn hold such portfolio assets.</li> </ul>	Section 4

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
(continued)	<p>The Investment Strategy seeks to produce a sufficient return to pay the Interest Payments whilst also aiming for the portfolio's value to be sufficient to repay the Face Value when due.</p> <p>The liquidity of the portfolio is intended to be managed by the Manager to ensure a high likelihood that sufficient cash will be available to repay the Face Value of the Notes on either the Target Repayment Date or the Maturity Date. Please see Section 4 for further details.</p>	Section 4.2
<b>1.3.2</b> <b>What is the Initial Portfolio?</b>	<p>The Initial Portfolio will be a portfolio of investment assets acquired (directly or indirectly) prior to issuance of the Notes to minimise the risk of the Issuer having Insufficient Income on the first Interest Payment Date. The portfolio of investment assets will be held through a special purpose trust in which the Issuer will hold all the units on or following completion of the Offer (<b>Challenger IM Capital Wholesale Trust 1</b> or <b>CIMC Trust</b>), and may also be held directly by the Issuer. The assets of the CIMC Trust will comprise of a mix of:</p> <ul style="list-style-type: none"> <li>• units in the Challenger IM Multi-Sector Private Lending Fund (<b>MSPL</b>);</li> <li>• public and credit assets, including Corporate Loans, Commercial Real Estate Loans, Asset Backed Finance and Public Credit Assets; and</li> <li>• cash.</li> </ul> <p>The assets of the Initial Portfolio will be acquired at fair market value in accordance with the Challenger Group's unit pricing and securities pricing policies.</p> <p>The remaining proceeds raised by the Offer are intended to be invested in accordance with the Issuer's Investment Strategy as soon as practicable following the Issue Date.</p>	Section 4.2

## 1.4 Who is the Manager

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.4.1</b> <b>Who is the Manager?</b>	<p>The Issuer has entered into an Investment Management Agreement with the Manager authorising the Manager to provide investment management and other services to the Issuer pursuant to the terms of the Investment Management Agreement. The Manager is a member of the Challenger Group.</p>	Section 3.4
<b>1.4.2</b> <b>Who is Challenger Group?</b>	<p>The Issuer, the Manager and FPSL are subsidiaries of Challenger Limited, the parent entity of Challenger Group. Challenger Group is an investment management group which manages \$125<sup>4</sup> billion in assets (as at 31 March 2025) and is Australia's largest annuity provider as well as one of its largest active fund managers<sup>5</sup>. Challenger Limited was founded in 1985 and has a vision to provide its customers with financial security for a better retirement.</p> <p>The non-operating holding company of Challenger Group is Challenger Limited, which is listed on the Australian Securities Exchange (<b>ASX</b>) under the code "CGF" with a market capitalisation of approximately \$5.7 Billion as at 7 August 2025.</p>	Section 3.3

4 As per ASX market release of Challenger's third quarter update on 17 April 2025.

5 Calculated from Rainmaker Roundup, September 2024 data.

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
(continued)	Challenger Group operates two core businesses, the Challenger Life business and the Funds Management business. The Issuer, the Manager and FPSL are part of the Funds Management business.	
<b>1.4.3 Who is FPSL?</b>	FPSL is the authorised intermediary which has been appointed by the Issuer. Pursuant to section 911A(2)(b) of the Corporations Act, the Issuer is exempt from the requirement to hold an AFSL so long as it has entered into an arrangement with an authorised intermediary (in this case, FPSL) to make offers to arrange for the issue, variation or disposal of financial products (in this case, the Notes) on behalf of the Issuer.	
<b>1.4.4 Who are the key personnel of the Manager?</b>	Biographies of the current key personnel of the Manager are set out in Section 3.4.	Section 3.4
<b>1.4.5 What funding is supporting the Note issuance?</b>	<p>The Issuer will procure that prior to its admission to the ASX as an ASX Debt Listing:</p> <ul style="list-style-type: none"> <li>• one or more Challenger Group entities (referred to as the “<b>Equity Investor</b>”) will invest at least \$10 million into ordinary shares of the Issuer (Equity Investor Shares); and</li> <li>• one or more Challenger Group entities (referred to as the “<b>Junior Noteholder</b>”) will invest<sup>6</sup> between \$13.0 million and \$22.8 million (depending on the final amount raised under the Offer) in unlisted junior ranking unsecured subordinated wholesale notes issued by the Issuer (<b>Junior Notes</b>). Investment in Junior Notes may be made directly or via a subsidiary unit trust.</li> </ul> <p>The Equity Investor Shares and the Junior Notes will rank behind the Notes (and any future Series) on the occurrence of a Winding Up Event if there is a shortfall in income or capital following the realisation of the portfolio and in the event there is a shortfall in income or capital necessary to pay the Interest and Face Value owing on the Notes (or future Series).</p> <p>The aggregate amounts invested by the Equity Investor and the Junior Noteholder will ensure the Gross Asset Value of the Issuer meets the First Loss Buffer requirement (as defined below) on admission of the Issuer to the ASX as an ASX Debt Listing and will be sufficient to fund the Offer Expenses while ensuring that the net tangible assets of the Issuer will be at least \$10 million at the time of admission.</p> <p>For as long as the Notes (or any future Series) remain outstanding, any payments on the Junior Notes or Equity Investor Shares can only be made when (and only to the extent that) the Gross Asset Value exceeds the Principal Amount of Core Debt Obligations by an amount that provides a first loss buffer percentage of 6% (such percentage, <b>First Loss Buffer Percentage</b> and such amount, <b>First Loss Buffer</b>).</p> <p>The Principal Amount of Core Debt Obligations means the sum of the:</p> <ul style="list-style-type: none"> <li>• aggregate Face Value of the Notes (and any future Tranches);</li> <li>• face value of any notes of any future Series; and</li> <li>• principal amount of the Secured Financial Indebtedness.</li> </ul>	Section 2.5 Clause 3.2 of the Base Terms

6 Rounded to the nearest one decimal place.



(continued)

As an example, where the Principal Amount of Core Debt Obligations equals \$300 million, the Gross Asset Value required to maintain a First Loss Buffer Percentage of 6% is calculated as follows:

$$\frac{\text{Principal Amount of Core Debt Obligations}}{100\% - \text{First Loss Buffer Percentage } \%}$$

Or

$$\frac{300,000,000}{94\%} = \$319,148,936.17$$

Therefore, the required First Loss Buffer where the Issuer's Principal Amount of Core Debt Obligations is \$300 million would be \$19,148,936.17.

For so long as the Gross Asset Value does not exceed the Principal Amount of Core Debt Obligations by the required First Loss Buffer, the Issuer must not pay any amounts to the Junior Noteholder or the Equity Investor. In addition, the Issuer may not make such payments while there is any deferred Interest or other amounts due and payable on the Notes.

#### 1.4.6 What are the Junior Notes?

Each Junior Note is an unsecured subordinated debt obligation in the form of a note to be issued by the Issuer which will rank behind the Issuer's obligations under the Notes.

The Junior Notes will be issued to provide the First Loss Buffer to Noteholders (in addition to the Equity Investor Shares) and to provide the Issuer with an additional source of capital and the flexibility to invite external parties outside of the Challenger Group to participate as Junior Noteholders for the purposes of future issuances of Notes, while ensuring that control of the Issuer remains within the Challenger Group.

For the initial issuance of Notes offered under this Prospectus, the Issuer expects to issue the Junior Notes to Challenger Group entities (or their subsidiary unit trusts).

After the Admission Date, to provide the First Loss Buffer for future issuances of Notes, the Issuer may issue Junior Notes to external third parties that are Wholesale Investors.

Holders of the Junior Notes will (along with Equity Investors) share in residual returns of the Issuer following the payment of Interest to Noteholders and any other payment obligations of the Issuer.

The Junior Notes will not be publicly available and will not be listed on any securities exchange. The Issuer may issue Junior Notes on an ongoing basis to further support the First Loss Buffer for Noteholders. However, there is no obligation to issue additional Junior Notes following the quotation of the Notes.

#### 1.4.7 What are the fees and expenses of the Issuer?

The Manager will charge up to 0.50% per annum of the Gross Asset Value of the Issuer (inclusive of GST, to the extent it is payable, and net of input tax credits) as a management fee under the Investment Management Agreement.

The Issuer will also pay its other expenses as and when incurred. These expenses include the fees payable to the Note Trustee, the Investment Administrator, the Note Registry and the auditor, as well as the fees payable to a limited number of other service providers charging market rates (e.g. professional service providers).

Section 11.4  
Clause 3.2 of the  
Base Terms

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
(continued)	The Equity Investor will participate in dividends declared on the Equity Investor Shares and the Junior Noteholder will receive interest payments on the Junior Notes, in each case payable from the Issuer's assets that are available after Noteholders (and any holders of future Series) have received any due and payable amounts under the Notes (or Series), and the payment of any other payment obligations of the Issuer and subject to the First Loss Buffer requirement.	Sections 3.4

## 1.5 Overview of the Offer

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.5.1</b> <b>When is the Offer Period?</b>	The Broker Firm Offer is expected to open at 9:00am on 19 August 2025 and is expected to close at 5:00pm (Sydney time) on 26 August 2025.	"Key Dates" Section and Section 10.4
<b>1.5.2</b> <b>Is there a minimum amount to be raised?</b>	The Offer is for the issue of Notes to raise a minimum of \$200 million and a maximum of \$350 million.	Section 10.2
<b>1.5.3</b> <b>Is the Offer underwritten?</b>	The Offer is not underwritten. The Joint Lead Arrangers and the Joint Lead Managers are not underwriting the Offer.	Sections 10.1 and 10.4
<b>1.5.4</b> <b>Are there any circumstances where the Offer will not proceed?</b>	<p>The Offer is subject to approval by ASX for official quotation of the Notes. If the Minimum Amount is not raised, the Issuer will withdraw the Offer. In addition, the Issuer reserves the right, subject to the Corporations Act and the ASX Listing Rules, to withdraw the Offer at any time before the issue of the Notes.</p> <p>If the Offer does not proceed for any reason, all Application Monies will be refunded (without interest) to the applicants as soon as reasonably practicable.</p>	Section 10.4
<b>1.5.5</b> <b>Who can apply?</b>	<p>The Offer is only open to investors who are resident in Australia and eligible to participate under the Cornerstone Offer or Broker Firm Offer.</p> <p>The offering will consist of:</p> <ul style="list-style-type: none"> <li>a Cornerstone Offer to Wholesale Investors that have been invited to participate in the Cornerstone Offer by the Issuer in consultation with the Joint Lead Managers. The Cornerstone Offer will be capped at \$100 million.</li> <li>a Broker Firm Offer to Australian resident retail advised investors that fall within the Target Market and Wholesale Investors who have received a firm allocation from their Broker to participate in the Broker Firm Offer.</li> </ul> <p>No general public offer of Notes will be made under the Offer. Members of the public wishing to apply for Notes under the Offer must do so through a Broker with a firm allocation of Notes under the Broker Firm Offer.</p>	Section 10.4

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.5.6</b> <b>When to apply under the Broker Firm Offer?</b>	Your Application Form and your payment must be received by the Closing Date, expected to be 5:00pm on 26 August 2025. You must contact your Broker for information on how to submit the Application Form. The Broker Firm Offer may close early so you are encouraged to submit your Application Form as soon as possible after the Opening Date.	Section 10.4
<b>1.5.7</b> <b>How can I apply under the Cornerstone Offer?</b>	If you are applying for Notes under the Cornerstone Offer, you should follow the instructions set out in the invitation to participate in the Cornerstone Offer.	Section 10.1
<b>1.5.8</b> <b>How can I apply under the Broker Firm Offer?</b>	Please refer to Section 10.5 below on how to apply for Notes under the Broker Firm Offer.	Section 10.5
<b>1.5.9</b> <b>What is the allocation policy?</b>	The basis of allocating Notes under the Offer will be determined by the Manager, the Joint Lead Arrangers and the Joint Lead Managers subject to any firm allocations under the Cornerstone Offer and the Broker Firm Offer.	Section 10.6
<b>1.5.10</b> <b>Is there a minimum application size?</b>	The application must be for a minimum of 50 Notes (\$5,000), and multiples of 10 Notes (\$1,000) thereafter.	Section 10.5
<b>1.5.11</b> <b>Is brokerage, commission or stamp duty payable?</b>	No brokerage or stamp duty is payable on your Application (unless you have separately agreed to pay a fee to your broker or adviser). You may have to pay brokerage on any subsequent trading on your Notes on the ASX after the Notes have been quoted on the ASX.	Section 10.4
<b>1.5.12</b> <b>What are the key taxation implications of participating in the Offer?</b>	A general description of the Australian taxation consequences of investing in the Notes is set out in Section 8.  However, the taxation implications of investing in the Notes will depend on each investor's individual circumstances. Applicants should seek their own tax advice prior to applying for Notes under the Offer.	Section 8
<b>1.5.13</b> <b>When will I receive confirmation that my Application under the Broker Firm Offer has been successful?</b>	Following the issue of Notes, successful Applicants will receive a Holding Statement setting out the number of Notes issued to them under the Offer. It is expected that Holding Statements will be dispatched on or about 5 September 2025.	Section 10.4
<b>1.5.14</b> <b>When will the Notes be issued?</b>	This Issuer expects that the Notes will be issued on 4 September 2025.	"Key Dates" Section
<b>1.5.15</b> <b>When will the Notes begin trading?</b>	The Issuer expects that the Notes will commence trading on the ASX on 10 September 2025 on a normal settlement basis.	"Key Dates" Section

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.5.16</b> <b>When will the Holding Statements be dispatched?</b>	The Issuer expects that the Holding Statements will be dispatched by 5 September 2025.	"Key Dates" Section
<b>1.5.17</b> <b>Where can I find more information about the Offer?</b>	<p>If, after reading this Prospectus, you would like further information regarding the Offer please contact your Broker or the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.</p> <p>For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other qualified professional adviser without delay.</p>	

## 1.6 What are the key risks of investing in the Notes

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.6.1</b> <b>What are the consequences of the risks eventuating?</b>	<p>An investment in the Notes, is subject to a range of risks. A summary of some key risks is outlined below.</p> <p>If any of these risks or other material risks eventuate, it will possibly have a material adverse impact on the performance or value of the Notes. An investment in the Notes also carries investment risks such as loss of invested capital, Notes trading at below the original investment amount, inability to buy and sell Notes on the ASX, volatility of returns and the Notes not delivering the Interest Payments set out above.</p> <p>The following paragraphs summarise some of the risks. They are not a complete list of the risks. Please refer to Section 7 for further details.</p> <p>If you have any questions, you should seek relevant professional advice before making an investment decision.</p>	Section 7
<b>1.6.2</b> <b>Risk of a shortfall on winding up of the Issuer</b>	<p>There is a risk that on the occurrence of a Winding Up Event, there may be a shortfall of funds to pay all amounts owing on the Notes. This would result in Noteholders not receiving payment in full of amounts owed.</p> <p>This may be exacerbated by the Issuer issuing future Series that rank equally with the Notes and the Issuer incurring Secured Financial Indebtedness or indebtedness with a Legal Preference that rank ahead of the Notes, as this would increase the quantum of debt incurred by the Issuer and the number of creditors of the Issuer that may share in the funds available on the occurrence of a Winding Up Event.</p>	Section 7.2(b)
<b>1.6.3</b> <b>Risks of changes in interest rate</b>	The Interest Rate is a floating rate, equal to the sum of the BBSW (1 Month) plus the applicable Margin. The BBSW (1 Month) will fluctuate and therefore the Interest Rate will fluctuate. Over the term of the Notes, the actual interest rate may be lower or higher than the initial Interest Rate on the Issue Date.	Section 7.2(c)
<b>1.6.4</b> <b>Risks that the Issuer may redeem the Notes early</b>	The Issuer has a broad right to redeem Notes and Noteholders may therefore be required to accept a redemption of their Notes at a time that they do not wish to accept and which may disadvantage Noteholders in light of market conditions or individual circumstances.	Section 7.2(d)

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>1.6.5</b> <b>Risks that arise because Noteholders cannot request or require redemption</b>	<p>Other than in the case of a Change of Control Event, Noteholders have no right to request or require redemption of Notes before the Maturity Date (or until a Winding Up Event occurs and is subsisting, and other conditions are met).</p> <p>Unless redeemed by the Issuer, Noteholders can only realise their investment in Notes by a sale on the ASX, a private sale or on the Maturity Date. There is a risk that the sale price on the ASX or under private sale will be less than the Issue Price or Face Value of Notes or the market value of the portfolio of the Issuer. Brokerage fees may also be payable if Notes are sold through a broker.</p>	Section 7.2(e)
<b>1.6.6</b> <b>Risks that are associated with the Noteholder's enforcement rights</b>	<p>Enforcement of Noteholders' rights requires the Note Trustee to take action. The Note Trustee is not bound to take any action under the Note Trust Deed unless it is directed to do so in a meeting or in writing by the requisite number of Noteholders or by the court or legislation. The Note Trustee's liability is limited and it is indemnified against any expense or liability that may occur. There is the risk that any action taken by the Note Trustee and the timing of that action may not be the same as preferred by an individual Noteholder.</p>	Section 7.2(f)
<b>1.6.7</b> <b>Risk that Issuer cannot pay Face Value, Interest or other amounts</b>	<p>There is a risk that the Issuer may have Insufficient Income to pay when scheduled some or all of the Face Value or Interest payable on the Notes. The Notes are not secured and recourse is limited to the assets of the Issuer. The Issuer may defer an Interest Payment. If the Issuer does not pay the amount owing or defers payment, Noteholders may not receive regular income payments and lose some or all of the money invested in Notes.</p>	Section 7.2(g)
<b>1.6.8</b> <b>Risks that are associated with the future issue of notes by the Issuer</b>	<p>The Issuer can issue further Tranches and future Series (in addition to incurring Permitted Financial Indebtedness) at a later date subject to applicable laws and ASX requirements at the time. No prediction can be made as to the effect, if any, that any future issue of notes by the Issuer may have on the market price or liquidity of the Notes or the likelihood of the Issuer making payments in respect of the Notes.</p>	Section 7.2(h)
<b>1.6.9</b> <b>Risks that arise in relation to liquidity of an investment in the Notes</b>	<p>The Issuer will apply for admission to the Official List as a debt listing and for the Notes to be quoted on the ASX. However, the Notes will have no established trading market when issued and a liquid trading market may never develop. Insufficient liquidity may have an adverse effect on a Noteholder's ability to sell their Notes and the Notes may trade at a market price below their Face Value.</p>	Section 7.3(b)

## 2. About the Notes

This section provides a summary of information about the Notes. This is a summary only. This section should be read in conjunction with the rest of this Prospectus, including the Terms of Issue in the Schedule.

### 2.1 General

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.1.1</b> <b>What are the Notes?</b>	<p>The Notes are unsecured deferrable redeemable floating rate notes to be quoted on the ASX, which will mature seven years after the Issue Date unless redeemed before then.</p> <p>Each Note is a separate unsecured debt obligation of the Issuer in note form, constituted by and owing under the Note Trust Deed. They are not an investment in or interest in the Issuer or the assets of the Issuer. They are not guaranteed by the Manager, the Challenger Group, the Note Trustee, FPSL or any other person.</p> <p>The Notes will accrue Interest on a monthly basis and the Issuer targets making monthly Interest Payments on each Interest Payment Date (subject to there being sufficient income). Where there is Insufficient Income in a relevant month to pay Interest, the unpaid Interest will be deferrable and cumulative. See Section 2.2 below for more detail about Interest Payments and deferral.</p> <p>The Notes are not “simple corporate bonds” and do not comply with the requirements for simple corporate bonds under the Corporations Act. In particular, the Notes allow for interest to be deferred if there is Insufficient Income in relation to a month and repayment of the Notes is not guaranteed.</p> <p><b>Challenger IM LiFTS 1 Notes are not guaranteed by Challenger Investment Partners Limited or any other member of the Challenger Group or any other person.</b></p>	<p>Clauses 1.1, 3 and 4 of the Base Terms</p> <p>Section 11.2.</p>
<b>2.1.2</b> <b>What am I required to pay?</b>	<p>Notes will be offered at an Issue Price of \$100 per Note. This is also the Face Value of each Note.</p>	<p>Clause 2.3 of the Base Terms</p>
<b>2.1.3</b> <b>What is the term and maturity of Notes?</b>	<p>The Notes have a Target Repayment Date on the date which is six years after the Issue Date, expected to be 4 September 2031 (<b>Target Repayment Date</b>). This is a target only and the Issuer may elect at its discretion not to redeem and repay the Notes at the Target Repayment Date.</p> <p>If the Notes are not redeemed on the Target Repayment Date, the applicable Margin of the interest rate applicable to the Notes will increase by 1 percentage point per annum (i.e. the Step Up Rate), from BBSW (1 month) + 2.75% per annum to BBSW (1 month) + 3.75% per annum. Refer to Section 2.2 for more details.</p> <p>Any Notes that are not redeemed and repaid before the Target Repayment Date will mature on the date which is seven years after the Issue Date, expected to be 6 September 2032 (<b>Maturity Date</b>). The Issuer must redeem the Notes and pay the Face Value plus any accrued but unpaid Interest (including all outstanding deferred Interest) on the Maturity Date.</p> <p>If the Issuer does not expect there to be sufficient liquidity to repay the entirety of the aggregate Face Value of the Notes on the Maturity Date, the Issuer will call a meeting of Noteholders to be held at least one month prior to the Maturity Date, to obtain directions from the Noteholders by Special Resolution.</p>	<p>Clauses 1.1 and 5.2 of the Base Terms and the Offer Specific Terms</p>



TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.1.4</b> <b>Will the Notes be quoted on the ASX?</b>	The Issuer has applied or will apply after the date of this Prospectus for admission to the Official List as an ASX Debt Listing and for the Notes to be quoted on the ASX, which are expected to trade under ASX code "CIMHA".	Section 10.4

## 2.2 Interest Payments

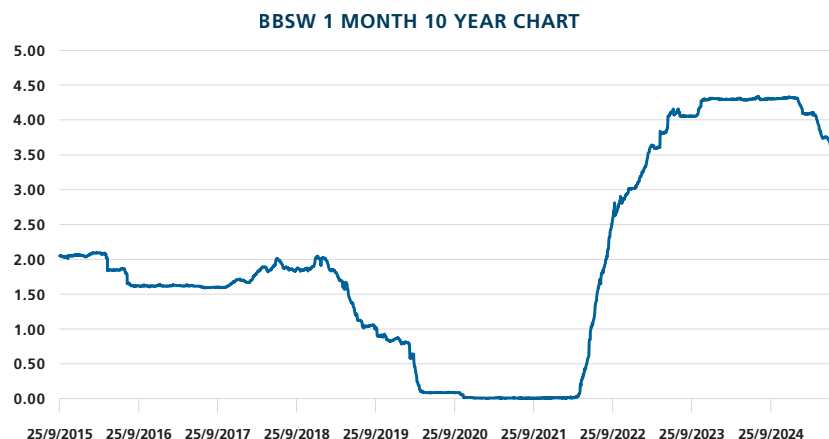
TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.2.1</b> <b>What are Interest Payments?</b>	The Issuer must pay each Noteholder interest on the Face Value of each Note they hold calculated and paid monthly in arrears. An Interest Payment is payable on the Face Value of each Note, not on the latest market value on the ASX.	Clause 4 of the Base Terms
<b>2.2.2</b> <b>Are Interest Payments deferrable?</b>	<p>Yes, if the Issuer has Insufficient Income from its underlying investments in a particular month, the Issuer can (partially or wholly) defer payment of that month's Interest Payment to the next Interest Payment Date. The deferral of Interest Payments will operate on a cumulative basis with later Interest Payments. The deferral of Interest Payments by the Issuer on any Interest Payment Date does not constitute a Winding Up Event.</p> <p>The Issuer is required to pay the Noteholder an amount of interest on the unpaid balance of the deferred Interest Payment, calculated at the same Interest Rate as applies for the relevant calculation period. This interest is payable at the same time as payment of the deferred Interest Payment to which it relates.</p> <p>As an example, that means that, if there is Insufficient Income in the Issuer on 20 January 2026 and 20 February 2026 to pay the full Interest Payment in each of those months, then on 20 March 2026, the amount of Interest payable would be the deferred Interest Payments for January and February and the Interest Payment for March 2026. In addition, interest will be due in March 2026 on the deferred Interest Payments from January and February 2026. If there is again a shortfall in March 2026, the deferred (part of the) January 2026 Interest Payment owing would be paid first (together with any interest accrued on it), then the deferred (part of the) February 2026 Interest Payment (together with any interest accrued on it) and finally the March 2026 Interest Payment. Interest on a deferred amount accrues at the same rate as the Interest Rate.</p> <p>There is no restriction to how many times (part of) an Interest Payment can be deferred if there continues to be Insufficient Income, except that all Interest Payments (including any outstanding deferred Interest Payments) need to be paid within 10 Business Days after the Maturity Date (or on the earlier redemption date). Interest will cease to accrue following the Maturity Date.</p> <p>If you transfer your Notes, you will cease to be entitled to any deferred Interest Payment amounts. Such deferred amount will instead attach to the Notes and will become payable to the purchaser of the Notes held as at the next Record Date (if the Issuer determines to pay any deferred amount to the Noteholders on the relevant Interest Payment Date).</p>	Clause 4.6 of the Base Terms
<b>2.2.3</b> <b>Will Interest Payments be franked or unfranked?</b>	As payments comprise Interest, they will not have any franking credits attached to them.	

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?										
2.2.4 How will the Interest Rate be calculated?	<p>The Interest Rate will be determined as follows:</p> <p><b>Interest Rate = BBSW (1 month) + 2.75% per annum</b></p> <p>As an example, assuming the (BBSW) (1 month) for a 30-day Interest Period is 3.77% per annum:</p> <table><tr><td>Illustrative BBSW (1 month):</td><td>3.77% per annum</td></tr><tr><td>Plus Margin:</td><td>2.75% per annum</td></tr><tr><td>Illustrative Interest Rate:</td><td>6.52 % per annum</td></tr></table> <p>As each Note has a Face Value of \$100, the annual Interest Payment per Note calculated on that would be \$6.52 if the BBSW (1 month) remains unchanged over this period.</p> <p>After the Target Repayment Date, there will be a 1 percentage point per annum increase in the Margin. The Interest Rate will then be determined as follows:</p> <p><b>Interest Rate = BBSW (1 month) + 3.75% per annum</b></p> <p>The above rate illustration is based on the BBSW (1 Month) as at 15 July 2025. The actual rate of interest received by Noteholders will vary over time due to changes in the BBSW (1 Month).</p> <p>Note that for the First Interest Period, BBSW (2 month) will be used as described below.</p>	Illustrative BBSW (1 month):	3.77% per annum	Plus Margin:	2.75% per annum	Illustrative Interest Rate:	6.52 % per annum	Clause 4 of the Base Terms and the Offer Specific Terms				
Illustrative BBSW (1 month):	3.77% per annum											
Plus Margin:	2.75% per annum											
Illustrative Interest Rate:	6.52 % per annum											
2.2.5 How will Interest Payments be calculated for each Interest Period?	<p>Interest Payments on each Interest Payment Date will be calculated using the following formula:</p> $\frac{\text{Interest Rate} \times \text{Face Value} \times N}{365}$ <p>where:</p> <ul style="list-style-type: none"><li>• <b>Interest Rate</b> means the rate (expressed as a percentage per annum) calculated as set out above.</li><li>• <b>Face Value</b> means \$100 per Note; and</li><li>• <b>N</b> means the number of days in the Interest Period calculated as set out in the Terms of Issue.</li></ul> <p>Following the formula above, the Interest Payment on each Note for the 30-day Interest Period would be calculated as follows:</p> <table><tr><td>Illustrative Interest Rate</td><td>6.52% per annum</td></tr><tr><td>Multiplied by the Face Value</td><td>x \$100</td></tr><tr><td>Multiplied by the number of days in the Interest Period</td><td>x 30</td></tr><tr><td>Divided by 365</td><td>÷ 365</td></tr><tr><td>Illustrative Interest Payment for the first Interest Period per Note</td><td>\$0.54</td></tr></table> <p>The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Payment for the first or any subsequent Interest Period. Actual Interest Payments may be higher or lower than this example. As required under the ASX Listing Rules, the Issuer will announce to ASX the applicable Interest Rate and the amount of the Interest Payment for each Interest Period and, if relevant, whether (part of) the Interest Payment will be deferred for that Interest Period.</p>	Illustrative Interest Rate	6.52% per annum	Multiplied by the Face Value	x \$100	Multiplied by the number of days in the Interest Period	x 30	Divided by 365	÷ 365	Illustrative Interest Payment for the first Interest Period per Note	\$0.54	Clause 4 of the Base Terms and the Offer Specific Terms
Illustrative Interest Rate	6.52% per annum											
Multiplied by the Face Value	x \$100											
Multiplied by the number of days in the Interest Period	x 30											
Divided by 365	÷ 365											
Illustrative Interest Payment for the first Interest Period per Note	\$0.54											

### 2.2.6 What is the benchmark rate?

The “**BBSW (1 month)**” benchmark rate is a benchmark floating interest rate for the Australian money market commonly used by major Australian financial institutions to lend cash to each other over a 1-month period. This rate changes to reflect the supply and demand within the cash market.

Offer Specific Terms



Source: Bloomberg

The Issuer will use the BBSW (Mid) for 1 month published by the ASX as at approximately 10:30 AM (or if corrected by the ASX such other time as it is recalculated and republished by the ASX) on the first date of the relevant Interest Period or, if such rate's publication is permanently or indefinitely discontinued, such other published successor rate or alternative rate for BBSW rate linked floating rate notes that is consistent with best market practice as determined at such time by the Issuer (acting in good faith and in a commercially reasonable manner).

It is possible for the BBSW (1 month) to become negative. If this occurs, the negative amount will be taken into account in calculating the Interest Rate and the Interest payable on a Note may be less than the Margin. For example, where the BBSW (1 month) is -1.00% per annum and the Margin is 2.75% per annum, the Interest Rate will be 1.75% per annum.

If the Interest Rate becomes negative, no Interest will be payable on the Notes and Noteholders will not be obliged to pay the Issuer.

Note that, in relation to the First Interest Period commencing on the date of issue of the Notes, the benchmark rate used will be “**BBSW (2 month)**” the credit-based interest rate benchmark ‘BBSW (Mid)’ for 2 months, instead of BBSW (1 month). This measures the cost for highly rated banks in Australia to issue two month bank paper as published by the ASX as at approximately 10:30 AM (or if corrected by the ASX, such other time as it is recalculated and republished by the ASX) on the first date of the First Interest Period or, if such rate's publication is permanently or indefinitely discontinued, such other published successor rate or alternative rate for bank bill swap rate linked floating rate notes that is consistent with best market practice as determined at such time by the Issuer (acting in good faith and in a commercially reasonable manner).

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.2.7</b> <b>How will Interest Payments be paid to Noteholders?</b>	Interest Payments will be paid in Australian dollars by direct credit into an account denominated in Australian dollars at a financial institution notified by the Noteholder to the Note Registry no later than the Record Date (the <b>Noteholder's Bank Account</b> ).  If the Noteholder has failed to notify its account details to the Note Registry, the Issuer is under no obligation to make the relevant payment until the account details have been provided.	Clause 7 of the Base Terms
<b>2.2.8</b> <b>When are the Interest Payment Dates?</b>	Intended to be monthly payable on the 20th of each month or the next Business Day if that day is not a Business Day (with the first Interest Payment occurring on 20 November 2025) subject to any deferral of Interest Payments. Interest will be paid to the Noteholder who held the Note on the Record Date.	Clause 1.1 of the Base Terms and the Offer Specific Terms
<b>2.2.9</b> <b>What are the tax implications of an investment in Notes?</b>	See Section 8 for a general summary of the tax implications of an investment in the Notes. The summary is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.	Section 8

## 2.3 Maturity

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.3.1</b> <b>When do Notes mature?</b>	The date which is seven years after the Issue Date, expected to be 6 September 2032 ( <b>Maturity Date</b> ). The Issuer may redeem Notes early as described further below.	Offer Specific Terms
<b>2.3.2</b> <b>What will happen on the Maturity Date?</b>	Unless previously redeemed, all Notes will be redeemed by the Issuer on the Maturity Date.	Clause 5.2 of the Base Terms
<b>2.3.3</b> <b>What will I receive on the Maturity Date?</b>	On the Maturity Date, Noteholders will be entitled to receive the sum of: <ul style="list-style-type: none"> <li>• 100% of the Face Value of each Note the Noteholder holds that is being redeemed (i.e. \$100 per Note); and</li> <li>• any accrued but unpaid Interest (including any deferred Interest).</li> </ul> The aggregate of the above amounts is the "Redemption Amount". The Issuer must pay the Redemption Amount within 10 Business Days after the Maturity Date. The same "Redemption Amount" (calculated as at the Target Repayment Date) would apply on the Target Repayment Date. Interest will cease to accrue on the Notes following the Maturity Date. Payment of the Redemption Amount in respect of a Note will be made to the person registered at 5:00pm (Sydney time) on the Maturity Date (or Target Repayment Date if paid then) as the Noteholder in respect of that Note. Notes will cease to be quoted on the ASX as at the Maturity Date and cannot be traded after that date.	Clauses 1.1 and 7.1 of the Base Terms

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.3.4</b> <b>Can I request redemption before the Maturity Date?</b>	<p>No. Other than in case of a Change of Control Event, Noteholders do not have a right to request the early redemption of their Notes, even if Interest Payments are deferred.</p> <p>However, where a Winding Up Event occurs, the Note Trustee must comply with actions directed in an Ordinary Resolution, a Special Resolution or any other direction given by the Noteholders in accordance with the Note Trust Deed as further described in Section 2.5.</p>	Clauses 5.3 and 6.2 of the Base Terms
<b>2.3.5</b> <b>Can the Issuer redeem Notes before the Maturity Date?</b>	The Issuer may redeem all or part of the Notes on any Interest Payment Date.	Clause 1.1 and 5.3 of the Base Terms
<b>2.3.6</b> <b>What is a Tax Event?</b>	<p>The Issuer may elect to redeem all (but not some) of the Notes at Face Value, together with any outstanding Interest (if any) up to the date of redemption, if there is a Tax Event.</p> <p>In summary, a Tax Event will occur if the Issuer receives an opinion of a senior tax adviser in Australia that due to a change in a law, or in the application or interpretation of a law, such change, application or interpretation has a negative effect on the tax treatment of the Notes.</p>	Clause 1.1 and 5.3 of the Base Terms
<b>2.3.7</b> <b>What is a Change of Control Event?</b>	<p>A “Change of Control Event” means an event resulting in the Manager no longer being a subsidiary of Challenger.</p> <p>A Change of Control Event gives Noteholders the right to direct the Note Trustee to require the Issuer to redeem their Notes. As soon as reasonably practicable after the occurrence of a Change of Control Event, the Issuer must give notice of the Change of Control Event to the Note Trustee with a copy to the Registry, the Noteholders and the ASX which will also contain the information on the procedure to direct the Note Trustee by Ordinary Resolution to require the redemption.</p> <p>The Note Trustee is not bound to take action to require the redemption unless it is directed to do so by Ordinary Resolution and the Note Trustee is indemnified in accordance with the terms of the Note Trust Deed.</p>	Clause 5.3 of the Base Terms
<b>2.3.8</b> <b>What will I receive on early redemption including on the Target Repayment Date?</b>	<p>If the Issuer redeems the Notes more than 12 months prior to the Target Repayment Date (other than for a Tax Event or Change of Control Event), the Redemption Amount will be the aggregate of 101% of the Face Value and any outstanding Interest Payments on the Notes.</p> <p>In all other cases, the Redemption Amount will be the aggregate of 100% of the Face Value and any outstanding Interest Payments on the Notes (including any deferred Interest).</p> <p>For the avoidance of doubt, any payments of the Redemption Amount in case of early redemption will be paid in Australian dollars by direct credit into the Noteholder’s Bank Account.</p>	Clause 1.1 and 5.3 of the Base Terms

## 2.4 Ranking


TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
2.4.1 The Notes are “unsecured”. What does this mean?	Neither payment of Interest nor repayment of the Face Value of the Notes by the Issuer is secured by a mortgage, charge or other security over any of the Issuer’s or any other person’s assets.	Clause 3 of the Base Terms

<p><b>2.4.2</b> <b>How will Notes rank?</b></p>	<p>The Notes constitute unsecured debt obligations of the Issuer.</p> <p>The Notes rank:</p> <ul style="list-style-type: none"> <li>• behind any future Secured Financial Indebtedness or obligations with a Legal Preference;</li> <li>• equally among themselves;</li> <li>• equally with, or ahead of, any future Series issued by the Issuer;</li> <li>• equally with any unsecured Permitted Financial Indebtedness;</li> <li>• equally with all other unsecured and unsubordinated obligations of the Issuer.</li> </ul>	<p>Clause 3.1 of the Base Terms and the Offer Specific Terms</p>
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Examples of obligations with a statutory preference include taxes, charges, duties, levies or penalties payable to the ATO or other government agencies.

The Notes will rank ahead of the Equity Investor Shares and ahead of the Junior Notes. The Junior Notes and Equity Investor Shares ensure that at the time of quotation of the Notes there will be a capital 'buffer' provided for the benefit of the Noteholders, as the Notes will have priority over the Equity Investor Shares and the Junior Notes.

For an overview of the ranking of the Issuer's obligations, please see below:

	Type	Illustrative example	Priority Ranking
 <p>Higher Ranking</p> <p>Lower Ranking</p>	Senior Debt	Any future Secured Financial Indebtedness and any obligations that benefit from a Legal Preference	1
	Unsecured debt	Challenger IM LiFTS 1 Notes, further Series, all other unsecured and unsubordinated obligations	2
	Subordinated and unsecured debt	Junior Notes and any other subordinated and unsecured debt obligations	3
	Equity	Equity Investor Shares and any other shares	4

As shown in the diagram above, the Issuer's obligations under the Equity Investor Shares rank last and the Equity Investors will be the first to absorb any losses if a Winding Up Event occurs, followed by the Junior Noteholders.



TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.4.3</b> <b>What will be payable to Noteholders if a Winding Up Event occurs?</b>	<p>If a Winding Up Event occurs, the Note Trustee may generally require the Notes to be redeemed for their Redemption Amount.</p> <p>If there is a shortfall of funds on the occurrence of Winding Up Event, Noteholders may not receive payment of the Redemption Amount in full or at all.</p>	Clauses 3.1 and 6.2 of the Base Terms
<b>2.4.4</b> <b>Financial covenants and negative pledge</b>	<p>The Issuer must not incur any Financial Indebtedness, other than:</p> <ul style="list-style-type: none"> <li>• further Tranches and any future Series issued by the Issuer. It is intended that any future Series will also be admitted to the official quotation on the ASX and will rank equally with the Notes (but, for the avoidance of doubt, may have other terms, including different interest rates, interest periods, redemption dates and maturity dates);</li> <li>• any issuances of Junior Notes; and</li> <li>• any Permitted Financial Indebtedness.</li> </ul> <p>The Issuer will not create any security interests over the assets of the Issuer other than liens which arise by operation of law in the ordinary course of trading and any security interest granted in relation to the Secured Financial Indebtedness.</p>	Clauses 3.3 and 3.4 of the Base Terms and the Offer Specific Terms

## 2.5 Other

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.5.1</b> <b>Can the Issuer issue further notes?</b>	<p>The Issuer may issue further tranches (<b>Tranches</b>) of Notes which will have identical terms to the Notes issued under this Prospectus.</p> <p>The Issuer reserves the right to issue future series of notes (<b>Series</b>), and tranches within each Series.</p> <p>Each Series will have the same Base Terms (as amended from time to time) as the Notes but these Base Terms will be supplemented, amended, modified or replaced by the “offer specific terms” in respect of each Series, including different interest rates, interest periods, redemption dates and maturity dates.</p> <p>All future Series will rank equally with, or behind, the Notes. The Tranches are separate tranches of notes within the same Series.</p> <p>The Notes do not confer on Noteholders any right to subscribe for any new Series but the Issuer may offer this opportunity at its discretion.</p> <p>The Issuer also will also issue Junior Notes prior to or around the listing of the Notes and may issue further Junior Notes in the future. Each of the Junior Notes will be an unsecured subordinated debt obligation in the form of a note issued by the Issuer which ranks behind the Issuer’s obligations under the Notes. The Notes do not confer on Noteholders any right to subscribe for any Junior Notes issued by the Issuer.</p>	Clause 3.3 of Base Terms

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.5.2</b> <b>Can the Issuer incur any other liabilities that would rank prior to the Notes?</b>	<p><i>Issuer may borrow on a short term basis</i></p> <p>The Issuer may incur “Short-Term Financial Indebtedness” in the ordinary course of the Issuer’s investment activities which, subject to Legal Preferences, will rank equally (or behind) the Notes. This includes indebtedness incurred in relation to foreign exchange hedging, swaps, repos and settlements.</p> <p><i>Limited ability to borrow and grant security over assets of the Issuer</i></p> <p>The Issuer may also incur other Financial Indebtedness that is secured over the assets of the Issuer (<b>Secured Financial Indebtedness</b>) for the purpose of efficiently scaling up portfolios ahead of future new note issuances, with the aim of reducing the overall deployment timeframe. The Issuer intends to incur such Secured Financial Indebtedness only for the purpose of efficiently scaling up portfolios on a temporary basis. The Issuer is required to ensure that:</p> <ul style="list-style-type: none"> <li>• at the time that the security interest is granted, the aggregate principal amount of all Secured Financial Indebtedness secured by such security interests must not exceed 25% of the Gross Asset Value of the Issuer; and</li> <li>• the interest rate of such Secured Financial Indebtedness will not exceed the lowest interest rate applicable in relation to the Notes (and any Series).</li> </ul> <p>The Issuer considers that the temporary use of Secured Financial Indebtedness in the above circumstances is beneficial to existing Noteholders (as well as subscribers for notes under subsequent Series offerings) by building up the size and diversity of the portfolio of assets of the Issuer. As Secured Financial Indebtedness involves the granting of security to the provider of the funding, any Secured Financial Indebtedness ranks ahead of the Notes if there is a shortfall in income or capital following the realisation of the portfolio.</p> <p>No other obligations of the Issuer, other than those which have a Legal Preference, will rank prior to the Notes.</p> <p>The Short-Term Financial Indebtedness and the Secured Financial Indebtedness will be the only permitted Financial Indebtedness of the Issuer and will be together referred to as the “<b>Permitted Financial Indebtedness</b>”.</p> <p>Other than the Secured Financial Indebtedness and any liens which arise by operation of law in the ordinary course of trading, the Issuer will not create any security interests over the assets of the Issuer.</p>	<p>Clause 1.1, 3.3, 3.4 and 3.5 of the Base Terms</p>
<b>2.5.3</b> <b>Note Trustee and Note Trust Deed</b>	<p>Equity Trustees Limited (ACN 004 031 298, AFSL 240975) has been appointed as Note Trustee under the Note Trust Deed, as required by Chapter 2L of the Corporations Act. The Note Trustee acts independently of the Issuer, the Manager and the Challenger Group. Under the Note Trust Deed, the Note Trustee will hold the benefit of certain rights of the Noteholders on trust for Noteholders, including the right to enforce the repayment of the Notes and the right to enforce any other duties of the Issuer as issuer of the Notes under the terms of the Notes, the Note Trust Deed and the law.</p> <p>The Note Trustee is not obliged to enforce such rights unless it is directed to do so by the Noteholders and certain other conditions are satisfied under the Note Trust Deed. The Noteholders will have no direct right to claim against the Issuer except as provided in the Note Trust Deed.</p> <p>The Note Trustee’s fees and expenses will be paid in priority to any claims by Noteholders and notwithstanding any Winding Up Event.</p>	<p>Section 11.2  Clauses 2.3, 3.1 and 4.3 of the Note Trust Deed</p>

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.5.4</b> <b>What voting rights do Notes carry at meetings of shareholders?</b>	<p>The Notes confer no rights on a Noteholder to vote at any meeting of the shareholders of the Issuer. However, Noteholders are entitled to vote at meetings of Noteholders on certain matters that affect their rights under the Note Trust Deed and the Terms.</p> <p>Each of the Note Trustee or the Issuer may, at any time, call a meeting of Noteholders.</p> <p>The Issuer must call a meeting of the Noteholders (or the relevant Noteholders) on request in writing of the Noteholders who together hold 10% or more of the aggregate Face Value of all the Notes to consider the financial statements or to give the Note Trustee directions in relation to the exercise of its powers under the Note Trust Deed.</p> <p>If the Issuer does not expect there to be sufficient liquidity to repay the entirety of the aggregate Face Value of the Notes on the Maturity Date, the Issuer will call a meeting of Noteholders to be held at least one month prior to the Maturity Date, to obtain directions from the Noteholders by Special Resolution.</p> <p>The Note Trustee must call a meeting of Noteholders as soon as reasonably practicable after becoming aware of a Winding Up Event occurring.</p> <p>A meeting of Noteholders may also be called by the Note Trustee under section 283EB of the Corporations Act and as ordered by the Court under section 283EC of the Corporations Act.</p>	<p>Section 11.2.</p> <p>Clause 3.1 of the Base Terms</p>
<b>2.5.5</b> <b>What is a Winding Up Event</b>	<p>In summary, a Winding Up Event will occur if:</p> <ul style="list-style-type: none"> <li>• (failure to pay Notes) the Issuer fails to pay or repay any of the Face Value or Interest due on any Note (and any future Series) within 10 Business Days of the Maturity Date (or relevant maturity date of the Series);</li> <li>• (failure to perform other obligations) the Issuer fails in performing and observing any other obligation under the Terms of Issue or the Note Trust Deed and such failure is not remedied within 60 days after the Issuer receives written notice of the failure from the Note Trustee; and</li> <li>• (insolvency) an order of a court of competent jurisdiction is made, or an effective resolution is passed, for the winding up of the Issuer, or a receiver or receiver and manager (or similar) is appointed in relation to the assets of the Issuer.</li> </ul>	<p>Clause 6 of the Base Terms</p>
<b>2.5.6</b> <b>What will happen if a Winding Up Event occurs?</b>	<p>If a Winding Up Event occurs the Note Trustee must call a meeting of Noteholders as soon as is reasonably practicable after becoming aware of the Winding Up Event. From the occurrence of a Winding Up Event and while it is subsisting, the Note Trustee may, and must if so directed by the requisite proportion of Noteholders specified in the Terms, notify the Issuer that the total Redemption Amount of Notes is due and payable.</p> <p>The total Redemption Amount of Notes will become due and payable either immediately once the notice is served on the Issuer by the Note Trustee or on another date specified in that notice. The Note Trustee may institute proceedings on a Winding Up Event to wind up the Issuer for the amount payable under the Terms of the Notes.</p>	<p>Clause 6 of the Base Terms</p>

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
<b>2.5.7</b> <b>Can the Issuer amend the Terms?</b>	<p>Yes. In summary, subject to complying with the Terms, the Issuer may amend the Terms without the consent of Noteholders, if the Issuer is of the opinion that the amendment is:</p> <ul style="list-style-type: none"> <li>• of a formal, minor or technical nature;</li> <li>• made to cure any ambiguity or correct an error;</li> <li>• necessary or expedient to facilitate the quotation of the Notes on ASX or another securities exchange; or</li> <li>• necessary to comply with any laws or the ASX Listing Rules,</li> </ul> <p>provided that the amendment is in the Issuer's reasonable opinion not materially prejudicial to the interests of the Noteholders as a whole. Such opinion of the Issuer must be notified to, and agreed by, the Note Trustee, within the timeframe and in accordance with the process specified in the Base Terms.</p> <p>The Issuer may also amend the Terms if the amendment has been approved by a resolution passed at a meeting of the Noteholders with the required majority.</p>	Clause 11 of the Base Terms
<b>2.5.8</b> <b>What funding is supporting the Note issuance?</b>	<p>The Issuer will procure that prior to its admission to the ASX as an ASX Debt Listing:</p> <ul style="list-style-type: none"> <li>• one or more Challenger Group entities (referred to as the “<b>Equity Investor</b>”) will invest at least \$10 million into ordinary shares of the Issuer (Equity Investor Shares); and</li> <li>• one or more Challenger Group entities (referred to as the “<b>Junior Noteholder</b>”) will invest between \$13 million and \$22.8 million (depending on the final amount raised under the Offer) in unlisted junior ranking unsecured subordinated wholesale notes (<b>Junior Notes</b>) issued by the Issuer. Investment in Junior Notes may be made directly or via a subsidiary unit trust.</li> </ul> <p>The Equity Investor Shares and the Junior Notes will rank behind the Notes (and any future Series) at all times including on the occurrence of a Winding Up Event if there is a shortfall in income or capital following the realisation of the portfolio and in the event there is a shortfall in income or capital necessary to pay the Interest and Face Value owing on the Notes (or future Series).</p> <p>The aggregate amounts invested by the Equity Investor and the Junior Noteholder will ensure the Gross Asset Value of the Issuer meets the First Loss Buffer requirement (as defined below) on admission of the Issuer to the ASX as an ASX Debt Listing and will be sufficient to fund the Offer Expenses while ensuring that the net tangible assets of the Issuer will be at least \$10 million on the Admission Date.</p> <p>For as long as the Notes (or any future Series) remain outstanding, any payments on the Junior Notes or Equity Investor Shares can only be made when (and only to the extent that) the Gross Asset Value exceeds the Principal Amount of Core Debt Obligations by an amount that provides a first loss buffer percentage of 6% (such percentage, <b>First Loss Buffer Percentage</b> and such amount, <b>First Loss Buffer</b>).</p> <p>The <b>Principal Amount of Core Debt Obligations</b> means the sum of the:</p> <ul style="list-style-type: none"> <li>• aggregate Face Value of the Notes (and any future Tranches);</li> <li>• face value of any notes of any future Series; and</li> <li>• principal amount of the Secured Financial Indebtedness.</li> </ul>	Section 11.4 Clause 3.2 of the Base Terms

TOPIC	SUMMARY	WHERE DO I GO FOR FURTHER DETAILS?
(continued)	<p>As an example, where the Principal Amount of Core Debt Obligations equals \$300 million, the Gross Asset Value required to maintain a First Loss Buffer Percentage of 6% is calculated as follows:</p> $\frac{\text{Principal Amount of Core Debt Obligations}}{100\% - \text{First Loss Buffer Percentage \%}}$ <p>Or</p> $\frac{300,000,000}{94\%} = \$319,148,936.17$ <p>Therefore, the required First Loss Buffer where the Issuer's Principal Amount of Core Debt Obligations is \$300 million would be \$19,148,936.17.</p> <p>For so long as the Gross Asset Value does not exceed the Principal Amount of Core Debt Obligations by the required First Loss Buffer, the Issuer will not pay any amounts to the Junior Noteholder or the Equity Investor. In addition, the Issuer may not make such payments while there is any deferred interest or other amounts due and payable on the Notes.</p>	
<b>2.5.9 Purchase of Notes by Issuer</b>	Subject to compliance with the law or requirements of the ASX, the Issuer may at any time purchase Notes at any price and such Notes may be held, resold, dealt with or cancelled at the discretion of the Issuer.	Clause 5.6 of the Base Terms

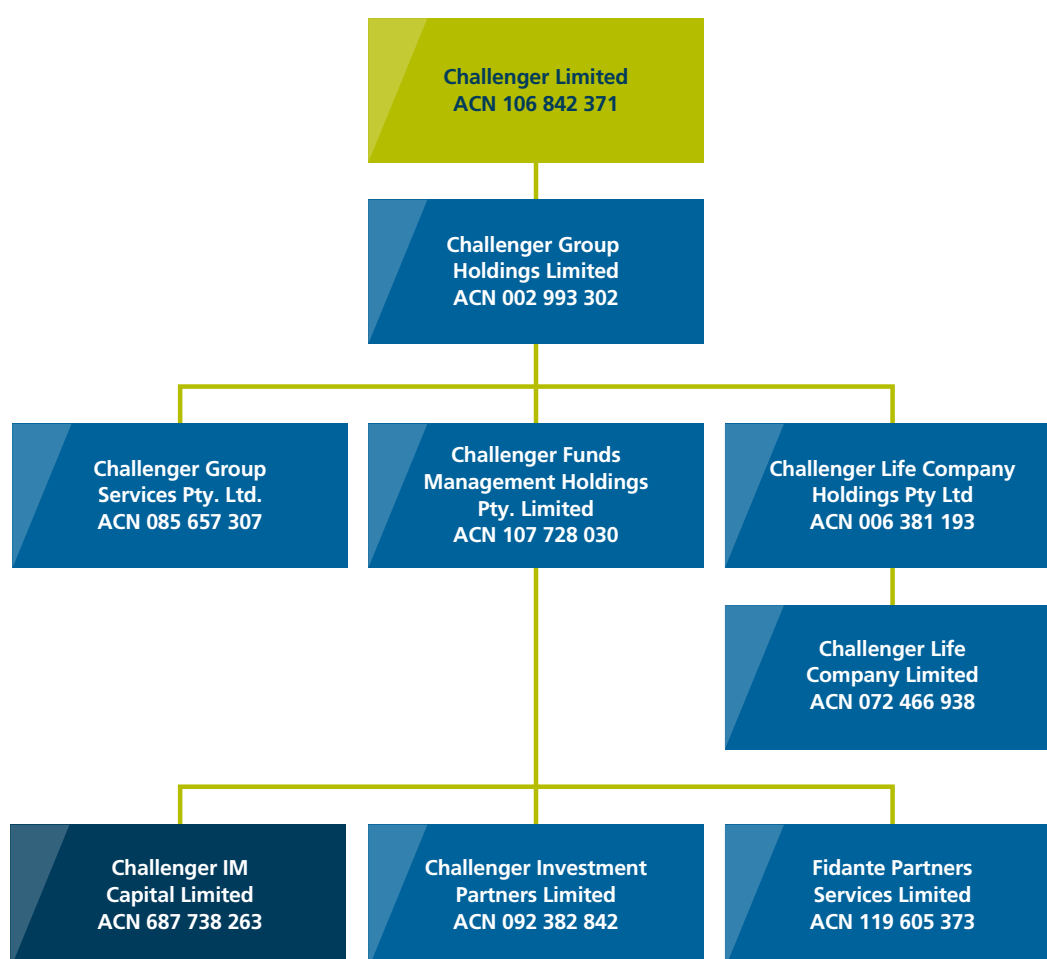
## 3. The Issuer, Challenger Group, Manager and Note Trustee

### 3.1 Corporate Structure

The Issuer of this Prospectus is a recently incorporated company, Challenger IM Capital Limited ACN (687 738 263), which is a wholly owned subsidiary of Challenger Limited. The Issuer and the Manager form part of the Funds Management division of Challenger Limited, which is overseen by the Chief Executive, Funds Management.

Below is an extract of the company structure showing certain wholly owned entities within the Challenger Group. This is a simplified version that does not include other companies in the Challenger Group that are not otherwise referenced in this Prospectus.

**Figure 3.1 – Challenger Limited Corporate Structure Extract<sup>7</sup>**



<sup>7</sup> Challenger IM LiFTS 1 Notes are not guaranteed by Challenger Investment Partners Limited or any other member of the Challenger Group or any other person.

## 3.2 Overview of the Issuer

Challenger IM Capital Limited ACN 687 738 263 is the issuer of the Notes and this Prospectus.

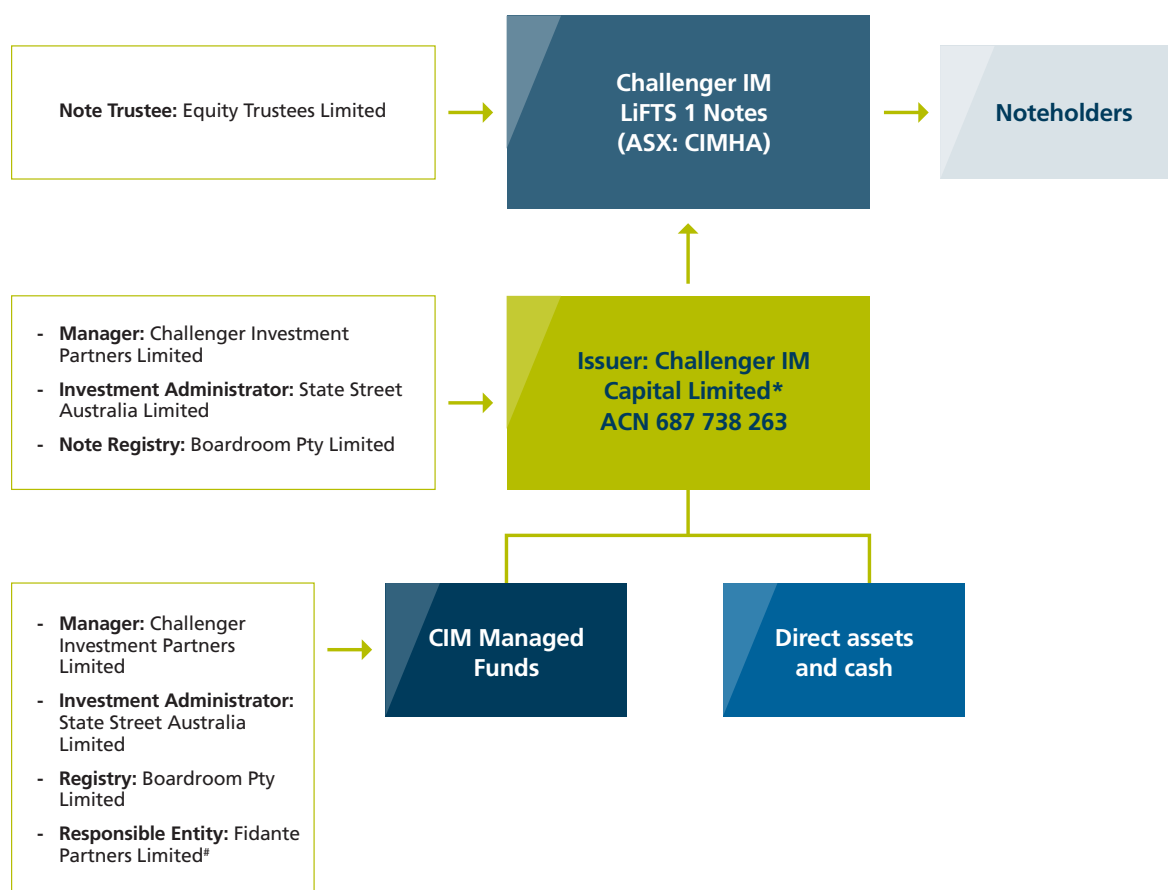
As described in Section 1 and Section 3.1 above, the Issuer is a member of the Challenger Group. The current Directors of the Issuer as at the date of this Prospectus are:

- Mr Victor Rodriguez, Chairperson, Executive Director
- Ms Aphrodite Judin, Executive Director
- Mr Evan Reedman, Executive Director
- Mr Van Gencur, Executive Director

The Directors may change from time to time.

The Issuer has appointed Fidante Partners Services Limited (**FPSL**) as its authorised intermediary to make offers to arrange for the issue of the Notes under the Prospectus, pursuant to section 911A(2)(b) of the Corporations Act. FPSL is the holder of Australian Financial Services Licence (**AFSL**) number 320505.

**Figure 3.2 – Indicative structure of Challenger IM Capital Limited**



\* a wholly owned subsidiary of Challenger Limited (ACN 106 842 371) – see Figure 3.1. See also Section 2.4.2 for the Issuer's capital structure

# for Challenger IM Mutli-Sector Private Lending Fund and Challenger IM Credit Income Fund.



### 3.3 Challenger Limited (ASX: CGF) - parent company

Challenger Limited (**Challenger**) is the non-operating holding company of the Challenger Group, an investment management group with a vision to provide its customers with financial security for a better retirement. As at 31 March 2025, the Challenger Group employed 569 people (on a full-time equivalent basis) and had total assets under management of \$125<sup>8</sup> billion in assets.

Founded in 1985, Challenger Limited is listed on the Australian Securities Exchange (**ASX**), under the code 'CGF' with a market capitalisation of approximately \$5.7 billion as at 7 August 2025.

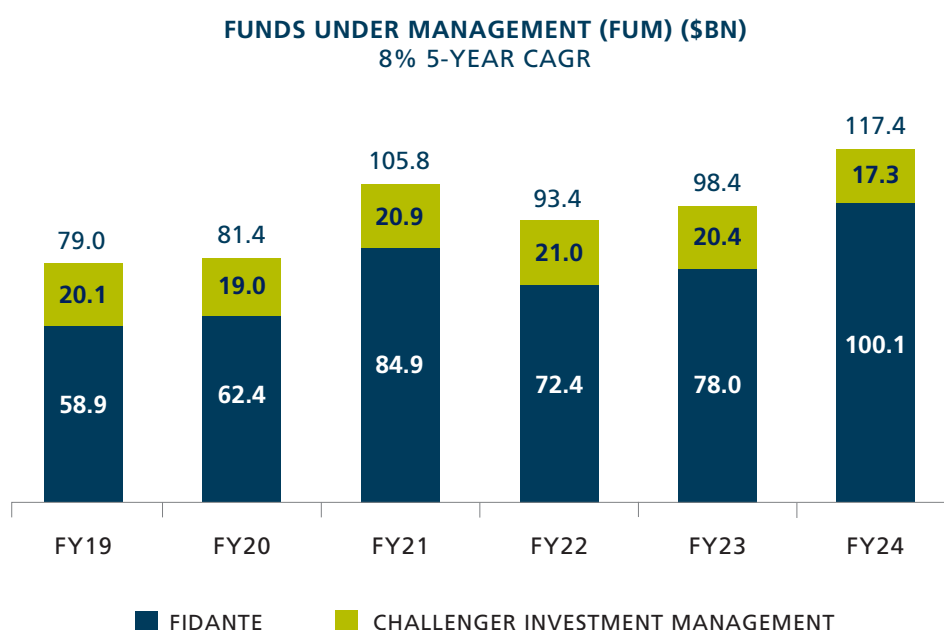
Challenger operates two core businesses, an annuities business through Challenger Life Company Limited ("**CLC**" or "**Challenger Life**") which is Australia's largest annuity provider<sup>9</sup> and a Funds Management business (**Funds Management**) which is one of Australia's largest

active fund managers<sup>10</sup>. The Issuer, the Manager and FPSL sit within the Funds Management business of the Challenger Group.

The Funds Management division consists of both Challenger Investment Management, a specialist manager that works with clients across a global opportunity set primarily focused in fixed income<sup>11</sup> and Fidante, a global investment management business which aims to form long term alliances with best-in-class investment managers.

The Funds Management business, through its Fidante affiliates and CIM, invests across a broad range of asset classes, including fixed income, Australian and global equities and alternative investments. Funds Management is well positioned to benefit from ongoing growth in both Australia's superannuation system and global pension markets.

Figure 3.3



This represents the Funds Under Management (**FUM**) of the Funds Management business of the Challenger Group and not the funds under management of the Issuer. The Challenger Investment Management FUM includes both Fixed Income and the Japanese real estate businesses.

<sup>8</sup> Rounded down to the nearest whole billion.

<sup>9</sup> Plan For Life – September 2024 – based on annuities under administration.

<sup>10</sup> Calculated from Rainmaker Roundup, September 2024 data.

<sup>11</sup> Challenger Investment Management comprises two divisions; Fixed Income, responsible for over 90% of total funds under management, and Japanese real estate, responsible for less than 10% of total funds under management. References to CIM throughout this Prospectus are to the Fixed Income division only.

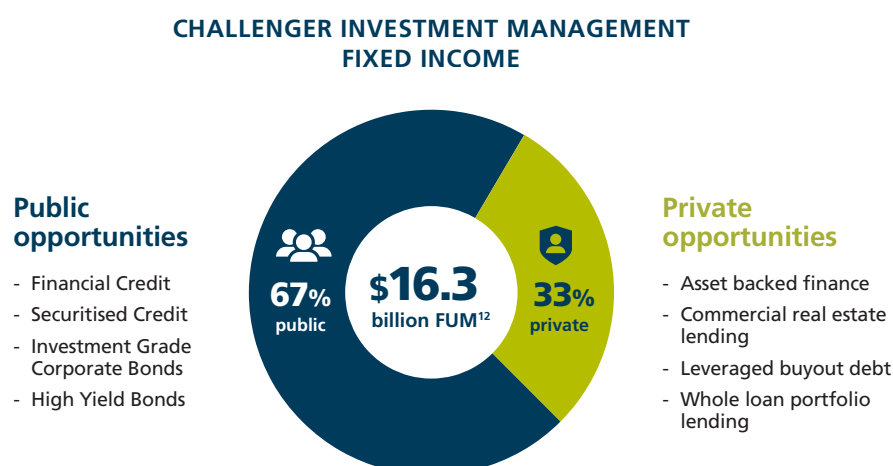
## 3.4 Overview of the Manager

### A) THE MANAGER

Challenger Investment Management, 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 \$16.3 billion<sup>12</sup> across a global opportunity set in public and private credit markets.

Since 2005, CIM has invested for Challenger's balance sheet alongside clients across a range of strategies focused on generating consistent income while minimising capital volatility.

**Figure 3.4(a) as at 31 December 2024**



This represents the public-private allocations of the FUM of the Challenger Investment Management and not the FUM of the Issuer.

CIM commenced in 2005 as a public and private credit investment manager for Challenger Life Company. In 2010 CIM began managing funds on behalf of external Wholesale Investors via separately managed accounts and in 2017 began offering comingled funds, largely (but not exclusively) focused on private credit markets. CIM continues to manage a bespoke separate account for Challenger Life Company alongside external mandates and funds. There is a high degree of overlap across CIM's mandates for Challenger Life Company and external clients, aligning Challenger's interests with clients and scaling the capital CIM can invest in public and private credit markets.

CIM is an active "long only" credit investor focused on public and private credit markets and does not take any 'short' positions on investments'. The team, which is based in Australia and the UK, invests in Public Credit Assets in global developed markets and private credit markets in Australia and New Zealand.

Within public markets, CIM invests in the following sectors:

- financial credit, both senior and subordinated. CIM has historically held limited exposure to Additional Tier 1 (as defined by APRA) securities, instead focusing on senior unsecured, senior parent company and Tier 2 (as defined by APRA) issuance from both banks and insurers;

- Investment Grade corporate bonds focused on lower investment grade rated issuance from industrials, utilities, communications, consumer discretionary and consumer staples borrowers;
- securitised credit investments across the capital structure ranging from AAA rated senior bonds to B rated mezzanine tranches. The underlying collateral mainly comprises residential and small commercial mortgages, auto and equipment loans to consumers and small to medium sized enterprises and unsecured personal loans; and
- High yield bonds to non-financial borrowers focused on Australian issuers.

Within private credit markets, CIM invests in the following sectors:

- Corporate Loans (leveraged buyout debt): largely senior secured loans to private equity sponsor-backed companies operating in Australia and New Zealand;
- Commercial Real Estate Loans, focused on senior ranking loans secured by income generating commercial real estate properties, avoiding residential construction, development and pre-development lending; and
- Asset Backed Finance: financing secured by pools of income generating assets including loans, leases and mortgages.

<sup>12</sup> Assets Under Management are as at 31 December 2024.

CIM endeavours to not take interest rate or currency risk as it believes these risk factors are volatile and difficult to predict. All investments are considered on the basis of their potential credit spread return, i.e. the return that can be generated over a floating rate benchmark, with the key risk faced by investors being the risk that the borrower defaults and principal owing is not fully recovered. The vast bulk of returns generated from CIM's investment strategies come from income generation, with smaller contributions from capital gains generated through secondary trading of public exposures and early repayments on private transactions. Interest rate and currency risks are intended to be hedged such that the performance of

the strategy will be dependent on the credit spread return of the underlying investment portfolio.

CIM takes a "bottom up" fundamental approach to investing. While the macroeconomic environment forms part of the investment decision, borrowers are assessed on their resilience to multiple macroeconomic scenarios to ensure credit risks is minimised.

A private credit approach applies across all markets with the investment team expected to actively engage with borrowers and deal arrangers on deal structures and overall due diligence.

**Figure 3.4(b) CIM's intended approach to investing**

				
Geography / Macro	Sector / Industry	Company / Issuer	Deal Structure	Liquidity
<ul style="list-style-type: none"> <li>Avoid situations where macro themes are the key valuation drivers as market shifts can be unpredictable and binary.</li> </ul>	<ul style="list-style-type: none"> <li>Target sectors that have ongoing financing needs rather than opportunistic issuers.</li> <li>Assess event risk within the sector? How does the company rank relative to peers?</li> </ul>	<ul style="list-style-type: none"> <li>Focus on refinancing risk, cash flows, debt distribution, financing costs, covenants etc.</li> <li>Engage with management team: key man risk, track record, stability.</li> </ul>	<ul style="list-style-type: none"> <li>Active engagement with issuers in both public and private markets.</li> <li>Ensure structure aligns economic incentives of the issuer with our clients.</li> <li>Preference for structures that encourage reduction in debt levels to aid refinancing.</li> </ul>	<ul style="list-style-type: none"> <li>Explicit modelling of liquidity premium.</li> <li>Underweight issuers with high levels of perceived vs actual liquidity.</li> <li>Focus on loans or securities with shorter terms when lending in private markets.</li> </ul>

CIM's investment philosophy is based on a belief that credit markets, particularly private markets, are inefficient and excess returns can be generated through originating a diverse and sizeable pipeline of new opportunities, taking a diligent approach to underwriting and negotiation of documentation and actively monitoring and, where required, restructuring investments to maximise the recoverable value. Through a credit cycle, CIM targets an illiquidity premium of 2% per annum, meaning that it targets private credit investments that seek to generate a return of 2% per annum more than public credit investments of the same risk profile<sup>13</sup>.

Market risk and capital volatility is minimised by keeping private credit exposures short-dated to reduce credit duration, with around 25% of CIM's private credit exposures repaying annually. The approach to portfolio construction is to blend public and private credit exposures, with public credit allocation and credit duration increased during periods of

volatility and reduced when markets are stable. CIM does not track indices, instead focusing on building well diversified portfolios which offer attractive relative value compared to more traditional fixed income strategies which are limited to the public bond market.

As part of the wider Challenger Group, CIM is committed to sustainable investment and business practices. See Section 4.9 for further information.

The current directors of CIM as at the date of this Prospectus are:

- Mr Willem Botha, Executive Director
- Mr Nicholas Gan, Executive Director
- Mr Gerard Hargraves, Executive Director
- Mr John O'Keeffe, Executive Director

The directors of CIM may change from time to time.

<sup>13</sup> This is a target only and is aimed at explaining the investment strategy of CIM. It is not an indication of the return applicable to investors in the Notes.

## B) ROLE OF THE MANAGER

The Issuer has appointed CIM to be the manager of the assets of the Issuer under an Investment Management Agreement (**IMA**).

It is the role of the Manager to:

- manage the Issuer's investments;
- identify investment opportunities through rigorous analysis;
- apply its skill to allocate across segments and meet Interest Payments;
- monitor the investments of the Issuer on an ongoing basis; and
- manage the Interest Payments of the Notes and repayment of the Face Value of the Notes to Noteholders on the Maturity Date.

## C) INVESTMENT TEAM OF THE MANAGER

The investment team of the Manager team comprises a diverse group of investment professionals with extensive industry experience across a wide range of global public and private credit markets. The investment team within CIM is complemented by the investment team within Credit Risk Management which reports through to the Chief Risk Officer of Challenger Group.

**Figure 3.4(c)(i) CIM and CRM Teams**

CHALLENGER INVESTMENT MANAGEMENT TEAM Chief Executive, Funds Management					CHALLENGER GROUP Chief Risk Officer
<b>PORTFOLIO MANAGEMENT</b> Pete Robinson <b>Head of Investment Strategy</b>	<b>ASSET BACKED FINANCE</b> Stephen Martin <b>Head of ABS</b>	<b>MORTGAGE SERVICING</b> Andy Armstrong <b>Head of Whole Loans</b>	<b>CORPORATE DEBT</b> Sid Kumar <b>Head of Corporate Lending</b>	<b>REAL ESTATE LENDING</b> Gerard Hargraves <b>Head of Real Estate Lending</b>	<b>CREDIT RISK MANAGEMENT</b> Brent Stephan <b>General Manager, Credit</b>
<b>6</b> Investment Professionals	<b>15</b> Investment Professionals	<b>12</b> Servicing Professionals	<b>4</b> Investment Professionals	<b>4</b> Investment Professionals	<b>7</b> Investment Professionals

Senior leaders of the business run asset class divisions and are responsible for origination and transaction management. The Portfolio Management division of the team will have primary responsibility for managing the assets of the Issuer with oversight and approval authority delegated to the investment committee. The senior members of the Manager provide the required experience and skills, including industry and business knowledge, financial management and market experience.

The Manager is supported by additional resources which sit within (or provide services to) the broader Challenger Group which are described below. They act as an extension of the Manager, allowing the investment teams to focus on investing and providing additional oversight of the Manager's investment strategies.

**Figure 3.4(c)(ii) Support Functions**

ECONOMICS AND RESEARCH	BUSINESS DEVELOPMENT	ESG	OPERATIONS	COMPLIANCE	LEGAL	FINANCE
Jonathan Kearns <b>Chief Economist</b>	Linda Mead <b>Senior Institutional BDM</b>	Charlotte O'Meara <b>Head of Responsible Investment</b>	State Street Australia Limited	Henry White <b>Head of Risk &amp; Compliance, Funds Management</b>	Indrajeet Aich <b>Head of Legal, Corporate and Investments</b>	Aphrodite Judin <b>CFO, Funds Management</b>

The management team of CIM comprises the asset class leads plus the Head of Investment Strategy. Their biographies are provided below alongside the General Manager, Credit.

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#### **PETE ROBINSON**

##### **Head of Investment Strategy- Fixed Income**

Pete is the Head of Investment Strategy at Challenger Investment Management, responsible for its multi-strategy credit portfolios, including the Challenger IM Credit Income Fund, Challenger IM Multi-Sector Private Lending Fund, and Challenger IM Private Lending Opportunities Fund.

Pete has been with the Challenger Group since 2005, joining Challenger Investment Management in 2010, and has over 20 years of investment experience across public and private credit markets in Australia, the United States, and Europe. During the Global Financial Crisis, he was an Assistant Portfolio Manager in London at WyeTree Asset Management, part of the Challenger Group, where he focused on credit opportunities in residential real estate markets.

Pete holds a combined Bachelor of Commerce/Science degree from the University of New South Wales and is a CFA<sup>14</sup> Charterholder.

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#### **STEPHEN MARTIN**

##### **Head of ABS**

Stephen is Head of ABS responsible for the Challenger Investment Management's Asset Backed Securities portfolios globally. He joined Challenger Investment Management in 2008 as an Analyst in the Asset and Liquidity Management team. Since 2011, Stephen has been a member of the Challenger Investment Management team focusing on asset backed structuring and investing.

Stephen is a member of the Australian Securitisation Forum National Committee and the Chair of the Investor Subcommittee.

Stephen holds a Bachelor of Commerce degree with Honours from the University of Sydney and is a CFA Charterholder.

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#### **GERARD HARGRAVES**

##### **Head of Real Estate Lending**

Gerard is the Head of Real Estate Lending, responsible for Challenger Investment Management's institutional real estate lending portfolios.

Gerard joined Challenger Investment Management in 2010 and has to date overseen the origination and management in excess of A\$3.5b in commercial real estate loans. Prior to joining CIM, Gerard spent four years at Fortress Investment Group, after property banking roles at NM Rothschild & Sons (Australia) Limited and Commonwealth Bank of Australia. He also spent eight years in property development, most of this time with Bovis Lend Lease.

Gerard holds a Bachelor of Engineering (Civil) from University of Queensland and a Graduate Diploma in Applied Finance and Investment from FINSIA<sup>15</sup>.

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#### **SID KUMAR**

##### **Head of Acquisition Finance**

Sid is the Head of Acquisition Finance responsible for origination, structuring, execution and portfolio management for acquisition finance deals.

Sid joined Challenger Investment Management in 2017 and has over 15 years' experience in high yield credit across investment banking and asset management. Prior to joining, Sid spent seven years in investment banking with Barclays Capital where he worked across leveraged finance structuring and underwriting, debt advisory, high yield bonds, equity-linked financing and corporate and acquisition financing across Australia, New Zealand and Asia.

Sid holds a Bachelor of Computer Engineering degree from Anna University and a Master of Business Administration from the IIFT School of International Business, New Delhi.

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#### **ANDY ARMSTRONG**

##### **Head of Whole Loans**

Andy is the Head of Whole Loans responsible for Challenger Investment Management's residential mortgage and consumer loan acquisitions.

Andy joined Challenger Investment Management in 2022 and has over 20 years' experience in structured credit and private debt markets. Prior to joining, Andy ran the private credit and speciality finance investing strategy at East Lodge Capital, a \$2 billion asset manager based in London and held various senior roles prior to this with Castlelake LP, Goldman Sachs, Merrill Lynch and Bear Stearns.

Andy holds a Master's in Political Theory from the University of Glasgow and a Bachelor in Law from Strathclyde University.

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<sup>14</sup> Chartered Financial Analyst

<sup>15</sup> Financial Services Institute of Australasia

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## BRENT STEPHAN

### General Manager Credit

Brent is General Manager, Credit and is responsible for credit risk management across all asset classes.

Brent joined Challenger in 2016 and has over 20 years experience in lending, credit restructuring and risk. Prior to joining Challenger he held roles in the Credit Risk Management teams at JP Morgan and Barclays in Australia where he worked on leveraged finance, infrastructure and general corporate transactions. During the Global Financial Crisis he spent three years working in London with Lloyds Banking Group in credit restructuring and relationship management roles. Brent started his career as an analyst at NAB.

Brent is a CFA Charterholder and holds a Bachelor of Business (Banking and Finance) and a Bachelor of Law from Queensland University of Technology.

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## D) CHALLENGER INVESTMENT MANAGEMENT GOVERNANCE STRUCTURE

CIM has arrangements in place intended to ensure that client assets are managed in accordance with their investment strategies, including investment committees and investment compliance protocols. CIM follows the Challenger Group Conflicts of Interest Policy which seeks to ensure that it provides financial services in a manner consistent with the interests of clients whilst meeting fiduciary and regulatory obligations; and actual and potential conflicts of interest between the companies and clients are managed effectively in a timely and consistent manner.

Key internal governance practices are summarised below:

- *Management of Conflicts of Interest:* CIM has limited appetite for conflict risk. CIM has adopted an allocation policy which describes the process undertaken that are intended to ensure that clients are treated fairly and equitably in allocations on transaction and limits circumstances where clients are placed in conflict with each other (i.e. where one CIM Managed Fund controls a borrower where another CIM Managed Fund is a lender). CIM also does not accept fees from borrowers. These are passed on to CIM's clients in proportion to their allocation in a transaction.
- *Equitable Asset Valuation and Pricing:* Challenger maintains a Securities Pricing Policy with the objective of ensuring that the valuations of all assets and liabilities are appropriately and accurately determined, taking into account relevant accounting standards, industry standards and other applicable requirements. The policy considers timing, valuation sources, valuation type and the process

for determining the valuation for all non-third-party priced securities. The Funds Management Valuation Committee responsible for maintaining this valuation is structurally separate from the investment teams. This valuation committee follows a mark to market valuation approach for both public and private credit investments and seeks to ensure all its clients are treated fairly and equitably at all times. A mark to market valuation approach means that assets are valued based on their current market prices rather than their original purchase prices.

- *Credit Risk Oversight:* A credit risk management team within Challenger (**CRM Team**) assesses and monitors counterparty risks. The CRM Team is comprised of experienced individuals who are not a part of the CIM business, instead sitting within the Risk division of Challenger and reporting directly to the Chief Risk Officer of Challenger Group rather than to any management or leadership team within the Manager. For all private credit investments the CRM Team will assess the Internal Rating<sup>16</sup> of all unrated exposures (with reference to the ratings approach of the major external rating agencies). This is intended to ensure discipline in relative value discussions for portfolio construction purposes (refer to Section 4 for additional detail). In addition, the CRM Team assists in monitoring existing exposures, including taking ratings actions where necessary and leads any 'workouts' or restructuring of non-performing exposures.
- *Investment Committee Oversight:* complementing the credit risk function are the CIM Fixed Income Investment Committees, comprising senior investment and risk professionals with complementary backgrounds in risk, credit, legal, tax, finance and investments. Each investment strategy/fund has a dedicated investment committee which has approval authority for new investments, oversight of existing portfolio performance and approves any material modification, workout or restructure of existing deals. The committees are intended to provide an additional layer of oversight sitting above the investment and credit risk teams.
- *Risk Management and Compliance:* CIM's approach to risk and compliance is underpinned by Challenger Group's established and prudentially sound risk management framework, which is aligned with APRA's CPS 220<sup>17</sup>, ISO 31000:2018, and the Challenger Group's broader strategic objectives.

The intended objective of CIM's compliance framework is to uphold and deliver upon the organisation's commitment to maintaining a culture of integrity and compliance. It aims to ensure that CIM's overall strategy and the way it conducts its business accords with its obligations to meet relevant laws, regulatory requirements, industry codes and standards, as well as community and client expectations regarding governance, ethics and conduct.

<sup>16</sup> Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

<sup>17</sup> The Issuer is not regulated by APRA.

## **3.5 Overview of the Note Trustee**

### **A) WHO IS THE NOTE TRUSTEE?**

Equity Trustees Limited (ABN 46 004 031 298) has been appointed as Note Trustee for the Notes under the Note Trust Deed as required by Chapter 2L of the Corporations Act.

Equity Trustees Limited is Australia's leading specialist trustee, with a growing business focused on debt capital markets, loan markets and securitisation services with over 35 years of specialist experience in Australian and global markets.

### **B) ROLE OF THE NOTE TRUSTEE**

The primary role of the Note Trustee is to ensure that the Issuer complies with its obligations under Chapter 2L of the Corporations Act and for the Note Trustee to exercise the rights of the Noteholders under the Note Trust Deed on their behalf. For a summary of the Note Trust Deed, see Section 11.2.



## 4. About the Investment Strategy

### 4.1 Summary

The Issuer is a special purpose company that has been established with the sole purpose to invest in a diversified portfolio of public and private credit exposures. The Issuer has entered into an Investment Management Agreement with the Manager authorising the Manager to provide investment management and other services to the Issuer. As such, the Manager will be responsible for implementing the Investment Strategy under the supervision of the Issuer.

The Issuer will aim to generate a gross return target of approximately 1% per annum more than the total amount the Issuer pays for annual expenses and to service interest on debt. This is equivalent to BBSW (1 month) plus 4.25-4.50% per annum (pre-tax, gross of all fees and expenses)<sup>18</sup>. This is a target only and there is no guarantee that it will be achieved. The returns achieved will depend on a number of factors, including changes in the fair value of investments due to changed credit quality of investments, the level of credit defaults and recoveries and the volatility of credit markets generally.

This is the target gross return of the Issuer and is higher than the Interest payable on Notes. Noteholders will only receive the Interest amount. The Issuer aims to meet the target return with a view to enabling the Issuer to meet its obligation to pay Interest Payments on the Notes and the fees and expenses of the Issuer and to deliver the excess return to the Equity Investor and Junior Noteholders.

### 4.2 Overview of the Investment Strategy

The Investment Strategy of the Issuer is centred around opportunities in private credit markets in Australia and New Zealand. The Manager will provide the Issuer with exposure to three key segments of the private credit landscape in Australia and New Zealand, namely:

- Corporate Loans;
- Commercial Real Estate Loans (excluding residential construction and development loans); and
- Asset Backed Finance.

Opportunities from each of these sectors are intended to be originated through CIM's extensive network of relationships dating back over 20 years. CIM will also leverage its strong capability in public bond markets to opportunistically add exposure to Public Credit Assets, intended to aid in liquidity management, portfolio construction and supporting total returns.

The Issuer will gain exposure to these market segments through investment in CIM Managed Funds or via direct investments (in each case, held through the CIMC Trust) or via direct investments, as advised by CIM.

The returns of the Investment Strategy are intended to come largely through income with a smaller contribution through capital returns. Interest rate and currency risks are intended to be hedged such that the performance of the Investment Strategy will be dependent on the credit spread return of the underlying investment portfolio. Given the less liquid nature of the private credit loans, active trading on the portfolio is expected to be limited to the Public Credit Assets.

All fees paid by the underlying borrowers will be to the benefit of the Issuer, with the Manager to be compensated through management fees payable by the Issuer. The Junior Noteholders and the Equity Investors are intended to be compensated by the excess return (if any) paid to the Junior Noteholder and distributed to Equity Investors.

The median credit rating of the underlying portfolio is expected to be BB (based on an Internal Rating<sup>19</sup>), the expected Sub-Investment Grade allocation to be circa 60%, and over half of this allocation is expected to be in senior ranking instruments.

The Issuer expects the largest allocation in the Investment Strategy to be to Corporate Loans. The expected allocation is 40-60%, although this is a range only and may vary through time dependent on relative returns and the attractiveness of the opportunity set. Corporate Loans are intended to be largely senior secured loans to private equity backed companies operating in Australia or New Zealand, diversified by underlying industries. The expected credit profile is Sub-Investment Grade, split between BB and B-rated exposures.

The allocation to Commercial Real Estate Loans backed by established properties is expected to be 10-30%, although this is a range only and may vary through time. The commercial real estate lending strategy explicitly excludes residential construction, development and pre-development finance, instead targeting secured loans backed by established assets. Key security types include office, industrial, retail, residual stock (which are new apartments that have not yet been sold by the developer), hotels and other specialty assets located in Australia and New Zealand. The expected credit profile is Sub-investment grade, with the majority rated BB based on an Internal Rating<sup>20</sup>.

The allocation to Asset Backed Finance is expected to be 20-40%, although this is a range only and may vary through time. The lending strategy for Asset Backed Finance will predominantly be mezzanine tranches of granular pools of receivables originated by non-bank lenders. The receivables

<sup>18</sup> 1 month BBSW + 4.25-4.50% per annum less LiFTS interest of 1 month BBSW + 2.75% p.a. less management fees of 0.50% less estimated other expenses of the Issuer results in around 0.75-1% per annum.

<sup>19</sup> Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

<sup>20</sup> Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

themselves will be a mixture of mortgages (residential and small ticket commercial property), secured loans (auto and equipment) and unsecured loans (credit cards, personal loans and 'buy now pay later') with both corporate and consumer obligors. The expected credit profile is Investment Grade, with a smaller allocation to Asset Backed Finance that is Sub-Investment Grade based on an Internal Rating.

In addition to the private credit segments, there may be an allocation to Public Credit Assets which will comprise a diversified mix of corporate, financial and securitised bonds. This allocation will be used to ensure that the Issuer has adequate liquidity to meet any obligations as well as adding to the overall diversification of the portfolio. The allocation to Public Credit Assets will also be increased during periods of volatility, as public markets tend to be more responsive to changes in markets conditions. The Public Credit Assets will comprise debt instruments issued by global developed market borrowers, with the largest allocation to Australia and New Zealand domiciled borrowers. The expected credit profile is Investment Grade, with a smaller allocation to Public Credits Assets that are Sub-Investment Grade.

**Figure 4.2 Expected Asset Allocation Ranges<sup>21</sup>**

Strategy	Range %
<b>Corporate Loans</b>	40-60%
<b>Commercial Real Estate Loans</b>	10-30%
<b>Asset Backed Finance</b>	20-40%
<b>Public Credit Assets</b>	0-25%
<b>Cash</b>	0-10%

#### A) UNDERLYING INVESTMENTS OF THE ISSUER

The underlying investments of the Issuer (whether held directly or through the CIMC Trust) shall comprise the following:

- Loans issued by corporate obligors, including Corporate Loans and Commercial Real Estate Loans;
- Bonds issued by financial and corporate obligors;
- Asset Backed Finance including residential mortgage-backed securities, asset-backed securities, collateralised loan obligations and whole loan portfolios of mortgages, loans or leases;
- Hybrid debt instruments issued by financial and corporate obligors;
- Cash and short term securities held for liquidity purposes;
- Derivatives such as interest rate swaps, interest rate futures, cross currency swaps and Credit Default Swaps;

- Holdings in unit trusts which comply with the Investment Strategy of the Issuer; and
- Equity like exposures obtained through a restructure of an existing exposure.

Derivatives will be primarily used by the Manager to hedge all exposures to a floating rate, Australian dollar denominated benchmark, thus limiting interest rate and currency risk.

Use of Credit Default Swaps is expected to be minimal but shall be used for the purpose of enhancing overall returns where synthetic exposure is more efficient than physical exposure. Credit Default Swaps will not be used to leverage the portfolio with the principal at risk to be held in cash or highly liquid short-term securities.

The Issuer will not purchase equity or equity-like investments, but may hold such exposures when obtained through a restructure of an existing investment.

#### B) CHANGES TO THE INVESTMENT STRATEGY

The Manager will seek to implement the Investment Strategy as detailed in this Prospectus and does not expect to seek to change the Investment Strategy. However, any such changes would require the Issuer's approval, after consultation with the Manager, before they could be implemented.

#### C) LEVERAGE

Financial leverage increases the Issuer's exposure to an asset by applying borrowed funds in addition to the Noteholder's capital when making an investment and has the effect of enhancing returns while also increasing risk.

The Issuer is not permitted to incur any financial leverage other than Short-Term Financial Indebtedness only in the ordinary course of its investment activities, and Secured Financial Indebtedness on a short term basis for the purpose of efficiently scaling up portfolios ahead of future new note issuances, with the aim of reducing the overall deployment timeframe. The Issuer intends to incur such Secured Financial Indebtedness only for the purpose of efficiently scaling up portfolios on a temporary basis. The Issuer is required to ensure that:

- a. at the time that the security interest is granted, the aggregate principal amount of all Secured Financial Indebtedness secured by such security interests must not exceed 25% of the Gross Asset Value of the Issuer; and
- b. the interest rate of such Secured Financial Indebtedness will not exceed the lowest interest rate applicable in relation to the Notes (and any Series),

as further described in Section 2.5.

<sup>21</sup> Asset Allocation Ranges are provided as a guide to how the portfolio is expected to be invested through time. Dependent on market conditions and other factors such as liquidity needs or underlying portfolio performance the actual asset allocations may vary from these ranges.

### 4.3 Investment Strategy Restrictions

As outlined in Section 4.1, the Issuer will enter into an Investment Management Agreement with the Manager which will specify certain investment restrictions. These restrictions shall apply on a look-through basis at the Issuer level, regardless as to whether the investments are held directly by the Issuer or via a trust.

**Figure 4.3: Summary of Investment Restrictions for the Investment Strategy**

Summary of key investment restrictions	
<b>Maximum individual issuer exposure</b>	5%
<b>Maximum non-AUD/NZD denominated investments</b>	25% to G10 currencies only
<b>Maximum industry<sup>22</sup> exposure</b>	<ul style="list-style-type: none"> <li>• 25% to top-ranked industry by exposure</li> <li>• 20% to second-ranked industry by exposure</li> <li>• 15% all others</li> </ul>
<b>Minimum Internal Rating<sup>23</sup> at purchase</b>	B-
<b>Maximum/minimum interest rate duration</b>	+1/-1 year
<b>Excluded sectors</b>	No residential construction lending
<b>Leverage</b>	Permitted for hedging purposes, subject to the Permitted Financial Indebtedness limits
<b>Maximum exposure to issuers domiciled outside of Australia or New Zealand</b>	20%

### 4.4 Indicative initial investment portfolio of the Issuer

Originating a diversified portfolio of private credit exposures can take an extended period of time. In order to efficiently build up a diversified portfolio from the date of issuance of the Notes, the Manager will source and construct the Initial Portfolio, which the Issuer will acquire immediately following issuance of the Notes, to minimise the risk of the Issuer having Insufficient Income on the first Interest Payment Date. The Initial Portfolio will comprise of between \$215 million and \$380 million (depending on the amount raised under the Offer<sup>24</sup>) of investments which comply with the investment restrictions above.

The assets within the Initial Portfolio are expected to be a mix of:

- units in the Challenger IM Multi-Sector Private Lending Fund;
- Corporate Loans, Commercial Real Estate Loans, Asset Backed Finance, Public Credit Assets; and
- cash,

in each case, held through the Challenger IM Capital Wholesale Trust 1, in which the Issuer will hold units upon completion of the Offer or soon thereafter.

The Initial Portfolio will contain assets purchased from a related party of the Issuer and be undertaken on arms-length terms and transacted at fair market value, in accordance with Challenger Group's unit pricing and securities pricing policies described in Section 3.4(d) and Challenger Group's Related Party Transaction Policy.

The remaining proceeds raised under the Offer are intended to be invested in accordance with the Investment Strategy set out in this Prospectus.

As private loans are generally prepayable at any time (meaning the principal amount can be repaid at any time by the borrower), the Initial Portfolio may change prior to issuance and there is no guarantee that the portfolio will comprise the same underlying exposures as are expected to be held as at the date of this Prospectus.

22 Industry exposures and rankings are based on Global Industry Classification Standard (GICS) sub-Industry codes. GICS is a hierarchical system developed by MSCI and S&P Dow Jones Indices to categorise companies based on their primary business activities.

23 Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

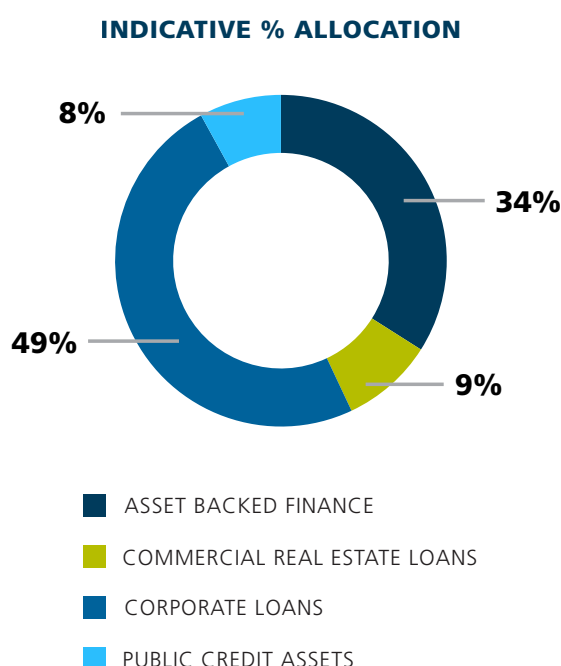
24 The size of the Initial Portfolio is intended to exceed the size of the amount raised under the Offer, reflecting the First Loss Buffer provided by the injection of capital by the Equity Investor Shares and the Junior Notes.

The indicative portfolio composition and indicative credit quality are outlined below.

**Figure 4.4(a)<sup>25</sup>**

Indicative Portfolio (including assets held through MSPL)	
Weighted average credit spread <sup>26</sup>	4.5% per annum
Weighted average credit duration <sup>27</sup>	1.9 years
% Senior ranking	62%
% AUD	89%

**Figure 4.4(b) Indicative Asset Allocation**



**Figure 4.4(c)**

Credit rating <sup>28</sup>	Indicative distribution
AAA	1%
AA	4%
A	13%
BBB	22%
BB	34%
B	25%
<B	<1%

The above indicative portfolio composition and indicative credit quality are indicative only (for the initial period after the initial deployment phase) and the Issuer may hold assets outside the above ranges or parameters.

## 4.5 Manager Track Record

The Manager expects to implement the Investment Strategy (as described in Section 4) by investing in CIM Managed Funds as well as direct assets in accordance with the Investment Strategy. The indicative initial investment portfolio is set out in Section 4.4. The weighting of the portfolio across the different investment types set out in Section 4.2.2 will vary from time to time and will take into account the target ranges and parameters set out in Section 4.2.

After the initial deployment phase (expected to be approximately 1 to 3 months) and assuming a \$350 million note issuance, the portfolio of the Issuer (held through the CIMC Trust) may indicatively reflect a blended exposure of 25% of the Issuer's capital invested into MSPL, 65% in Corporate Loans, Commercial Real Estate Loans and Asset Backed Finance and 10% in Public Credit Assets.

The Manager has significant levels of experience in managing similar strategies in the past both via separately managed accounts and commingled funds, including MSPL and Challenger IM Credit Income Fund, which for simplicity are referred to below as the **Reference Funds**. Further information in relation to these Reference Funds is set out in Section 4.6.

<sup>25</sup> Indicative portfolio as at 6 August 2025 which reflects the Manager's expectation of how the portfolio will be invested at the Issue Date. In this Section, references to percentages are calculated based on each asset's value relative to total asset value.

<sup>26</sup> Credit spread is the difference in yields between two debt securities of the same maturity but where one has no credit risk.

<sup>27</sup> Credit duration is the sensitivity of the price of a debt security to a change in the credit spread of that security. For example, for a debt security with a two year credit duration, a 1% increase in the credit spread of that security will result in a 2% reduction in price.

<sup>28</sup> Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

**The past returns achieved by those Reference Funds are used below for information purposes only. Investors should note that the actual investment of capital by the Issuer (and the amount invested in individual CIM Managed Funds and direct asset investments) will be determined by the Manager and will not necessarily reflect the underlying portfolio of any of the individual strategies listed below.**

The Manager expects that the Issuer will be able to pay Interest Payments to Noteholders (Refer to Section 2.2) from cashflow generated from the portfolio of assets. The obligation of the Issuer to meet the Interest Payments and repay the Face Value of the Notes is further supported by the funds provided by the Equity Investor Shares and Junior Notes as described in Section 2.5. Such additional funds will assist in generating returns in support of the Issuer's obligations in relation to the Notes.

**Figure 4.5: Reference Funds Historical Performance**

Net Returns to 30 June 2025 or End Date	Challenger IM Credit Income Fund <sup>29</sup>	Challenger IM Multi-Sector Private Lending Fund <sup>30</sup>	Institutional Mandate Portfolio 1	Institutional Mandate Portfolio 2	Institutional Mandate Portfolio 3
<b>Net Return over Benchmark<sup>31</sup> since Inception<sup>32</sup></b>	2.85% p.a.	4.61% p.a.	4.95%	5.69%	6.95%
<b>Underlying strategies</b>	Corporate Loans Asset Backed Finance Commercial Real Estate Loans Public Credit	Corporate Loans Asset Backed Finance Commercial Real Estate Loans Public Credit	Corporate Loans Commercial Real Estate Loans	Corporate Loans Commercial Real Estate Loans	Corporate Loans Asset Backed Finance Commercial Real Estate Loans
<b>Risk Profile</b>	Investment Grade	Sub-Investment Grade	Sub-Investment Grade	Sub-Investment Grade	Sub-Investment Grade
<b>Inception Date</b>	03-Oct-2017	03-Feb-2020	19-May-2010	21-Jun-2013	26-Oct-2017
<b>End Date</b>	Ongoing	Ongoing	31-Dec-2021	Ongoing	31-Aug-2022

*As the Issuer is a recently established company, there is no past performance information in relation to the Issuer. The above past performance information is provided for general reference purposes only.*

*The 'Net Return over Benchmark' figures show the actual excess return achieved by each Reference Fund over the Benchmark of the Reference Fund, net of the estimated fees and costs of the Issuer as if they were incurred by the Reference Fund.*

**Past performance is not a reliable indicator of future performance and the portfolio characteristics are subject to change.**

*Investors should review the key risks summary set out in Section 7. There is a risk that the Manager may not be able to deliver sufficient returns to fund the Interest Payments and repayment of the Face Value of the Notes.*

<sup>29</sup> Class I has been used which represents the class with the longest time horizon.

<sup>30</sup> Class I has been used which represents the class with the longest time horizon.

<sup>31</sup> The benchmark is the Bloomberg AusBond Bank Bill Index.

<sup>32</sup> The net return is based on a total management fee and estimated costs of 0.65%.

## 4.6 CIM Managed Funds and the CIMC Trust

As set out in Section 4.1, as Manager of the Issuer's portfolio of assets, the Manager will invest all proceeds of the Offer in indirect and direct assets held by the CIMC Trust. Where the Manager invests in indirect assets, these will be a range of managed funds managed by the Manager (**CIM Managed Funds**). As part of the Initial Portfolio, the Manager will invest in MSPL but may also invest in other CIM Managed Funds. The CIM Managed Funds that the Manager may invest in include, but are not limited to:

- Challenger IM Multi Sector Private Lending Fund; and
- Challenger IM Credit Income Fund

### Challenger IM Multi Sector Private Lending Fund (MSPL)

Launched in 2020, as a registered managed investment scheme ARSN 620 882 019, MSPL is a floating rate multi-sector credit strategy focused on private lending opportunities primarily in Australia and New Zealand. MSPL's investment universe may include but is not limited to, corporate bonds, corporate loans, loans backed by commercial real estate, asset backed securities, cash investments and derivatives (for hedging purposes only). MSPL also invests in non-Australian dollar denominated securities with a maximum non-Australian dollar limit of 25%.

MSPL provides Wholesale Investors with a diversified exposure to Australian and New Zealand private lending markets diversified by geography, sector, issuer and deal structure.

Figure 4.6(a)

Summary of Key Information	Challenger IM Multi-Sector Private Lending Fund
<b>Responsible Entity</b>	Fidante Partners Limited
<b>Investment Manager</b>	CIM
<b>Inception Date</b>	February, 2020
<b>Fund Size</b>	\$1.2 billion as at 30 June 2025
<b>Target Return</b>	Bloomberg AusBond Bank bill Index +5% <sup>33</sup>
<b>Investor type</b>	Wholesale and sophisticated investors only
<b>Structure</b>	Registered wholesale managed investment scheme in the form of a unit trust
<b>Minimum investment</b>	\$100,000
<b>Distribution Frequency</b>	Quarterly
<b>Applications</b>	Monthly
<b>Redemptions</b>	Quarterly with a 90 day notice period and on a best-endeavours basis
<b>Current Buy/Sell Spread</b>	+0.5%/-0.0%
<b>Leverage</b>	Not allowed. MSPL will not borrow to invest.
<b>Investments in Challenger affiliates</b>	None
<b>Fees</b>	All management fees to be paid to the Manager by MSPL relating to the Issuer's investment will be rebated to the Issuer by the Manager

33 This is general information only in relation to this fund and not the return that Noteholders will achieve.



Summary of Key Information	Challenger IM Multi-Sector Private Lending Fund	
<b>Key Guidelines</b>	Maximum interest rate duration	1 year
	Minimum Internal Rating <sup>34</sup> at purchase	B-
	Maximum exposure to non-Australian or New Zealand Borrowers	25%
	Maximum exposure to non-AUD/NZD investments	25%, G10 Currencies only
	Unhedged Non-AUD exposure	+/-2%
	Top-ranking industry <sup>35</sup> exposure	25%
	Second-ranking industry exposure	20%
	All other industry exposure	15%
	Maximum exposure to single issuer	7.5%
<b>Current Portfolio</b>	Number of Issuers	110
	Running Yield	7.6%
	Modified Interest Rate Duration	0.1 years
	Credit Spread Duration	2.2 years
	Exposure to non-Australian or New Zealand borrowers	6.8%
	Exposure to non-AUD/NZD investment	10%
	Top-ranked industry exposure	9% (Diversified Banks)
	Second-ranked industry exposure	6% (Multi-Family Residential REITS)

#### Challenger IM Credit Income Fund (CIF)

Launched in 2017 (Class I), as a registered managed investment scheme ARSN 620 882 055, CIF is a floating rate, multi-sector credit strategy investing across high quality, predominantly Investment Grade opportunities. CIF aims to provide clients with capital stability and income on a regular basis accompanied by lower levels of volatility than traditional fixed income strategies.

The investment universe may include, but is not limited to, corporate bonds, mortgage-backed securities, asset backed securities, secured loans, unsecured loans, fixed and floating rate securities, convertible securities, cash investments, and derivatives. CIF also invests in non-Australian dollar denominated securities with a maximum non-Australian dollar limit of 35%. CIF's total exposure to private debt is also limited to 50% of CIF's net asset value.

**Figure 4.6(b)**

Summary of Key Information	Challenger IM Credit Income Fund
<b>Responsible Entity</b>	Fidante Partners Limited
<b>Investment Manager</b>	CIM
<b>Inception Date</b>	October 2017
<b>Strategy Size</b>	\$0.9 billion as at 30 June 2025
<b>Target Return</b>	Bloomberg AusBond Bank bill Index +3% <sup>36</sup>
<b>Investor type</b>	Retail
<b>Structure</b>	Registered managed investment scheme in the form of a unit trust
<b>Minimum investment</b>	\$10,000

34 Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

35 Industry exposures are based on Global Industry Classification Standard (GICS) Sub-Industry codes.

36 This is general information only in relation to this fund and not the return that Noteholders will achieve.



Summary of Key Information		Challenger IM Credit Income Fund
<b>Distribution Frequency</b>	Quarterly	
<b>Applications</b>	Monthly	
<b>Redemptions</b>	Monthly noting a 10% fund level withdrawal gate and the ability to delay withdrawals in certain circumstances	
<b>Current Buy/Sell Spread</b>	+0.18%/-0.18%	
<b>Leverage</b>	Not allowed. CIF will not borrow to invest.	
<b>Investments in Challenger affiliates</b>	None	
<b>Fees</b>	All management fees to be paid to the Manager by CIF relating to the Issuer's investment will be rebated to the Issuer by the Manager	
<b>Key Guidelines</b>	Maximum interest rate duration	1 year
	Minimum rating <sup>37</sup> at purchase	BB-
	Maximum exposure to non-Australian borrowers	50%
	Maximum exposure to non-AUD investments	35%, G10 Currencies only
	Unhedged Non-AUD exposure	+/-2%
	Maximum exposure to Sub-Investment Grade borrowers	25%
	Maximum exposure to Internally Rated or Sub-Investment Grade borrowers	35%
	Minimum Default Weighted Average Rating <sup>38</sup>	BBB-
	Maximum exposure to single issuer	5%
<b>Current Portfolio</b>	Number of Issuers	126
	Running Yield	6.0%
	Modified Interest Rate Duration	0.1 years
	Credit Spread Duration	3.3 years
	Exposure to non-Australian borrowers	19.9%
	Exposure to non-AUD investments	22.9%
	Exposure to Sub-Investment Grade borrowers	18.1%
	Exposure to Internally Rated or Sub-Investment Grade borrowers	23.2%

### Challenger IM Capital Wholesale Trust 1 (CIMC Trust)

The CIMC Trust is a newly established special purpose trust that will be the holding vehicle for the Issuer. The investment strategy, guidelines and investment universe of the CIMC Trust will align with the Investment Strategy, guidelines and investment universe of the Issuer. The Issuer will be the sole unitholder in the CIMC Trust following completion of the Offer.

<sup>37</sup> Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

<sup>38</sup> Such Internal Rating is solely used as an investment criterion by the Manager. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by retail investors. See Sections 7.4(d) and 7.4(e) for further information.

## 4.7 Managing assets in consideration of the maturity of the Notes

The Manager will actively manage the Issuer's assets in consideration of the obligations and Maturity Date of the Notes.

As the Maturity Date approaches, the Manager intends to increasingly invest in assets with maturity dates that occur prior to the Maturity Date of the Notes. Alternatively, the Manager may sell down assets prior to the Maturity Date by transitioning the portfolio towards more public market short-dated exposures and away from longer dated private credit investments.

Whilst this active management is designed to ensure there is no asset and liability mismatch on Maturity Date, the Issuer and the Manager may consider the option of refinancing the Notes with a new Series issuance at or around the Target Repayment Date, limiting the requirement to materially shift the asset allocation towards public markets. Additional Series issuances will increase the size of the portfolio, further limiting this requirement. The Manager will be actively monitoring the status of the investments prior to any approaching the Maturity Date and, together with the Issuer, will ensure that any future Series issuance is planned well in advance of the Maturity Date.

## 4.8 Credit Enhancement

The First Loss Buffer has been designed to provide Noteholders with a first loss buffer in the event of investment losses.

As stated in Section 2.4.2, the Issuer's obligations under the Equity Investor Shares rank last and the Equity Investors will be the first to absorb any losses if a Winding Up Event occurs, followed by the Junior Noteholders.

As outlined in Section 3.4, the Manager has significant experience managing private credit assets through market cycles. The First Loss Buffer has been set by the Manager after factoring in scenario analysis across varying historical events (including considering historical default rates across a range of credit cycles, such as during the Global Financial Crisis).

## 4.9 Sustainability Considerations

As part of the wider Challenger Group, CIM is committed to sustainable investment and business practices. In addition to its own processes, Challenger is an active participant in multiple industry groups which promote sustainable investment practices, consideration of modern slavery risks and support diversity in funds management and investment.

**Figure 4.9 Challenger's involvement with socially responsible and sustainability focused industry groups:**



CIM follows an integrated approach to sustainable investment, underpinned by a belief that environmental, social and governance risk factors can contribute or conversely detract from credit or default risk.

CIM does not engage in categorical screening of all companies or borrowers based on ESG factors alone. Whilst CIM incorporates certain information or insights relating to ESG factors as part of its investment process it is not bound by these considerations. The Notes are therefore not suited to investors who wish to screen out particular types of investee companies or investments, or who are looking for funds or investments, that meet specific goals relating to ESG factors.

## 5. Financial information

### 5.1 Introduction

The Issuer is a recently incorporated unlisted Australian public company, which was registered with ASIC on 4 June 2025. The Issuer was established in connection with the Offer and has not undertaken any business to date. Refer to Section 3 for further information.

The pro forma historical statements of financial position of the Issuer set out below (the **Pro Forma Historical Financial Information**) (see Section 5.2) have been prepared to illustrate the effects of the Offer and comprise:

- the pro forma historical statement of financial position as at 11 August 2025 based on the Offer raising the Minimum Amount of \$200 million; and
- the pro forma historical statement of financial position as at 11 August 2025 based on the Offer raising the Maximum Amount of \$350 million.

This section also includes:

- material assumptions used in the preparation of the Pro Forma Historical Financial Information (pro forma adjustments) (see Section 5.3);
- capital structure of the Issuer on completion of the Offer (see Section 5.4);
- utilisation of cash of the Issuer (see Section 5.5); and
- material accounting policies of the Issuer (see Section 5.6).

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards (AAS), except that it includes adjustments, prepared in a manner consistent with AAS, which reflect the impact of certain transactions as if they occurred as at 11 August 2025. Note that the Pro Forma Historical Financial Information is presented in an abbreviated form which does not include all the disclosures, statements and comparative information as required by AAS that would be applicable to annual financial reports prepared in accordance with the Corporations Act. All amounts disclosed in this section are presented in Australian dollars.

The Pro Forma Historical Financial Information has been reviewed by Ernst & Young in accordance with the 'Australian Standard on Assurance Engagements ASAE 3450: Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' (as stated in its Independent Limited Assurance Report set out in Section 6). Noteholders should note the scope and limitations of the Independent Limited Assurance Report.

The information in this section should also be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

## 5.2 Pro-Forma Historical Financial Information

The Pro-Forma Historical Financial Information set out in this section is unaudited and has been prepared to illustrate the financial position of the Issuer following the completion of the Offer, as if such events had occurred as at 11 August 2025.

Pro forma historical statements of financial position		Minimum Amount of \$200 million		Maximum Amount of \$350 million	
\$'million	Pro-forma at 11 August 2025	Total adjustments <sup>1</sup>	Pro forma as at 11 August 2025	Total adjustments <sup>2</sup>	Pro forma as at 11 August 2025
<b>Assets</b>					
Cash and cash equivalents	-	218.0	218.0	381.1	381.1
Other assets	-	0.5	0.5	0.9	0.9
<b>Total assets of shareholders of Challenger IM Capital Limited</b>	<b>-</b>	<b>218.5</b>	<b>218.5</b>	<b>382.0</b>	<b>382.0</b>
<b>Liabilities</b>					
Interest bearing financial liabilities - Junior Notes	-	13.0	13.0	22.8	22.8
Interest bearing financial liabilities - Challenger IM LiFTS 1 Notes net of capitalised Offer Expenses	-	194.6	194.6	341.2	341.2
<i>Interest bearing financial liabilities - Challenger IM LiFTS 1 Notes</i>	<i>-</i>	<i>200.0</i>	<i>200.0</i>	<i>350.0</i>	<i>550.0</i>
<i>Capitalised Offer Expenses</i>	<i>-</i>	<i>(5.4)</i>	<i>(5.4)</i>	<i>(8.8)</i>	<i>(14.2)</i>
<b>Total liabilities of shareholders of Challenger IM Capital Limited</b>	<b>-</b>	<b>207.6</b>	<b>207.6</b>	<b>364.0</b>	<b>364.0</b>
<b>Net assets of shareholders of Challenger IM Capital Limited</b>	<b>-</b>	<b>10.9</b>	<b>10.9</b>	<b>18.0</b>	<b>18.0</b>
<b>Equity</b>					
Contributed equity	-	10.9	10.9	18.0	18.0
Reserves	-	-	-	-	-
Retained earnings	-	-	-	-	-
<b>Total equity of shareholders of Challenger IM Capital Limited</b>	<b>-</b>	<b>10.9</b>	<b>10.9</b>	<b>18.0</b>	<b>18.0</b>

Notes:

1. These adjustments assume:

- Equity injection in the form of the Equity Investor Shares of \$10.9 million;
- Offer proceeds of \$200.0 million, less \$5.4 million (excluding GST) in estimated Offer Expenses (to be amortised over a 6-year period);
- Issue of \$13.0 million of Junior Notes as required to maintain the First Loss Buffer as set out in Section 1.4.5; and
- Other assets include refunded GST amounts that the Issuer is entitled to receive in relation to the Offer Expenses.

2. These adjustments assume

- Equity injection in the form of the Equity Investor Shares of \$18.0 million;
- Offer proceeds of \$350.0 million, less \$8.8 million in estimated Offer Expenses (excluding GST) (to be amortised over a 6-year period);
- Issue of \$22.8 million of Junior Notes as required to maintain the First Loss Buffer as set out in Section 1.4.5; and
- Other assets include refunded GST amounts that the Issuer is entitled to receive in relation to the Offer Expenses.

### 5.3 Material assumptions in the preparation of the Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared on the basis of the following assumptions by the Manager:

- application of the significant accounting policies set out in Section 5.6;
- the column headed 'Minimum Amount' has been prepared on the basis of subscriptions for 2.0 million Notes by Applicants under this Prospectus at the Issue Price of \$100.00 per Note, raising total subscription proceeds of \$200 million;
- the column headed 'Maximum Amount' has been prepared on the basis of subscriptions of 3.5 million Notes by Applicants under this Prospectus at the Issue Price of \$100.00 per Note, raising total subscription proceeds of \$350 million; and
- the initial expenses and costs to establish the Offer (as described in Section 11.3(b)) are to be paid by the Issuer and amortised over the life of the Notes.

### 5.4 Capital structure

The Issuer has undertaken to procure that the Equity Investor will invest capital in the Issuer as set out in Section 4.

Prior to completion of the Offer, the Issuer will issue at least 10 million fully paid unlisted ordinary class shares in the Issuer (at an issue price of \$1.00 per share) to the Equity Investor.

The following table sets out the capital structure of the Issuer following completion of the Offer.

	Minimum Amount of \$200 million	Maximum Amount of \$350 million
<b>Number of shares (million)</b>	10.9	18.0
<b>Issue price per share (\$)</b>	1	1
<b>Contributed equity (\$'million)</b>	10.9	18.0

### 5.5 Utilisation of cash

Set out below is a reconciliation of the utilisation of the pro forma cash balance under the different indicated subscription amounts, including the acquisition of financial assets as outlined in Section 4.5.

\$'million	Minimum Amount of \$200 million	Maximum Amount of \$350 million
<b>Cash and cash equivalent prior to Issue</b>	-	-
<b>Proceeds from issue of Notes</b>	200.0	350.0
<b>Proceeds from issue of Junior Notes</b>	13.0	22.8
<b>Proceeds from equity issue</b>	10.9	18.0
<b>Acquisition of financial assets</b>	(215.0)	(380.0)
<b>Payment of Offer Expenses (including GST)</b>	(6.5)	(10.4)
<b>Estimated net cash position after issue and acquisition of financial assets</b>	<b>2.4</b>	<b>0.4</b>

Financial assets of between \$215 million and \$380 million will be acquired in the Initial Portfolio as outlined in Section 4.4.

### 5.6 Material Accounting Policies

A summary of material accounting policies that have been adopted in the preparation of the Pro Forma Historical Financial Information set out in Section 5.2, and which will be adopted prospectively in preparation of the financial statements of the Issuer for the financial year ending 30 June each year, is set out as follows.

#### Basis of preparation

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS and interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act, except that it includes adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions as if they occurred as at 11 August 2025.

AAS sets out an accounting framework that the AASB have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply.

The financial information presented in this Prospectus is presented in an abbreviated form and does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with AAS. The Pro

Forma Historical Financial Information has been prepared on the basis of the assumptions outlined in Section 5.3.

### **Functional and presentation currency**

The Pro Forma Historical Financial Information is presented in Australian dollars, which is the Issuer's functional currency.

### **Use of estimates and judgements**

The preparation of the Pro Forma Historical Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **A) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **B) FINANCIAL INSTRUMENTS**

### **i) Financial assets**

#### *Classification*

The Issuer classifies its financial assets as measured at fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### *Financial assets measured at fair value through profit or loss*

A financial asset is measured at fair value through profit or loss if:

- its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or
- it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

#### *Initial recognition and measurement*

Financial assets held at fair value through profit or loss are recorded in the statement of financial position at fair value at initial recognition. Financial assets are recognised when the Issuer becomes a party to the contractual provisions of the instrument. All transaction costs for such instruments are recognised directly in profit or loss.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Issuer commits to purchase or sell the asset.

#### *Subsequent measurement*

After initial measurement, the Issuer measures financial assets classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in profit and loss.

#### *Fair value measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Issuer.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted cash flow analysis and option pricing models, making as much use of available and supportable market data as possible).

#### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Issuer has transferred substantially all the risks and rewards of ownership.

### **ii) Financial liabilities**

#### *Classification*

Financial liabilities of the Issuer are classified as measured at amortised cost.

#### *Initial recognition and measurement*

Financial liabilities are measured initially at their fair value less any directly attributable transaction costs.

### *Subsequent measurement*

Financial liabilities classified at amortised cost are subsequently measured using the effective interest method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

### *Derecognition*

Financial liabilities are derecognised when the obligations under the liabilities are discharged, cancelled or expired.

## **C) CONTRIBUTED EQUITY**

Ordinary shares are classified as equity. Issued capital in respect of ordinary shares is recognised as the fair value of the consideration received by the Issuer. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. There is no limit on authorised capital.



## 6. Independent Limited Assurance Report



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The Board of Directors  
Challenger IM Capital Limited  
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SYDNEY NSW 2000

11 August 2025

### **Part 1 – Independent Limited Assurance Report On Pro Forma Historical Financial Information**

Dear Directors

#### **1. Introduction**

We have been engaged by Challenger IM Capital Limited (the “Company”) to report on the pro forma historical financial information of the Company for inclusion in the Prospectus dated on or about 11 August 2025 (“Prospectus”) and issued by the Company, in respect of the issue of up to 3,500,000 unsecured deferrable redeemable floating rate notes to raise up to \$350 million (the “Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

#### **2. Scope**

##### ***Pro Forma Historical Financial Information***

You have requested Ernst & Young to review the following pro forma historical financial information of the Company:

- the pro forma historical statement of financial position as at 11 August 2025 based on the Offer raising the minimum amount of \$200 million as set out in Section 5.2 of the Prospectus; and
- the pro forma historical statement of financial position as at 11 August 2025 based on the Offer raising the maximum amount of \$350 million as set out in Section 5.2 of the Prospectus.

(Hereafter the “Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the unaudited balance sheet of the Company, and adjusted for the effects of pro forma adjustments described in Section 5.2 of the Prospectus.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards

(AAS), except that it includes adjustments, prepared in a manner consistent with AAS, which reflect the impact of certain transactions as if they occurred as at 11 August 2025.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or cash flows.

The Pro forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

### **3. Directors' Responsibility**

The directors of the Company (the "Directors") are responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

### **4. Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

### **5. Conclusions**

#### ***Pro Forma Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company comprising:

- the pro forma historical statement of financial position as at 11 August 2025 based on the Offer raising the minimum amount of \$200 million as set out in Section 5.2 of the Prospectus; and
- the pro forma historical statement of financial position as at 11 August 2025 based on the Offer raising the maximum amount of \$350 million as set out in Section 5.2 of the Prospectus,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.1 of the Prospectus.

#### **6. Restriction on Use**

Without modifying our conclusions, we draw attention to Section 5 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

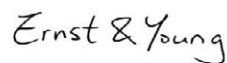
#### **7. Consent**

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

#### **8. Independence or Disclosure of Interest**

Ernst & Young (ABN 75 288 172 749) is not operating under an Australian financial services license when giving financial product advice provided as a result of this report in the Prospectus. Ernst & Young does not have any interests in the outcome of the Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

## 7. Risk factors

### 7.1 Introduction

This section describes some of the risks associated with an investment in the Notes and in the Issuer. The risks described are based on a consideration of a combination of the probability of the risk occurring and the impact of the risk if it did occur.

There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of the Issuer and the value of the Notes. Some of these risks may be mitigated by the Issuer and/or Manager's policies, internal controls and processes, but many are outside their control.

Investors should consider the risks factors described below. These risks have been separated into:

- Risks associated with Notes - specific risks relating to investing in the Notes described in Section 7.2;
- Risks related to the market for quoted notes generally - general risks relating to an investment in quoted Notes described in Section 7.3; and
- Risks associated with the Issuer and its Investment Strategy - specific risks relating to the Issuer, its Investment Strategy and the industry described in Section 7.4.

This section is not an exhaustive list of risks and it does not list every risk that may be associated with the Issuer or an investment in Notes now or in the future. The risks in this section are not listed in order of likelihood of occurrence or impact. There is no guarantee or assurance that the risks will not change or that other risks or matters that may adversely affect the performance of the Issuer, the sectors in which it operates or the value of the Notes, will not emerge.

This section should be considered in conjunction with the other information disclosed in this Prospectus. Before applying for Notes, investors should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Notes and should consider whether the Notes are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the Notes, it is recommended that you seek professional guidance from your financial or other licensed professional adviser before deciding whether to invest.

### 7.2 Risks associated with Notes

#### A) THE NOTES ARE NOT GUARANTEED BY CHALLENGER

**The Notes are not guaranteed by Challenger Investment Partners Limited or any other member of the Challenger Group or any other person**

The Notes are:

- unsecured and do not have the benefit of security granted by the Issuer or any other member of the Challenger Group;
- not policy liabilities of Challenger, Challenger Life Company Limited (CLC) or any other member of the Challenger Group;

- not investments in any superannuation or other fund managed by a member of the Challenger Group; and
- not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

The investment performance of the Notes, the payment of interest on the Notes, and the return of any capital invested in the Notes, are not guaranteed by any member of the Challenger Group or any other person.

#### B) RISK RELATED TO SHORTFALL ON THE OCCURRENCE OF A WINDING UP EVENT

The Notes are unsecured debt obligations of the Issuer. There is a risk that if the Issuer is wound up, there may be a shortfall of funds to pay all financial obligations that rank equally with the Notes, as the Issuer will be required to apply funds first in payment of all financial obligations that have preference over the Notes, including financial obligations with Legal Preference and the Secured Financial Indebtedness. If there is such a shortfall, this would result in Noteholders not receiving payment of the Redemption Amount in full or at all.

This may be exacerbated by the Issuer issuing future Series that rank equally with the Notes, as this would increase the quantum of debt incurred by the Issuer and the number of creditors of the Issuer that may share in the funds available on the occurrence of a Winding Up Event. The ability of the Issuer to issue subordinated debt in the form of Junior Notes, together with the Equity Investor Shares (refer Section 1) is intended to provide a First Loss Buffer for the benefit of the Noteholders, as the Notes will have priority over the Junior Notes and the Equity Investor Shares.

The Issuer will be able to incur Financial Indebtedness, including incurring Secured Financial Indebtedness up to 25% of the Gross Asset Value of the Issuer, provided that the interest rate of such Secured Financial Indebtedness does not exceed the lowest interest rate applicable in relation to the Notes (and any Series). As described in Section 2.5, such Secured Financial Indebtedness will rank ahead of the Notes if there is a shortfall in income or capital following the realisation of the portfolio assets, including upon the occurrence of a Winding Up Event.

#### C) RISK RELATED TO CHANGES IN INTEREST RATE

The Interest Rate is a floating rate that is calculated for each Interest Period by reference to BBSW (1 Month) (which is a benchmark floating interest rate for the Australian money market) plus the Margin (which is fixed). BBSW (1 Month) is influenced by a number of factors and will fluctuate over time and therefore the Interest Rate will also fluctuate over time. In addition, the methodology used to calculate BBSW (1 Month) may change over time. Over the term of the Notes, the actual interest rate will go up or down as a result of movements in BBSW (1 Month) and may be lower or higher than the initial Interest Rate on the Issue Date.

If the Interest Rate decreases, there is a risk that the return on the Notes may become less attractive compared to returns on other investments, including investments that carry fixed interest rates. The Issuer and the Manager do not guarantee any particular rate of return on Notes. That may also adversely affect the sale price of Notes as quoted on the ASX.

The interest rate on notes with adjustable rates can become negative. In some offshore money markets in recent times, certain benchmark floating interest rates have been negative for periods of time. If BBSW (1 Month) drops below zero, the Interest payable on the Notes will be less than the Margin and in some cases could become zero or negative.

If the Interest Rate becomes zero or negative, no Interest will be payable by the Issuer on the Notes and Noteholders will not be required to pay the Issuer.

#### **D) RISK RELATED TO REDEMPTION OF THE NOTES BY THE ISSUER**

The Issuer has a right to redeem all or some of the Notes on any Interest Payment Date, in accordance with clause 5.3 of the Base Terms. Consequently, Noteholders may be required to accept a redemption of their Notes at a time or price that they do not wish to accept and which may disadvantage Noteholders in light of market conditions or individual circumstances. If Notes are redeemed before the Maturity Date, Interest will only be paid up until the date of such redemption. This also means that the period for which Noteholders will be entitled to the benefit from the rights attaching to the Notes is unknown.

If the Issuer elects to redeem only some of the Notes, it is required under the Terms of Issue to conduct such redemption on a pro-rata basis in respect of all Notes on issue, subject to necessary and appropriate adjustments to take into account the effect on marketable parcels and other logistical considerations. If the redemption date is more than 12 months prior to the Target Repayment Date, Noteholders will receive 101% of the Face Value of their Notes (in addition to accrued but unpaid interest). The Issuer will not be required to pay any additional penalties or fees to Noteholders in connection with the redemption.

#### **E) RISK RELATED TO THERE BEING NO RIGHTS FOR NOTEHOLDERS TO REQUEST OR REQUIRE REDEMPTION**

Other than in the case of a Change of Control Event, Noteholders have no right to request or require redemption of Notes before the Maturity Date (or until a Winding Up Event occurs and is subsisting, and other conditions are met).

Unless redeemed by the Issuer, Noteholders can only realise their investment in Notes by a sale on the ASX or a private sale or on the Maturity Date. There is a risk that the sale price on the ASX or under private sale will be less than the Issue Price or Face Value of Notes or the market value of the portfolio of the Issuer. Brokerage fees may also be payable if Notes are sold through a broker. The market price of the Notes may fluctuate due to various factors, including those described in Section 7.3(a).

#### **F) RISKS RELATING TO ACTIONS OF NOTE TRUSTEE**

Enforcement of Noteholders' rights requires the Note Trustee to take action. The Note Trustee must call a meeting in case of a Winding Up Event. However, the Note Trustee is not bound to take any action under the Note Trust Deed unless it is directed to do so by an Ordinary Resolution, a Special Resolution or any other direction given by the Noteholders in accordance with the Note Trust Deed, the Terms of Issue or Chapter 2L of the Corporations Act. The action taken by the Note Trustee and the timing of that action may not be the same as preferred by an individual Noteholder as it will reflect the views of the Note Trustee and its advisors and the decision of the relevant majority of Noteholders.

The Note Trustee's liability is limited as noted in Section 11.2 and it is indemnified for its expenses and liabilities incurred as Note Trustee.

A Noteholder has no direct right of claim against the Issuer in respect of Notes unless the Note Trustee, having become bound to proceed, fails to do so within 14 days and that failure is continuing, in which case any such Noteholder may itself institute proceedings against the Issuer for the relevant remedy to the same extent (but not further or otherwise) that the Note Trustee would have been entitled to do so. Any such proceedings must be brought in the name of the Noteholder and not the Note Trustee.

If the Note Trustee fails to comply with the Note Trust Deed and its obligations under the Corporations Act, or if the Note Trustee is removed and replaced as note trustee, this may adversely affect Noteholders' rights under the Notes.

#### **G) RISK RELATED TO THE ISSUER'S ABILITY TO PAY FACE VALUE, INTEREST OR OTHER AMOUNTS**

There is a risk that the Issuer may not pay when scheduled or default on payment of some or all of the Face Value, Interest or other amounts payable on the Notes. The Issuer may defer an Interest Payment. If the Issuer does so, a Noteholder may not receive monthly payments of income or enjoy the economic benefit of the Interest Payment that is deferred until they receive the deferred payment. This means that potentially a Noteholder may not receive regular payments and that a Noteholder may not receive the full value of the Interest Payments on its Notes if the underlying assets do not generate sufficient income.

If the Issuer does not pay the amount owing, Noteholders may lose some or all of the money invested in Notes. The remedies of the Noteholders in the event of non-payment are limited as further described in Section 11.2(d).

Where the Issuer is unable to pay an amount owing in respect of the Notes within 10 Business Days of the Maturity Date, it will constitute a Winding Up Event. Interest will cease to accrue on the Notes following the Maturity Date. This means that a Noteholder may not receive the Face Value for some time after the Maturity Date and also will not receive any interest on that Face Value after the Maturity Date, diminishing the then value of the Notes held by the Noteholder.

If Notes are not redeemed by the Target Repayment Date, the applicable Margin for the remaining term is increased by

1 percentage point per annum (Step Up Rate) until they are redeemed or until the Notes mature on the Maturity Date. There is a risk that the Issuer does not deliver sufficient income in the period after the Target Repayment Date to pay part or all of the Interest Payment due on the Notes, which would have increased due to the increased Interest Rate, in any month during that period.

#### **H) RISK RELATED TO FUTURE ISSUES OF NOTES BY THE ISSUER**

The Terms of Issue of the Notes allow the Issuer to issue further Tranches, future Series and Junior Notes (as well as debt that qualifies as Permitted Financial Indebtedness, including Secured Financial Indebtedness, as further described in Section 2.5).

The Issuer may in the future issue notes that:

- rank equally with or behind the Notes;
- have the same or different maturity dates as the Notes; and
- have the same or different terms and conditions as the Notes, including the same or different interest rates, interest periods and redemption dates.

An investment in the Notes carries no right to participate in any future Tranche or Series or to participate in the Junior Notes. No prediction can be made as to the effect, if any, that any future issue of securities by the Issuer may have on the ranking, market price or liquidity of the Notes or the likelihood of the Issuer making payments in respect of the Notes.

#### **I) RISK RELATED TO ALTERATION OF TERMS OF ISSUE**

There is a risk that either or both the Terms of Issue and the Note Trust Deed may be amended in a way that Noteholders do not agree with. Subject to the Terms of Issue, the Issuer may, without the consent of the Noteholders or the Note Trustee, alter the Terms of Issue in certain circumstances. The circumstances include where the alteration is of a formal, minor or technical nature, is made to cure any ambiguity or correct an error, is necessary to comply with applicable laws, is necessary or expedient to facilitate the listing or quotation of the Notes on the ASX or another securities exchange, or (in the reasonable opinion of the Issuer) is otherwise not, and is not likely to become, materially prejudicial to the interests of the Noteholders as a whole. See Clause 11 of the Base Terms in the Schedule for more information. In determining whether a proposed amendment is materially prejudicial to the interests of Noteholders as a whole, the Issuer does not have to take into account the taxation and regulatory capital consequences for a Noteholder (or group of Noteholders) and other special consequences or circumstances which are personal to a Noteholder.

The Issuer may also alter the Terms of Issue if the alteration has been approved by a resolution passed at a meeting of the Noteholders. Except if the Terms of Issue require a Special Resolution, such resolution may be made by way of an Ordinary Resolution of Noteholders.

Alterations under these powers are binding on all Noteholders even though a Noteholder may not agree with the alteration

or did not attend or vote at any meeting in relation to the alteration.

#### **J) RISK RELATING TO TERMS OF ISSUE BEING SUBJECT TO NEW SOUTH WALES LAW**

The terms and conditions of the Notes are based on New South Wales law in effect as at the date of this Prospectus. No assurance can be given as to the effect of any possible judicial decision or change to New South Wales or Australian law or administrative practice after the date of this Prospectus.

#### **K) TAX CONSEQUENCES**

There is a risk that the position of Noteholders may be adversely affected if a change is made in Australian tax law, or an administrative pronouncement or ruling. A general description of the Australian taxation consequences of investing in Notes is set out in Section 8. That discussion is in general terms, based on the Australian taxation law and administrative practice as at the date of the Prospectus and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their individual tax position.

If the Issuer receives an opinion of a senior tax adviser in Australia that a change in law or the application or interpretation of a law has a negative effect on the tax treatment of the Notes, this constitutes a Tax Event and the Issuer will have the option of redeeming all (but not some) of the Notes, in accordance with the Terms of Issue.

### **7.3 Risks related to the market for quoted notes generally**

#### **A) MARKET RISK**

The value of the Note may fluctuate for a variety of reasons including changes in economic conditions, market sentiment, government regulations, political events, natural disasters, climate and changes in technology. The effects on the value of the Notes will vary and cannot be predicted with certainty.

The Issuer will apply for admission to the Official List as a debt listing and for quotation of Notes on the ASX. Investors should be aware that there are a number of specific risks associated with the Notes being quoted on the ASX. In particular, the market price of Notes on the ASX may fluctuate due to matters inherent to their investment performance, but also due to various external factors, including:

- market sentiment;
- changes in Australian and international economic conditions, interest rates, credit margins, inflation rates and foreign exchange rates;
- the performance or financial position of the Issuer or the Manager;
- changes in investor perceptions and sentiment in relation to the Issuer or the sector in which it operates;



- changes in government, fiscal and monetary policy, such as product intervention by ASIC in the market for the Notes or similar securities; and
- other major Australian and international events such as hostilities and tensions, and acts of terrorism.

The Notes may trade at a market price below the Face Value and the market price may be more sensitive than that of equity to changes in interest rates, credit margins and other market prices. Should credit margins on comparable securities or investments increase, there is a risk that the return on the Notes may become less attractive, which could lead to a fall in the market price for the Notes. If Notes trade at a market price below the amount at which they were originally acquired, there is a risk that if sold before the Maturity Date, Noteholders may lose some of the money they invested.

In recent years, markets have become more volatile. Investing in volatile conditions implies a greater level of volatility risk for investors than an investment in a more stable market. Noteholders should carefully consider this volatility risk before deciding whether to make an investment in Notes.

There is no guarantee that the Notes will remain continuously quoted on ASX or will not be suspended from trading. ASX has broad powers to suspend the Notes, including because the Issuer has not complied with the ASX Listing Rules.

## **B) LIQUIDITY RISK**

There is a risk that there may be no liquid market for the Notes. The Issuer will apply for admission to the Official List as a debt listing and for Notes to be quoted on the ASX which, if approved, means that the Notes will be available for investors to trade on each Trading Day. However, the Notes will have no established trading market when issued and a trading market may never develop. Insufficient liquidity may have an adverse effect on a Noteholder's ability to sell their Notes and Notes may trade at a market price below their Face Value. The market for Notes is likely to be less liquid than the market for ordinary shares and Noteholders may be unable to sell their Notes at an acceptable price, if at all.

The ability to trade the Note on the ASX will vary depending on market conditions. It may not be possible to trade a parcel of securities without paying a premium, or selling at discount, if the transaction is urgent.

## **C) INFECTIOUS DISEASE OR PANDEMIC RISK**

The outbreak of an infectious disease in Asia, Australia, Europe, the U.S., the Middle East and/or elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, restrictions on and or closure of businesses and other changes to laws or social and business interaction, could have a negative impact on the performance of the Issuer, the Manager, the CIM Managed Funds or the companies and other entities that are issuing the debt securities into which the Issuer will be investing. They may also affect each of the risks identified in this section. There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

## **7.4 Risks associated with the Issuer and its Investment Strategy**

### **A) RISK RELATED TO LACK OF OPERATING HISTORY AND TRACK RECORD**

Although the Issuer is part of the Challenger Group, it is a recently formed company with no financial, operating or performance history and no Issuer-specific track record which could be used by an investor to make an assessment of the ability of the Issuer to successfully implement the Investment Strategy.

### **B) RISK RELATING TO RELIANCE ON THE MANAGER**

The Issuer will rely on the Manager to implement the Investment Strategy. The Manager has the right to terminate its appointment by giving the Issuer 90 days' written notice, or may in certain cases be removed as manager. In each case, this will require the Issuer to find an alternative replacement manager, and this may affect its success and profitability, including its ability to generate sufficient income from its underlying portfolio to meet Interest Payments and repay the Face Value of the Notes when due. Alternatively, the Issuer may not be able to identify a suitable replacement manager and this may adversely affect the performance of the Issuer and its ability to generate sufficient income to meet Interest Payments or repay the Face Value of the Notes when due.

There is also a risk of potential conflicts of interest of the Manager, as described in more detail in Section 3.4(d), and a risk associated with the Manager managing the CIM Managed Funds in which the Issuer will invest, as described in more detail in Section 7.4(m) and a risk associated with investing in the Initial Portfolio as described in more detail in Section 7.4(n).

### **C) RISK RELATING TO INVESTMENT STRATEGY**

The Issuer seeks to generate sufficient returns from the underlying portfolio to meet Interest Payments and repay the Face Value of the Notes when due. There is no guarantee that the portfolio will generate these returns. The underlying portfolio of investments, including the investments held by the CIM Managed Funds, are debt obligations owed by third parties and may be unsecured. They may or may not be liquid or able to be realised for their full intended value.

Adverse market conditions or portfolio management activities may prevent this objective from being achieved.

The historic performance of existing CIM Managed Funds cannot be relied on as a guide to future performance of the Issuer.

The Investment Strategy includes inherent risks. These include:

1. the Issuer's success and profitability is reliant upon the ability of the Manager to devise and maintain a portfolio that achieves the Investment Strategy and generates the return required to make the payments under the Notes;
2. the ability of the Issuer or the Manager to continue to manage the portfolio in accordance with this Prospectus, the Investment Management Agreement, the Investment



Strategy and the law which may be compromised by such events as the loss of their AFSs or their authorisations or imposition of conditions on the licences or other regulatory action; and

3. the underlying portfolio may not be as diversified as contemplated and may be substantially invested in CIM Managed Funds.

The Issuer and the Manager will have robust controls and policies in place. However, there is no guarantee the Investment Strategy will be implemented successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Issuer and ultimately its ability to pay the Noteholders.

#### **D) INVESTMENT SPECIFIC RISK**

The price of a specific investment in the underlying portfolio may be affected by market risk but also factors which are specific to that investment.

The Manager uses an investment selection process to identify investment opportunities in debt instruments from a range of issuers which it believes are most likely to perform well within the Investment Strategy. There is a risk that these investments will not perform in line with the Manager's expectations.

Investment in debt instruments has the fundamental risk that the issuer of such instruments may be unable to make interest payments or repay the capital and that the issuer of such debt instruments will default on its obligations, as described further in Section 7.4(h). Also, changes in economic and political outlook affect the value of such instruments.

As the underlying portfolio will not have an overall rating, this may make the Notes less attractive to many buyers. While certain securities in the portfolio may have ratings, these would only represent the opinions of the rating agencies, which are relative and subjective. The rating agencies may change their ratings on particular debt securities without prior notice, and downgrades in ratings may adversely affect the performance of that investment in the Issuer. Credit ratings are not intended to be an investment recommendation or used as a basis for assessing investment merit. They are limited in scope and may be changed or withdrawn at any time. Credit ratings are intended to be used by Wholesale Investors only and should not be relied on by Retail Investors when making a decision about investing in the Notes.

In addition, the Manager may apply an Internal Rating determined by the CRM Team for certain unrated loan exposures in the Issuer's portfolio. This means these credit ratings are based on the CRM Team's internal ratings methodology and do not imply any formal credit rating of the investments or the Issuer. Such Internal Ratings merely reflects the CRM Team's relative and subjective opinion on a certain degree of likelihood of the issuer of the internally rated security being able to meet its debt obligations when they fall due, or the likelihood of loss in the event of a default of the issuer of the internally rated security. See also Section 7.4(e).

While the underlying portfolio will be actively managed, the investments may be largely passive with no material opportunity for the Manager to influence the performance

of the issuers of the debt instruments. This could negatively impact the performance of the investments of the Issuer and ultimately its ability to pay the Noteholders.

#### **E) INTERNAL RATING RISK**

The Internal Ratings assigned by the CRM Team will be used as criteria for the Manager's Investment Strategy. Such Internal Ratings are based on the CRM Team's internal ratings model which merely reflects the CRM Team's relative and subjective opinion on a certain degree of likelihood of the issuer of the rated security to meet its debt obligations when they fall due, or the likelihood of loss in the event of a default of the issuer of the rated security. The CRM Team's Internal Ratings may not accurately reflect the credit risk of the security, or the Manager may fail to assign or weight an Internal Rating, which may adversely affect the performance of the Issuer and ultimately its ability to pay the Noteholders.

Furthermore, the Internal Ratings may not accurately reflect the true credit risk related to an investment and the Issuer may in fact be subject to greater credit risk than the risk based on the Internal Ratings.

The Internal Ratings are not intended to be an investment recommendation or used as a basis for assessing investment merit. They are limited in scope and may be changed or withdrawn at any time. The Internal Ratings are intended to be used by Wholesale Investors only and should not be relied on by Retail Investors when making a decision about investing in the Notes.

#### **F) INTEREST RATE RISK**

Interest rate risk is the risk of financial loss arising from adverse fluctuations in interest rates and/or unforeseen interest rate settings. The yield and value of securities within the underlying portfolio can be affected by interest rate movements. In instances where market interest rates rise, the price of certain fixed rate securities may decline. In circumstances where short-dated interest rates decline, the yield of floating rate securities will drop to reflect the floating rate nature of the yield. Longer-term interest rate expectations have the ability to impact the value of longer dated fixed rate securities held within the underlying portfolio. These scenarios could negatively impact the performance of the investments of the Issuer and ultimately its ability to pay the Noteholders.

#### **G) CREDIT SPREAD RISK**

The yield and value of securities within the underlying portfolio and also the Notes can be affected by movements in credit spreads which prevail in the market. In instances where prevailing credit spreads widen, the price of certain securities, including the Notes, may decline. Equally in circumstances where prevailing credit spreads narrow, the yield on certain floating rate securities will drop to reflect the floating rate nature of the yield. This could in certain circumstances impact the ability of the Issuer to make Interest payments on the Notes.

## **H) CREDIT AND DEFAULT RISK**

Credit and default risk is the risk that default by a counterparty will result in a financial loss to the Issuer. The Issuer is exposed to credit risk with the counterparties it deals with, including in relation to the underlying portfolio. The debt instruments held in the underlying portfolio may not perform in line with their contractual terms. Interest payments may be missed, the face value may not be fully paid on maturity, or the issuers of the instruments may become insolvent or collapse. This will adversely affect the ability of the underlying portfolio to support the timely payment of Interest Payments and full repayment of Face Value of the Note when due.

## **I) HEDGING AND DERIVATIVES RISKS**

The Manager intends to use derivatives and other hedging techniques as a risk management tool.

If the Manager elects for the Issuer to enter into hedging arrangements to protect against currency or interest rate risk, the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Issuer's earnings and funds available for payments to the Noteholders. Those losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Issuer may also be exposed to the risk that the counterparties with which the Issuer trades may cease making markets and quoting prices in such instruments, which may render the Issuer unable to enter into an offsetting transaction with respect to an open position. Although the Manager will select the counterparties with which it enters into hedging arrangements with due skill and care, a residual risk remains that the counterparty may default on its obligations.

Derivatives (including but not limited to foreign exchange forwards, currency derivatives and swaps) are highly specialised instruments that require investment techniques and risk analyses different from those associated with debt securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative transaction adds to a portfolio. There can be no guarantee or assurance that the use of derivatives will assist in managing the risk it intends to address and it may result in losses for the Issuer.

Disruptions in financial markets may affect the availability of hedging and, even if available, hedging may become more expensive or be provided on unfavourable terms. In addition, movements in interest rates may require the Issuer to post collateral to support derivative instruments, which may impact its liquidity. These factors may have a material adverse impact on the Issuer's financial performance and position and its ability to pay Noteholders.

## **J) FOREIGN EXCHANGE RISK**

Foreign exchange risk is the risk of the Issuer sustaining loss through adverse movements in exchange rates. The Issuer may invest in investments denominated in currencies other than Australian dollars and therefore, unless adequate hedging is entered into, faces exposure to foreign exchange risks.

There is a risk that the return or income generated by a particular investment is less than predicted because its denominated currency has fallen relative to the Australian dollar when the proceeds of sale or income is received. Such losses or reductions on income received in Australian dollars can affect the financial position and performance of the Issuer.

The Issuer may hedge its foreign exchange exposure through derivative instruments that are rolled periodically. Foreign exchange losses can occur when rolling these derivative instruments, and this can impact the liquidity of funds, which in turn may have a material adverse impact on the Issuer's other asset values, financial performance and position. Further, there is a risk that the hedging arrangements entered into may not perfectly offset the underlying exposures in the liability portfolio, and this may give rise to losses of the Issuer.

Foreign exchange fluctuations can also change the Issuer's effective exposure to assets and therefore change the asset allocation mix.

## **K) FOREIGN ENFORCEMENT RISK**

As the Issuer may invest in a global portfolio, there is a risk that the Issuer may face issues when needing to exercise any enforcement rights in foreign jurisdictions. Difficulty or an inability to enforce rights over investments may result in losses for the Issuer, impacting the ability to meet interest and repayment obligations on the Notes.

## **L) REGULATORY RISK AND CHANGES IN LEGISLATION**

The Issuer and the Manager operate in a highly regulated environment and they are subject to a range of industry specific and general legal and other regulatory controls (including Australian financial services licensing and anti-money laundering / counter terrorism funding requirements). Regulatory breaches may affect the Issuer's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. Various government agencies regulate the Issuer. ASIC is the primary regulator and routinely undertakes surveillance of Australian financial services licensees, and from time-to-time undertakes regulatory and enforcement action in relation to such licensees. If ASIC was to take such action against the Issuer, FPSL as the Issuer's authorised intermediary or the Manager, then this action might result in the Issuer, FPSL or the Manager's funds management business being restricted or prohibited from providing financial services, including the Manager operating its funds management business, or might lead to the imposition of additional compliance costs or reputational damage. ASIC may make a public announcement of its regulatory action.

The Challenger Group is subject to supervision and oversight by regulators which have broad administrative power over its businesses, including the business of the Manager and the Issuer.

In addition, there are a number of ongoing or proposed regulatory changes relevant to the Challenger Group. For example, the Australian government has effected, or announced, the following which may have an impact on the Challenger Group (and ultimately on the success of the Issuer and its ability to pay Noteholders):

- ASIC review of Australian capital markets, as outlined in its discussion paper titled: Australia's evolving capital markets: A discussion paper on the dynamics between public and private markets, signalling ASIC's intention to potentially reform the existing regulatory framework for public and private credit markets;
- AUSTRAC's current reform of the domestic Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) regime, including consultation on new draft AML/CTF Rules; and
- ASIC's implementation of mandatory climate-related financial disclosure requirements for large businesses and financial institutions.

In addition, as an ASX Debt Listing, part of the ASX Listing Rules will also apply to the Issuer and the Notes, and the Issuer will be required to make announcements to the ASX and will be subject to the ASX's surveillance. If the Issuer does not comply with the ongoing obligations and requirements imposed by the ASX or if the ASX changes its policies, there is the risk that the ASX may cease to approve the listing, impacting the ability of Noteholders to dispose of their Notes.

Changes in government legislation and policy in jurisdictions in which the Issuer or the Manager operate, and changes in the ASX Listing Rules, may affect the value of funds managed by them and the financial performance and/or position of the Issuer.

#### **M) POTENTIAL CONFLICT OF INTEREST OF THE MANAGER**

The Issuer may invest in CIM Managed Funds in line with the Investment Strategy of the Issuer. The Manager or other members of the Challenger Group may also act as manager of CIM Managed Funds (as well as other funds and segregated accounts on behalf of other clients) which have similar investment objectives to the Issuer. The Manager may manage these CIM Managed Funds, other funds and segregated accounts on behalf of clients which invest in the same investments as the Issuer. This may create a potential conflict of interest for the Manager.

As the Equity Investor and the Junior Noteholder may receive distributions from the Issuer, the Manager may be incentivised to maximize these distributions by recommending investments with more risk (and more potential upside) to the Issuer. This may be a potential conflict of interest for the Manager.

While the Manager has implemented policies and procedures to identify and mitigate such potential conflicts of interest, in addition to the Challenger Group having meaningful economic exposure to the Issuer, it is possible the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Issuer and ultimately the Noteholders.

The Manager has developed policies to provide reasonable assurance that investments will be allocated appropriately and fairly among its clients. Refer to Section 3.4 for further details.

Neither the Manager nor any person associated with the Offer is under any obligation to offer investment opportunities to the Issuer.

#### **N) CONFLICTS RISK RELATED TO INITIAL PORTFOLIO ACQUISITION**

At or around the time of the issue of the Notes, the Issuer intends to acquire assets for the Initial Portfolio that have been sourced from entities within the Challenger Group or affiliated funds. While these transactions are intended to be conducted on arm's length terms, a conflict of interest may arise where the Manager or its related entities stand to benefit from the sale of these assets to the Issuer.

To mitigate this risk, the Manager will undertake a valuation of such assets based on the Challenger Group's unit pricing and securities pricing methodologies and policies. These transactions will be reviewed and approved in accordance with the Challenger Group's conflicts management framework. Refer to Section 3.4 for further details of these policies and frameworks.

Nonetheless, there remains a risk that Noteholders could be exposed to underperformance or illiquidity in the Initial Portfolio due to these acquisitions.

#### **O) PORTFOLIO LIQUIDATION RISK**

The Manager may invest (on the Issuer's behalf) in illiquid securities or securities which may have limited market liquidity and may not be able to sell these when required to make payments on the Notes. Liquidity of the Issuer's portfolio of assets may be affected by market developments or other events. In such circumstances, the Issuer may not be able to liquidate positions quickly or at prices that reflect fair value in order to meet Interest Payments or repay Face Value on the Notes.

This risk is heightened during periods of market stress, credit deterioration, or if a concentration of holdings in a particular sector or issuer exists. In extreme cases, this could delay or reduce payments to Noteholders.

As mentioned above, the Notes are unsecured obligations of the Issuer and Noteholders have no recourse to Challenger Limited or other entities in the Challenger Group in the event the Issuer is unable to meet its obligations.

#### **P) INFORMATION SECURITY AND CYBER RISK**

The Issuer and the Manager rely on the infrastructure and information technology of the Challenger Group to operate their business. A severe disruption to or failure of any of the Challenger Group's information technology systems may adversely affect the operations of the Issuer and/or the Manager and their current and future business and financial performance and/or position.

The Challenger Group's information technology systems are exposed to several risks, including:

- complete or partial failure of the information technology systems;
- inadequacy of internal, partner or third-party information technology systems;
- loss of confidentiality, integrity, or availability of business data or its underlying systems
- Incapacity of the existing systems to effectively accommodate Challenger's planned growth and integrate existing and future acquisitions and alliances;
- information technology systems changes not being implemented appropriately or not working in accordance with intended operation;
- systems integration programs not being completed within the timetable, budget, or scope; and
- compromise or loss of information or technology arising from external or internal security threats, including cyber-attacks or other information security breaches.

The growing sophistication and activities of organised crime have resulted in increased information security risks for financial institutions. The Challenger Group is exposed to industry-wide cyber security threats, including (but not limited to) denial of service attacks, network intrusions and unauthorised access, social engineering, software vulnerability exploitation, malware, and insider attacks. Cyber and information security risk may arise from an array of factors including complexity within the technology environment and failure to keep technology up-to-date, a failure of the Challenger Group's systems to operate effectively, an inability to restore or recover such systems in acceptable timeframes, a breach of data security, or other forms of cyber-attack or physical attack. The continuing evolution of cyber security threats and their increasing sophistication means constant vigilance and continuing control improvements are required. The Challenger Group has information technology security systems in place to prevent, detect, respond to, and recover from cyber-attacks and has implemented measures to protect the confidentiality, integrity, and availability of its information assets; however, these systems and measures may not be successful in all circumstances.

An information security breach or external attack may also result in operational disruption, regulatory enforcement actions, financial losses or breach of privacy laws, all of which may adversely impact the Manager's ability to retain and attract customers, and thus may adversely affect the Issuer's financial performance and position.

The Challenger Group has a business continuity management plan, including disaster recovery and systems, in place to mitigate some of these risks. However, any failure in the Challenger Group's information technology systems could result in business interruption and adversely impact on the performance of the Issuer and/or the Manager.

#### **Q) PERSONNEL AND CHANGE OF CONTROL RISK**

The ability of the Manager to successfully deliver on the Investment Strategy is dependent on its continued ability to attract and retain highly skilled, qualified and experienced personnel and may also be influenced by a change of control

of the Manager. There can be no assurance that key personnel will continue to be employed by, or contracted to, the Manager or that the Manager will be able to attract and retain qualified personnel in the future.

Failure to retain or attract key personnel, and a change of control or sale of other entities in the Challenger Group, could adversely affect the Manager's business and performance, and impact on the Issuer's performance and ultimately its ability to pay the Noteholders.

#### **R) SERVICE PROVIDER RISK**

The operation of the Issuer relies on the successful performance of the contracts with service providers entered into by the Issuer, the Manager, or another Challenger Group entity (as relevant), such as State Street Australia Limited as Investment Administrator and Boardroom Pty Limited as Note Registry. The Issuer could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Issuer (or the Manager or the relevant Challenger Group entity, as relevant) would be successful in enforcing its contractual rights. In the case of a counterparty default, the Issuer may also be exposed to adverse market movements while the Issuer (or the Manager or the relevant Challenger Group entity, as relevant) sources replacement service providers. See also the specific risks associated with the Note Trustee in Section 7.2(f).

While the Challenger Group requires that all material outsourcing arrangements are structured, managed and controlled in such a manner that its market reputation, service to customers, financial performance and obligations to regulators are enhanced or preserved, there remains a risk that these arrangements might fail.

This risk extends to the suppliers of the Challenger Group's outsourced partners, referred to as "fourth parties". There is a risk that inadequate supervision of fourth parties by the Challenger Group's third parties could result in loss to the Challenger Group, and ultimately the Issuer, that may not be fully recoverable from the relevant third parties.

#### **S) TAXATION RISK**

The Issuer is subject to the taxation legislation of the various jurisdictions in which it operates. The introduction of new taxation legislation, or a significant change to existing legislation, may adversely impact the Issuer, exposing them to a taxation risk. To mitigate this risk, the Issuer relies closely on the advice of taxation specialists and on rulings from revenue authorities. The Issuer is committed to the efficient resolution of any potential disputes with revenue authorities, and to consulting with revenue authorities as to potential reforms to taxation law.



## 8. Taxation overview

### 8.1 Overview

This section provides a general overview of the Australian tax consequences associated with acquiring, holding, and disposing of the Notes. It is intended for Noteholders who treat the Notes as a capital investment. It does not cover Noteholders who manage the Notes as part of a business, hold them on revenue account, or as trading stock. Additionally, it does not address Noteholders subject to the taxation of financial arrangements (TOFA) rules under Division 230 of the Tax Act.

This section does not address Noteholders who hold the Notes in the course of carrying on a business at or through a permanent establishment outside their country of tax residency.

The specific tax implications for acquiring, holding, and disposing of the Notes will vary based on each Noteholder's circumstances. Prospective Noteholders should seek independent professional tax advice tailored to their situation and not rely solely on this summary. This summary assumes transactions are conducted as described in this Prospectus and is based on laws effective at the date of this Prospectus. Note that tax laws and interpretations may change.

### 8.2 Notes are debt for tax purposes

Since the Notes contain an 'effectively non-contingent obligation' to repay the Face Value plus any accrued but unpaid interest on the Maturity Date, the Notes should be classified as 'debt interests' for Australian tax purposes, with the returns paid on the Notes being treated as "interest" for the purpose of section 128F of the Tax Act. Consequently, interest payable on the Notes will not be considered frankable for tax purposes.

### 8.3 Australian resident Noteholders

#### A) PAYMENTS OF INTEREST

Interest payments on the Notes must be included in the assessable income of Noteholders who are Australian residents for tax purposes. The timing of the assessment of interest (e.g. on cash or accruals basis) is contingent upon the individual circumstances of the Noteholder.

Australian resident Noteholders should not be subject to interest withholding tax in respect of the interest paid on the Notes.

#### B) SALE OR REDEMPTION OF THE NOTES

The Notes held by Australian residents are expected to generally be subject to the tax laws in respect of "traditional securities". Assuming the Noteholder is not subject to the TOFA provisions under Division 230 of the Tax Act, any gain from the sale or redemption of the Notes is generally included in the assessable income of the Noteholders in the year they become entitled to the proceeds. This gain is to be quantified

as the difference between consideration for acquisition of the traditional security (including costs associated with acquiring or disposing of the security) and the consideration for disposal of the security. If included as assessable income, such gains are generally not subject to capital gains tax provisions.

Similarly, any loss from the sale or redemption of the Notes is expected to be an allowable deduction for the Noteholder, usually in the year the Noteholder becomes entitled to the proceeds. If included as an allowable deduction, the capital gains tax provisions generally do not apply to such losses.

### 8.4 Non-Australian resident Noteholders

#### A) AUSTRALIAN TAX TREATMENT OF INTEREST

The Issuer intends to issue the Notes in a manner that satisfies the exemption from non-resident interest withholding tax under section 128F of the Tax Act. If section 128F of the Tax Act is satisfied, payments of interest made to non-resident Noteholders (that are not "Offshore Associates" of the Issuer) should not be subject to interest withholding tax, or any other tax in Australia.

However, where the Issuer is required to withhold or deduct an amount as a result of a change in the law, or a change in the interpretation of the law, the Issuer will pay the Noteholder an amount that is net of the required withholding or deduction.

#### B) SALE OR REDEMPTION OF THE NOTES

Generally, if a Noteholder who is not an Australian resident for tax purposes makes a gain through the sale or redemption of their Notes, they should not be subject to Australian income tax on such gains provided that: 1) the Noteholder did not hold the Notes in the course of carrying on a business at or through a permanent establishment in Australia; and 2) the gains did not have an Australian source.

Whether a gain has an Australian source is contingent upon the individual circumstances of the Noteholder and the sale of the Notes. Generally, gains will not be regarded as having an Australian source where a non-Australian resident Noteholder sells the Notes to another non-Australian resident outside Australia, in circumstances where all negotiations are conducted, documents are executed and decisions are made outside Australia.

#### C) NON-AUSTRALIAN TAXES

Non-resident Noteholders may be subject to tax consequences in their country of tax residence.

A non-resident Noteholder may be eligible for relief from Australian income tax if that Noteholder is entitled to the benefit of a double tax agreement between Australia and the non-resident Holder's country of residency, for tax purposes.

## 8.5 Other taxes

### A) GST AND STAMP DUTY

Noteholders are generally not subject to Australian Goods and Services Tax (**GST**) or stamp duties in any Australian State or Territory concerning their acquisition, holding, sale, redemption, or receipt of interest in respect of the Notes.

### B) TFN AND/OR ABN WITHHOLDING

Noteholders are not required to quote their tax file number (**TFN**) to the Issuer when acquiring the Notes. However, the Issuer must withhold and remit an amount (**TFN Withholding Tax**) to the Australian Taxation Office (**ATO**), currently 47%, of any interest payable to a Noteholder who has not quoted their TFN, or in certain circumstances their Australian Business Number (**ABN**), or provided evidence of an exemption from TFN Withholding Tax.

The collection of TFNs is authorised under taxation and privacy legislation and facilitates the effective administration of the taxation system.

If TFN Withholding Tax is deducted, the Noteholders can generally claim a credit for the amount withheld when lodging their Australian income tax return.

These withholding tax rules should not be applicable to non-resident Noteholders if interest payments are exempt under section 128F of the Tax Act or otherwise subject to interest withholding tax.

### C) ADDITIONAL WITHHOLDINGS FROM CERTAIN PAYMENTS TO NON-RESIDENTS

The Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia other than amounts already subject to withholding tax rules (such as interest) or exempt from those rules. The Issuer will comply with any future regulations and make any deduction required by such future regulations.

### D) GARNISHEE DIRECTIONS

If the Australian Commissioner of Taxation serves the Issuer a direction requiring that they deduct from any payment to a Noteholder of the Notes any amount in respect of Australian tax payable by a Noteholder, the Issuer will comply with the direction and make any deduction required by the direction.

## 9. Corporate governance

### 9.1 Board of directors

The Board of Directors of the Issuer has a broad range of experience in investment management, financial and risk management. The Board of Directors will oversee the activities of the Manager.

The Directors of the Issuer as at the date of this Prospectus are:

- Victor Rodriguez, Chairperson, Executive Director
- Aphrodite Judin, Executive Director
- Evan Reedman, Executive Director
- Van Gencur, Executive Director

A brief biography of the Directors can be found below. The Directors may change from time to time.

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#### **VICTOR RODRIGUEZ**

##### **Chairperson, Executive Director**

Victor Rodriguez was appointed Chief Executive, Funds Management of Challenger in August 2022 following five years as Head of Fixed Income within the Challenger Investment Management business. Prior to Challenger, Mr Rodriguez held investment leadership roles at Aberdeen Asset Management in Singapore and Australia, and Credit Suisse Asset Management.

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#### **APHRODITE JUDIN**

##### **Executive Director**

Aphrodite Judin joined Challenger in 2018. Since joining, Ms Judin has held various leadership roles within Challenger, including Acting Chief Financial Officer for Life and Solutions, and Acting Head of Group Performance and Analytics. In July 2023, Aphrodite was appointed as the Chief Financial Officer for the Funds Management division of Challenger. Ms Judin has over 25 years' experience in audit, financial accounting, operational management, financial management and financial reporting with previous roles held at Multiplex Australasia, Vunani Limited and Deloitte in South Africa.

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#### **EVAN REEDMAN**

##### **Executive Director**

Evan Reedman joined Challenger in 2024 as the General Manager, Fidante Affiliates and is responsible for the commercial relationships and ongoing strategic planning with the affiliate businesses. Mr Reedman also manages the Investment Product functions at Challenger. Prior to joining, Mr Reedman was Head of Product and Marketing at Vanguard Investments Australia and a member of Vanguard's Australian Executive Team.

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#### **VAN GENCUR**

##### **Executive Director**

Van Gencur joined Challenger in May 2025 as the General Manager, Operational Risk and Compliance. He brings with him over two decades of Financial Services and Risk Management experience across APAC, UK and the US. Prior to Challenger he led the Risk team for NAB/MLC/ Insignia's Asset Management business for almost a decade. Prior to this Van held senior risk roles at Russell Investments and Lloyds Banking Group after beginning his career with financial services regulators in Australia (APRA) and the UK (FSA).

### 9.2 Board roles and responsibilities

The Board is responsible for providing oversight that the Issuer is properly managed to protect Noteholder interests and operates in an appropriate control environment.

The Board is ultimately responsible for all matters relating to the Issuer.

In summary these include:

- protection of Noteholder value;
- formulation, review and approval of the objectives and strategic direction of the Issuer;
- monitoring the financial performance of the Issuer;
- approving all material business transactions including future issuances;
- overseeing that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained as per relevant Challenger Group policies;
- review of performance and remuneration of the Manager; and
- evaluating and adopting relevant policies of the Challenger Group or its own where appropriate.

### 9.3 Corporate governance policies

Challenger Group has a sophisticated control environment as the Issuer's ultimate holding company, Challenger Limited, is a listed entity on the ASX. Challenger Group policies apply to the Issuer and the Board has the ability to adopt Issuer specific policies where appropriate.

These include:

#### **Challenger Continuous Disclosure Policy**

This policy is designed to ensure compliance with the continuous disclosure requirements under the Corporations Act and ASX Listing Rule 3.1. It is important that the Issuer's market disclosures are accurate, balanced and expressed in a clear and objective manner that allows



Noteholders to assess the impact of the information when making investment decisions.

The Issuer has established its own separate Continuous Disclosure Committee, which is responsible for:

- ensuring that full consideration is given to the appropriateness, quality and adequacy of the information that is released to the market;
- making decisions on what should be disclosed publicly under the Continuous Disclosure Policy and in accordance with legal and regulatory requirements; and
- ensuring that disclosure is made promptly and without delay.

The members of the Continuous Disclosure Committee for the Issuer will be the same as for the Challenger Group continuous disclosure committee, being the Managing Director and Chief Executive Officer, the Chief Financial Officer, the General Manager, Investor Relations and the General Counsel.

#### **Challenger Group Conflicts of Interest Policy**

The intended purpose of this policy is to provide guidance to ensure that Challenger provides financial services in a manner consistent with the interests of customers and clients whilst meeting fiduciary and regulatory obligations in managing conflicts of interest. This policy has been developed to ensure that any actual and potential conflicts of interest between Challenger companies and their customers and clients are managed effectively in a timely and consistent manner and in accordance with the regulated entities' obligations.

#### **Challenger Group Compliance policy**

The intended objective of this policy is to establish the Compliance Management System (**CMS**) adopted by Challenger to ensure corporate compliance standards are met. The CMS is a component of Challenger's commitment to maintaining a positive risk culture. It seeks to ensure that Challenger's overall strategy and the way it conducts its business is consistent with its obligations to meet relevant laws, regulatory requirements, industry codes and standards, as well as community expectations related to governance, ethics and conduct.

#### **Challenger Group Code of Conduct**

Challenger's Code of Conduct outlines expected ethical and professional behaviour for all employees, contractors, and representatives. It emphasises integrity, respect, and responsibility in all business practices. The Code covers areas like ethical conduct, fraud prevention, and creating a safe and inclusive workplace.

## **9.4 Capital Management Policy**

The Issuer intends to maintain a robust capital management framework to ensure both sustainable growth and effective management of liabilities to Noteholders. The Issuer's capital management policy is designed to uphold the following principles:

- 1. Optimise Capital Structure:** To balance the asset mix with the Issuer's listed and wholesale debt liabilities to achieve an optimal capital structure that supports the payment of Interest and the repayment of the Face Value of the Notes (and any future Series);
- 2. Interest Policy:** To facilitate the payment of interest to Noteholders in line with the Terms of Issue;
- 3. Investment Strategy:** Investment decisions as delegated to the Manager. The Issuer shall ensure the Manager undertakes prudent asset allocation of capital across both private and public credit assets;
- 4. Liquidity Management:** To maintain sufficient liquidity to meet the Issuer's operational needs, Interest Payments and Maturity Date of the Notes, ensuring financial stability and flexibility; and
- 5. Credit risk:** To assess and manage the credit risk associated with its investment portfolio and debt liabilities.

## 10. About the Offer

### 10.1 The Offer

The Issuer offers the Notes for subscription at \$100 per Note to raise a minimum of \$200 million and a maximum of \$350 million. The Offer is not underwritten.

The Offer is open to Australian residents only, unless otherwise approved by the Issuer.

### 10.2 Minimum Amount and Maximum Amount

The Minimum Amount for the Offer which is being sought is \$200 million, being receipt of valid Applications for not less than 2,000,000 Notes.

If the Minimum Amount has not been raised within three months after the Prospectus Date (or such longer period permitted by the Corporations Act with the consent of ASIC), the Issuer will either repay the Application Monies without interest to Applicants or issue a supplementary or replacement Prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies without interest.

The Issuer may accept Applications for up to 3,500,000 Notes to raise \$350 million under the Offer.

### 10.3 What will the proceeds of the Offer be used for?

The proceeds of the Offer (together with money invested in Equity Investor Shares and the Junior Notes) are intended to be invested in accordance with the Investment Strategy of the Issuer to be able to generate income to pay the Interest Payments and repay the Face Value of the Notes.

The Manager intends for the proceeds of Offer to be deployed in accordance with the Investment Strategy.

### 10.4 Terms and conditions of the Offer

Topic	Summary
<b>What are the Notes being offered?</b>	Certain key terms of the Notes are summarised in Section 2 and their Terms of Issue are included in the Schedule to this Prospectus.
<b>What is the consideration payable for each Note?</b>	The Issue Price is \$100 per Note to be paid to the Issuer as consideration for the issue of each Note.
<b>What is the Offer Period</b>	<p>The proposed Opening Date of the Broker Firm Offer is 19 August 2025 at 9:00 am (Sydney time). The Offer is expected to close on the Closing Date on 26 August 2025 at 5:00 pm (Sydney time).</p> <p>The Issuer reserves the right to vary the Offer Period, including whether to close the Offer early, extend the Closing Date or accept late Applications, without notice.</p> <p>Applicants are encouraged to submit their Applications as early as possible.</p> <p>No Notes will be issued on the basis of this Prospectus after the Expiry Date.</p>
<b>What are the cash proceeds to be raised under the Offer?</b>	A minimum of \$200 million and a maximum of \$350 million will be raised under the Offer.
<b>Who can apply for Notes under the Offer?</b>	The Offer is only open to investors who are resident in Australia and eligible to participate under the Cornerstone Offer or Broker Firm Offer.

Topic	Summary
<b>How is the Offer structured?</b>	<p>The offering will consist of:</p> <ul style="list-style-type: none"> <li>• a <b>Cornerstone Offer</b> to Wholesale Investors that have been invited to participate in the Cornerstone Offer by the Issuer and the Joint Lead Managers. The Cornerstone Offer will be capped at \$100 million.</li> <li>• a <b>Broker Firm Offer</b> to Australian resident Retail Investors that fall within the Target Market and Wholesale Investors who have received a firm allocation from their broker to participate in the Broker Firm Offer.</li> </ul> <p>No general public offer of Notes will be made under the Offer. Members of the public wishing to apply for Notes under the Offer must do so through a Broker with a firm allocation of Notes under the Broker Firm Offer.</p>
<b>What is the allocation policy?</b>	Please refer to Section 10.6 for information.
<b>What is the minimum and maximum application size under the Offer?</b>	<p>The minimum Application size is \$5,000, and multiples of \$1,000 thereafter.</p> <p>The Issuer reserves the right to reject any Application or to allocate a lesser number of Notes than applied for.</p> <p>Please refer to Section 10.7.</p>
<b>How can I apply under the Cornerstone Offer?</b>	Cornerstone Investors have received an invitation setting out how they can participate in the Cornerstone Offer. If you are applying for Notes under the Cornerstone Offer, you should follow the instructions set out in the invitation.
<b>How can I apply under the Broker Firm Offer?</b>	Please refer to Section 10.5 below on how to apply for Notes under the Offer Broker Firm Offer.
<b>What is the Target Market for Retail Investors?</b>	<p>The Issuer has made a Target Market Determination for the Notes in accordance with its obligations under the DDO Regime.</p> <p>The Target Market Determination describes, among other things, the Target Market. A summary of the Target Market is set out in Section 10.10 and a copy of the Target Market Determination is available at <a href="http://www.fidante.com/au/CHAL-TMD-LIFTS.pdf">www.fidante.com/au/CHAL-TMD-LIFTS.pdf</a></p> <p>The Target Market Determination describes, among other things, the class of Retail Investors that comprise the Target Market.</p> <p>If you are a Retail Investor and wish to participate in the Offer, you must seek professional advice as to whether you are within the Target Market and if an investment in the Notes is suitable for you in light of your particular investment objectives, financial situation and needs.</p> <p>You can only apply for the Notes if you are within the Target Market and you have received personal advice from a qualified financial adviser.</p>
<b>Will the Notes be quoted?</b>	<p>The Issuer will apply to ASX for admission to the Official List as an ASX Debt Listing and for official quotation on the ASX of the Notes offered under the Offer as soon as practicable following the lodgement of this Prospectus with ASIC, and in any event within seven days after the date of lodgement of the Prospectus. The Issuer has reserved the ASX code 'CIMHA' for the first issuance. If the Issuer is admitted to the Official List as an ASX Debt Listing, quotation of the Notes will commence as soon as practicable following the issue of Clearing House Electronic Sub-register System (<b>CHESS</b>) statements. Refer to Section 10.8 for further information.</p> <p>If ASX does not grant permission for the Issuer to be admitted to the Official List as an ASX Debt Listing and/or the Notes to be quoted on the ASX within three months of the date of the Prospectus (or within such longer period as may be permitted by ASIC), no Notes will be issued and all Application Monies received under the Offer will be returned to Applicants without interest. Any interest earned on the Application Monies will be retained by the Issuer.</p> <p>ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may quote the Notes should not be taken as an indication of the merits of the Issuer or the Notes offered for subscription.</p>

Topic	Summary
<b>When will I receive confirmation that my Application under the Broker Firm Offer has been successful?</b>	Following the issue of Notes, successful Applicants under the Broker Firm Offer will receive a Holding Statement setting out the number of Notes issued to them under the Offer. It is expected that Holding Statements will be dispatched by standard post on or about 5 September 2025.
<b>When are Notes expected to commence trading?</b>	<p>It is the responsibility of Applicants to confirm their allocation prior to trading in Notes.</p> <p>Applicants trading in Notes prior to receiving a Holding Statement or commencement of trading on the ASX do so at their own risk. The Issuer, the Note Registry, and the Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Notes before receiving their Holding Statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.</p> <p>The Notes are expected to commence trading on the ASX on a normal settlement basis on or about 10 September 2025.</p>
<b>Is the Offer underwritten?</b>	The Offer will not be underwritten.
<b>Are there any escrow arrangements?</b>	None of the Notes issued under the Offer will be subject to escrow restrictions.
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	No brokerage, commission and stamp duty is payable by Applicants upon acquisition of the Notes under the Offer (unless you have separately agreed to pay a fee to your broker or adviser). You may be required to pay brokerage if you sell your Notes on ASX after Notes have been quoted on ASX.
<b>What are the tax implications of investing in the Notes?</b>	<p>A general description of the tax implications is set out in Section 8. Given that the taxation consequences of an investment will depend upon the investor's particular circumstances, it is the obligation of each investor to make their own enquiries concerning the taxation consequences of an investment in the Notes.</p> <p>If you are in doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser.</p>
<b>Can the Offer be withdrawn?</b>	<p>Yes.</p> <p>The Offer is subject to raising the Minimum Amount and quotation approval by ASX. If the Minimum Amount is not raised, the Issuer will withdraw the Offer.</p> <p>The Directors of the Issuer reserve the right not to proceed with the Offer for any other reason at any time before the issue of Notes.</p> <p>If the Offer does not proceed for any reason, all Application Monies will be refunded to the Applicants as soon as practicable. No interest will be paid on any Application Monies refunded.</p>
<b>Where can I find more information about this Prospectus or the Offer?</b>	<p>If you have queries about how to apply under the Offer, please contact your Broker or call the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether acquiring Notes in the Issuer is a suitable investment for you, you should seek professional advice from your financial or other licensed professional adviser before deciding whether to invest.</p>

## 10.5 How to Apply under the Broker Firm Offer

The Broker Firm Offer is open to Retail Investors and Wholesale Investors who have received a firm allocation from their Broker to participate in the Offer under this Prospectus.

If you have received an invitation to participate in the Offer from your Broker, you will be treated as eligible to become a Broker Firm Offer Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer.

If you have received an invitation to participate from your Broker and wish to apply for Notes under the Broker Firm Offer, you must complete the Application Form that accompanies this Prospectus. You must contact your Broker for information on how to submit the Application Form. Application Forms must be completed and Application Monies must be paid in accordance with the instructions given to you by your Broker and the instructions set out on the Application Form.

If you have queries about how to apply under the Offer, please contact your Broker or call the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.

Any Applications submitted may be subject to scale back. The allocation and scale back of Notes is determined by the Issuer and the Manager in agreement with the Joint Lead Managers. The Issuer reserves the right to close the Offer early without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. The Issuer reserves the right to extend the Offer or accept late Applications.

Applications must be for a minimum of 50 Notes for a total of \$5000. Applications may be made for additional Notes in multiples of \$1000 in Application Monies for 10 Notes.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an application form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Issuer, the Manager and the Note Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9:00am on the Opening Date (expected to be 19 August 2025) and is expected to close at 5:00pm, Sydney time on the Closing Date (expected to be 26 August 2025).

## 10.6 Allocation of Notes

### *Broker Firm Offer*

The allocation of Notes under the Broker Firm Offer is determined by the Issuer and Manager in agreement with the Joint Lead Managers. It will be a matter for each Broker as to how they allocate Notes among their clients. Notes which are allocated to Brokers for allocation to their clients will be issued to the Applicants nominated by those Brokers.

It is possible for Applications to be scaled back by a Broker. The Issuer takes no responsibility for any allocation, scale back or rejection decision of a Broker.

No assurance is given that any Applicant will receive an allocation of Notes.

### *Cornerstone Offer*

Allocations under the Cornerstone Offer, as determined by the Issuer, will be advised to those investors.

## 10.7 Allotment and issue of Notes under the Offer

Subject to the Minimum Amount for the Offer being raised and the admission of the Notes to the Official List, allotment of the Notes offered by this Prospectus will take place on the Issue Date, expected to be 4 September 2025.

The Issuer reserves the right to allot the Notes in full for any Application or to allot any lesser number or to decline any Application if they believe the Application does not comply with applicable laws or regulations.

If an Application Form is not completed correctly, or if the accounting payment of the Application Monies is for the wrong amount or is not received in full, it may still be treated as a valid Application. The Issuer's decision whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Notes than is indicated by the amount of Application Monies paid by the Applicant.

## 10.8 ASX Clearing House Electronic Sub-register system

The Issuer will apply to participate in the ASX's Clearing House Electronic Sub-register System (**CHESS**), in accordance with the ASX Listing Rules and the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Notes become CHESS approved securities, holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. A CHESS participant, or a person sponsored by a CHESS participant, will have their Notes registered on the CHESS sub-register. All other Notes will be registered on the issuer sponsored sub-register.

Following allotment, successful Applicants will be sent a Holding Statement that sets out the number of Notes that have been issued to them under the Offer. This Holding Statement will also provide details of a Holder Identification Number (**HIN**) or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Certificates will not be issued.

## 10.9 Refunds

Application Monies will be refunded (in full or in part, as applicable) in Australian dollars where an Application is rejected, an Application is subject to a scale-back or the Offer is withdrawn or cancelled or the Notes are not quoted on the ASX within 3 months of the date of the Prospectus (or within such longer period as may be permitted by ASIC). No interest will be paid on any refunded amounts. The Issuer, irrespective of whether the allotment of the Notes takes place, will retain any interest earned on the Application Monies.

Refund cheques or EFTs will be sent as soon as practicable following the close of the Offer.

## 10.10 Retail Investors Target Market

The Issuer has made the Target Market Determination for the Notes in accordance with its obligations under the DDO Regime. The Target Market Determination is available at [www.fidante.com/au/CHAL-TMD-LIFTS.pdf](http://www.fidante.com/au/CHAL-TMD-LIFTS.pdf).

The Target Market Determination describes, among other things, the class of Retail Investors that comprises the target market for the Notes (**Target Market**), being Retail Investors who:

- are seeking to acquire an investment product with the ability to generate income but are not seeking capital growth;
- are able to bear the risks associated with an investment in the Notes (in particular, the risk of deferral of payment of monthly interest);
- are seeking to invest for the long term; and
- seek to have the ability to dispose of the Notes by sale on a licensed securities exchange at the price available on the exchange.

If you are a Retail Investor and wish to participate in the Offer, you must seek professional advice as to whether you are within the Target Market and if an investment in the Notes is suitable for you in light of your particular investment objectives, financial situation and needs. As a Retail Investor, can only apply for Notes if you are within the Target Market and you have received personal advice from a qualified financial adviser.

If you have any questions about the Offer, the Notes, or the Target Market, you should contact your Broker or other professional adviser or seek personal advice from a qualified financial adviser who is licensed by ASIC to give that advice.

## 10.11 No Overseas Applicants permitted

The Offer is only open to investors who are resident in Australia. The Offer will not be made in any jurisdictions outside Australia.

No action has been taken to register or qualify the Prospectus or otherwise to permit a public offering of the Notes in any jurisdiction outside of Australia.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be

restricted by law. Persons who come into possession of this Prospectus who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

In particular, the Prospectus has not been and will not be registered under the U.S. Securities Act of 1933, as amended, (**U.S. Securities Act**) or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of a US Person (as defined in Regulation S of the U.S. Securities Act).

## 10.12 Investor Acknowledgements

Each Applicant under the Offer acknowledges and warrants to each of the Issuer and the Joint Lead Managers that:

- they agree to become a Noteholder and to be bound by the Note Trust Deed, the Terms of Issue and the terms and conditions of the Offer;
- they acknowledge having personally received an electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full and understood them;
- they acknowledge they understand the Terms of Issue and have had an opportunity to consider the suitability of an investment in the Notes with their professional advisers;
- they have carefully considered the features of the Notes and the Issuer as described in the Prospectus (including, without limitation, the various risks set out in Section 7 and investor suitability) and their own personal circumstances and, after obtaining any financial and/or tax advice that they deemed appropriate, they are satisfied that their proposed investment in the Notes is consistent with their investment objectives, financial circumstances or particular needs;
- they declare that all details and statements in their Application Form are complete and accurate and they will hold the Issuer, the Manager and the Joint Lead Managers and their related bodies corporate and affiliates (**Relevant Parties**) harmless and indemnify the Relevant Parties for any loss due to the details and information provided being or ceasing to be complete and accurate due to any negligent or wilful misrepresentation by them;
- they declare that the Applicant, if a natural person, is at least 18 years of age;
- they declare that they are not bankrupt;
- they acknowledge that, once the Issuer, the Note Registry or a Broker receives an Application Form (including electronically), it may not be withdrawn;
- they have applied for the number of Notes at the Australian dollar amount shown on the front of the Application Form;
- they agree to being allocated and issued the number of Notes applied for (or a lower number allocated in a way described in this Prospectus), or no Notes at all;
- they acknowledge that the Issuer reserves the right to reject any application in its absolute discretion;



- they authorise the Issuer, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant necessary for Notes to be allocated to the Applicant(s), including to act on instructions received by the Note Registry upon using the contact details in the Application Form;
- they acknowledge that, in some circumstances, the Issuer may defer Interest Payments and in some circumstances they may not receive all amounts due on the Notes;
- they acknowledge that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not investment advice nor a recommendation that Notes are suitable for the Applicant, given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant;
- they declare that they are a resident of Australia;
- they acknowledge and agree that the Offer may be withdrawn by the Issuer or may otherwise not proceed in the circumstances described in this Prospectus;
- they acknowledge and agree that if the admission of the Issuer to the ASX as an ASX Debt Listing or the quotation of the Notes does not occur for any reason, the Offer will not proceed;
- they understand that an investment in the Fund is subject to investment risk, including the total loss of capital invested and there may be delays in the repayment of any capital invested;
- they understand that an investment in the Notes is not a deposit with the Issuer or the Manager;
- they acknowledge that none of the Manager, the Note Trustee, the Issuer, the Challenger Group, the Joint Lead Managers nor any other person associated with the Notes or the Offer guarantees or warrants the future performance of the Notes, the Issuer or the Challenger Group, the return on an investment made under the Prospectus, the repayment of capital on the Notes or the payment of Interest on the Notes or any other amounts in connection with the Notes, the Issuer or the Challenger Group;
- they acknowledge that the Relevant Parties do not guarantee the performance of the Issuer, the repayment of capital or the returns (if any) to be received by investors, and are not underwriting the Offer, and the Joint Lead Arranger and Joint Lead Manager functions should not be considered to be an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor;
- they acknowledge that neither the Joint Lead Managers nor any other person, other than the Issuer, is responsible for, or has caused the issue, of the Prospectus;
- they acknowledge that they are not aware and have no reason to suspect that the monies used to fund their investment in the Notes has been or will be derived from or related to any money laundering, terrorism financing or similar or other activities illegal under applicable laws or regulations or otherwise prohibited under any international convention or agreement (**AML/CTF Law**);
- they will provide the Issuer with all information in their possession or control and assistance that the Issuer may reasonably request in order for the Issuer to comply with the AML/CTF Law, the U.S. Foreign Account Tax Compliance Act (**FATCA**) and the Common Reporting Standards (**CRS**) to the extent related to your investment in the Notes;
- they acknowledge the Issuer may (to the extent permitted under the Listing Rules) decide to delay or refuse any request or transaction, including by suspending the issue or transfer of Notes, if the Issuer is concerned that the request or transaction may breach any obligation of, or cause the Issuer to commit or participate in an offence (including under the AML/CTF Law, FATCA and CRS);
- they have read and understood the privacy disclosure as detailed in the Prospectus;
- they acknowledge that the collection of their personal information may be required by the Corporations Act, the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, the Taxation Administration Act 1953 and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML/CTF Act**). They acknowledge that if they do not provide personal information, where such information is reasonably required for the Issuer to comply with applicable law, the Issuer may not allow them to acquire Notes;
- they agree to the Issuer disclosing their personal information to any of the Issuer's service providers, in relation to any identification and verification that the Issuer is required to undertake on you, as required under the AML/CTF Act. This shall include any information:
  - required by any third-party document verification service provider; and/or
  - provided to any third-party document verification service provider; and
- they acknowledge that if an electronic copy or printout of the Application Form is introduced as evidence in any judicial proceeding, it will be admissible as an original Application Form record.



## 11. Material agreements

### 11.1 Constitution of the Issuer

The Issuer was incorporated on 4 June 2025 and adopted a constitution governing the operation of the Issuer.

Shares in the capital of the Issuer are to be issued to the Equity Investor. The shares initially to be issued to the Equity Investor are ordinary class shares. The Issuer may later issue either ordinary shares or preference class shares to any person (provided such shares rank behind the Notes). The Issuer also has the power to issue unquoted Junior Notes to any person, provided such notes rank behind the Notes. Shareholders have the right to participate in dividends declared on the shares of the Issuer, and holders of Junior Notes have a right to participate in distributions on the Junior Notes. Dividends in respect of any shares on issue and distributions on Junior Notes are restricted by, among others, the First Loss Buffer requirement as set out in Section 2 and as set out in the Terms of Issue attached in the Schedule.

### 11.2 Note Trust Deed

This section contains a summary of the Note Trustee. The Issuer has entered into the Note Trust Deed with the Note Trustee. The Note Trust Deed is governed by the laws of New South Wales.

A copy of the Note Trust Deed (including the Terms of Issue) is available during the Offer Period to any Australian resident investors, who have received this Prospectus, by calling the Offer Information Line on 1300 721 637 (within Australia) or +61 2 8023 5428 (outside Australia) 8:30am to 5:00pm (Sydney time), Monday to Friday (excluding public holidays) during the Offer Period.

#### A) ROLE OF THE NOTE TRUSTEE

The Note Trustee has been appointed under the Note Trust Deed and has agreed to act as the trustee of the assets and rights held on trust for the Noteholders in accordance with the terms of the Note Trust Deed. The Notes are issued subject to the terms and conditions of the Note Trust Deed and Chapter 2L of the Corporations Act.

The Note Trustee is subject to certain statutory duties imposed upon it by Chapter 2L of the Corporations Act, including to:

- exercise reasonable due diligence to ascertain whether:
  - the property of the Issuer that is or should be available will be sufficient to repay the amounts lent by Noteholders to the Issuer in respect of the Notes when the amounts become due; and
  - the Issuer has breached the Note Trust Deed or the provisions of Chapter 2L of the Corporations Act; and
- unless the Note Trustee is satisfied any such breach will not materially prejudice the Noteholders' interests, take any action that is necessary to ensure that the Issuer remedies a breach (as applicable).

#### B) APPOINTMENT OF NOTE TRUSTEE

The Note Trustee has been appointed under the Note Trust Deed and holds the following on trust for the Noteholders and itself in accordance with the terms of the Note Trust Deed:

- the right to enforce the Issuer's duty to repay under the Notes in accordance with the Terms of Issue;
- the right to enforce the Issuer's obligation to pay all other amounts payable under the Notes in accordance with the terms;
- the right to enforce all other duties or obligations of the Issuer under the Terms of Issue, the provisions of the Note Trust Deed and Chapter 2L of the Corporations Act; and
- any property held by the Note Trustee on the trust established under the Note Trust Deed (including, without limitation, the benefit of any covenants, undertakings, representations, warranties, rights, powers, benefits or remedies in favour of the Note Trustee under the Note Trust Deed).

#### C) UNDERTAKINGS

In respect of each Note, the Issuer has undertaken to the Note Trustee to pay the amounts due and payable in respect of that Note under and in accordance with the Terms of Issue. The Note Trustee directs the Issuer to pay such amounts under the Note Trust Deed directly to the holders, unless a Winding Up Event has occurred and is subsisting, in which event the payment must be made to the Note Trustee.

The Issuer also makes covenants with the Note Trustee for the benefit of the Noteholders to, among other things:

- comply with the Terms of Issue; and
- comply with all statutory and regulatory requirements applicable to it to the extent they relate to its obligations under the Terms of Issue and the Note Trust Deed, where a failure to do so would have or would reasonably be expected to have a material adverse effect on the ability of the Issuer to meet its payment obligations in respect of the Notes or the validity and enforceability of the rights and remedies (taken as a whole) of Noteholders under the Terms of Issue and the Note Trust Deed.

#### D) ENFORCEMENT

Subject to the Terms of Issue, the Note Trust Deed and the Corporations Act, the Note Trustee may at any time in its discretion take action to enforce the Terms of Issue and the Note Trust Deed in accordance with their terms, but is not required to take any such action unless:

- it is directed to take such action by Noteholder Resolution;
- it is indemnified and/or placed in funds to its reasonable satisfaction against all actions, proceedings, claims and demands to which the Note Trustee may render itself liable by taking such action, all costs which the Note Trustee may incur in taking the action and all reasonable management time spent by employees or officers of the Note Trustee in relation to such action; and

- the action is permitted under the Terms of Issue and the Note Trust Deed and is not prohibited by law.

No Noteholder is entitled to proceed directly against the Issuer to enforce any right or remedy under or in respect of any Note, the Terms of Issue or the Note Trust Deed unless the Note Trustee, having become bound to proceed, fails to do so within 14 days and such failure is continuing.

## E) LIABILITY

Except to the extent arising as a result of the Note Trustee's fraud, gross negligence, wilful default or breach of section 283DA(a), (b) or (c) of the Corporations Act (**Note Trustee Default**), the Note Trustee is not liable to the Issuer or any other person in the capacity other than as trustee of the note trust and the Note Trustee's liability is further limited to the assets of the note trust available to indemnify the Note Trustee for the liability and to the extent permitted by law. The full limitation on the Note Trustee's liability is set out in clause 8.1 of the Note Trust Deed.

## F) FEES AND EXPENSES

The Issuer will pay the Note Trustee fees as agreed between the Issuer and the Note Trustee from time to time. The Issuer will also pay, on demand, the Note Trustee's:

- reasonable and properly incurred expenses (including reasonable legal fees, costs and disbursements) in connection with negotiating, preparing and executing the Terms of Issue and the Note Trust Deed and certain related expenses;
- losses and expenses incurred in connection with exercising, enforcing or preserving rights under the Terms of Issue and the Note Trust Deed (or attempting to do so);
- losses and expenses incurred in connection with any governmental or regulatory investigation, commission or enquiry of or concerning the Issuer;
- losses and expenses incurred by the Note Trustee which arise out of, or in the course of, acting as Trustee (except where these expenses are incurred by the Note Trustee as a direct result of a Note Trustee Default); and
- expenses as the result of an actual (or a suspected or alleged) Winding Up Event and these expenses would not have been incurred had there not been an actual (or a suspected or alleged) Winding Up Event.

All amounts payable to the Trustee under the Note Trust Deed will be paid in priority to any claim by any Noteholder and will continue to be payable until paid, notwithstanding that the Note Trust Deed or the Note Trust may be terminated, or the Note Trust may be wound up or subject to administration by or under the order of any court. This priority of the Trustee will subsist whether or not an external administrator is appointed to the Issuer or any of its assets or the Note Trust is in the course of administration by or under the order of any court.

## G) RETIREMENT AND REMOVAL

Subject to applicable laws, the Note Trustee may retire at any time by giving notice to the Issuer at least 60 days before the

date it wants to retire or any other period which is agreed between the Issuer and the Note Trustee.

The Issuer may remove the Note Trustee at any time by giving notice to the Note Trustee with immediate effect (or such other period as the Issuer and the Note Trustee may agree) in certain circumstances, including where:

- the Note Trustee is in breach of its obligations under the Note Trust Deed and has not rectified the breach within seven Business Days of receiving notice from the Issuer requesting the breach be remedied;
- a Note Trustee Default has occurred and is continuing;
- the Note Trustee ceases or has ceased or has expressed an intention to cease to carry on business;
- the Note Trustee ceases to be a person who can be appointed a trustee under the Corporations Act;
- the Note Trustee is placed into liquidation or is wound-up or dissolved or a receiver, liquidator, administrator or similar official is appointed to the Note Trustee; or
- the Issuer is authorised or requested to do so by a meeting of Noteholders.

The removal or retirement of the Note Trustee does not take effect until the appointment of a new trustee is effective. The Issuer has the power to appoint a new trustee, however, in certain circumstances, the retiring Note Trustee may do so instead.

## H) MEETINGS

The Note Trustee or Issuer may at any time call a meeting of the Noteholders. The Issuer must call a meeting of Noteholders on request in writing by Noteholders who together hold 10% or more of the aggregate Face Value of all the Notes outstanding to consider the financial statements that were laid before the last annual general meeting of the Issuer, or to give the Note Trustee directions in relation to the exercise of its powers, or both. The Note Trustee must call a meeting of Noteholders as soon as reasonably practicable after becoming aware of a Winding Up Event occurring. A meeting of Noteholders may also be called by the Note Trustee under section 283EB of the Corporations Act and as ordered by the Court under section 283EC of the Corporations Act.

At a meeting of Noteholders, by an Ordinary Resolution, Noteholders have the power to give directions to the Note Trustee in respect of the performance or exercise of its duties, rights, powers and remedies under or relating to the Terms of Issue, the Note Trust Deed or the Notes, or approve an amendment to the Note Trust Deed which is required to be approved by a Noteholder Resolution. By Special Resolution, Noteholders have the power to release the Note Trustee from liability, approve any act taken or to be taken by the Note Trustee, or approve any amendment to the Note Trust Deed which is required to be approved by a Special Resolution.

A resolution proposed in a meeting of Noteholders must be passed with the requisite majority of persons. In the case of an Ordinary Resolution, a resolution proposed in a meeting may be passed by at least 50% of the persons voting on a show of hands, unless a poll is duly demanded, then by

Noteholders representing (in aggregate) at least 50% of the aggregate Face Value of all the Notes held by Noteholders who attend the meeting and vote on the resolution. A poll can be demanded by the chairperson, the Note Trustee, the Issuer or by one or more Noteholders present or by attorney or proxy holding (in aggregate) Notes representing at least 5% of the aggregate Face Value of the Notes outstanding when the meeting begins. On a show of hands, every Noteholder who is present has one vote, and on a poll, every Noteholder who is present has a vote representing the aggregate Face Value of all the Notes with respect to which it is the registered holder. In the case of a Special Resolution, a resolution proposed in a meeting may be passed by Noteholders representing (in aggregate) at least 75% of the aggregate Face Value of all the Notes held by Noteholders who attend the meeting and vote on the resolution.

## I) NO MONITORING OBLIGATIONS

The Note Trustee has no obligation to monitor compliance by the Issuer with its covenants and obligations under the Note Trust Deed or any other activities, financial position or status of the Issuer, including taking steps to ascertain whether there has occurred or is likely to occur any Winding Up Event, subject to the Note Trustee's obligations under the Corporations Act.

## J) RECEIPT OF MONIES

All money received by the Note Trustee under the Note Trust Deed must be held by the Note Trustee on trust to be applied, first, in payment of all costs incurred by, or other amounts owing to, the Note Trustee under or in connection with the Note Trust Deed and the Terms of Issue (including all remuneration payable to the Note Trustee and any amount payable under the Note Trustee's indemnity), second, in or towards payments of all amounts due but unpaid under the Notes, and third, in payment of the balance (if any) to the Issuer.

## 11.3 Offer Management Agreement

This section contains a summary of the Offer Management Agreement (**OMA**).

### A) OVERVIEW

The Issuer, the Manager and the Joint Lead Managers signed the OMA on or about the Prospectus Date. Under the OMA, the Issuer has appointed Morgans, E&P, NAB and CommSec as Joint Arrangers, and has appointed the Joint Arrangers as well as Canaccord, Ord Minnett, Taylor Collison and Wilsons as Joint Lead Managers to the Offer. The following is a summary of the principal provisions of the OMA. Under the OMA, each of the Joint Lead Managers have agreed to manage the Offer and to act as joint bookrunners to the Offer on the terms and conditions of the OMA.

### B) FEES AND COSTS

The Joint Lead Managers and Joint Lead Arrangers will be entitled to the fees described below, in accordance with the OMA, which will be payable by the Issuer.

The estimated aggregate fees payable by the Issuer to the Joint Lead Arrangers and Joint Lead Managers under the OMA are approximately between \$4.5 million (exclusive of GST) if the Minimum Amount is raised and \$7.875 million (exclusive of GST) if the Maximum Amount is raised. The actual amount of fees payable to the Joint Lead Arrangers and Joint Lead Managers will not be known until the determination of the size of the Notes issued, and will comprise the following:

- an arranger fee payable by the Issuer to the Joint Lead Arrangers;
- *Management fees*: The Issuer must pay: (a) 1.00% (plus GST) of the aggregate value of Notes allocated to the respective Joint Lead Manager under the Offer and issued to Wholesale Investors, to that respective Joint Lead Manager; and (b) 1.00% (plus GST) of the aggregate value of Notes issued under the Offer to Wholesale Investors for which a Joint Lead Manager has not procured a valid application, to the Joint Lead Managers equally; and
- *Distribution fees*: The Issuer must pay to each Joint Lead Manager a distribution fee of 1.00% (plus GST) of that Joint Lead Manager's firm allocation multiplied by the Issue Price. The Issuer requires the Joint Lead Managers (or co-manager, broker, and affiliates, as applicable) to rebate to each Retail Investor the amount of that fee paid in respect of that Retail Investor as soon as practicable but no later than three months of it being received.

In addition, the Issuer must pay or reimburse the Joint Lead Managers for certain reasonable costs incurred by them in relation to the Offer, including Australian legal fees, stamp duty, transfer taxes or withholding taxes payable in respect of the OMA, all reasonable costs in connection with or related to an investigation conducted by a government agency into the Offer or any act or omission of the Issuer, and costs in relation to ASX's DvP settlement service. The costs must be reimbursed even if the OMA is terminated, or if the Offer is withdrawn.

### C) TERMINATION EVENTS

Each Joint Lead Manager may terminate its obligations under the OMA prior to completion of the Offer on the occurrence of a number of customary termination events, including (among others):

- in circumstances where any of the conditions precedent to the Joint Lead Managers' obligations under the OMA are not satisfied. The OMA contains typical conditions precedent for an agreement of this kind, including lodgement of the Prospectus by a certain time, delivery of certain sign-offs, necessary regulatory approvals and documents in connection with the due diligence process undertaken in connection with the Offer;
- the Offer documents (including the Prospectus), the Notes, the Note Trust Deed or any aspect of the Offer does not comply with the Corporations Act (including if a statement in any of the Offer documents is or becomes materially misleading or deceptive, or there is a material omission from an Offer document, the ASX Listing Rules or any other applicable law;

- a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement (as applicable) and a supplementary prospectus has not been lodged with ASIC by the Issuer;
- the Issuer issues or in the reasonable opinion of the Joint Lead Manager seeking to terminate, becomes required to issue, a supplementary prospectus to comply with section 719 of the Corporations Act, or the Issuer lodges a supplementary Prospectus with ASIC in a form that has not been approved by the Joint Lead Managers;
- any of the following actions are taken:
  - ASIC issues an order (including an interim order) under section 739 or holds a hearing under section 739(2) of the Corporations Act in relation to the Offer or the Offer documents;
  - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer documents;
  - ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Offer or Offer documents;
- any person (other than a Joint Lead Manager seeking to terminate) who has previously consented to the inclusion of their name in this Prospectus withdraws that consent;
- a person gives a notice to the Issuer under section 730 of the Corporations Act;
- ASX approval is refused or not granted for the Issuer's admission to the official list of ASX as an ASX Debt Listing or to official quotation of the Notes, or if granted, the approval is subsequently withdrawn, qualified (other than subject to customary conditions) or withheld or ASX indicates to the Issuer that official quotation of Notes is likely to be withdrawn, qualified or withheld;
- the Issuer withdraws this Prospectus or the Offer;
- the insolvency of the Issuer or the Manager or where there is an act or omission which is likely to result in the Issuer or the Manager becoming insolvent;
- there is or is likely to be a material adverse change in the assets, liabilities, financial position, profits or prospects of the Issuer (considered as a whole) or the success, marketing, outcome or settlement of the Offer, from those disclosed in the Prospectus;
- the Issuer does not provide a closing certificate as and when required under the OMA;
- the average mid-rate for the iTraxx Australia Index of a term of five years is 45% or more above its level as at the close of business on the Business Day immediately before the date of the OMA and remains at or above that level for two consecutive Business Days;
- at any time, the S&P/ASX 200 Index falls to a level that is 90% or less of the level of the relevant index as at the close of trading on the date of the OMA and remains at or below that 90% level for at least 2 consecutive Business Days or

closes at that 90% level on the Business Day immediately prior to the Settlement Date;

- a director or officer of the Issuer or the Manager is charged with an indictable offence; any government agency commences any public action against the Issuer or the Manager or any of their respective directors or officers or announces that it intends to take such action; any director or officer of the Issuer or Manager is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or the Issuer or Manager or any of their respective directors or officers engage, or are alleged to have been engaged in, any fraudulent conduct or activity, whether or not in connection with the Offer;
- a regulatory body withdraws, revokes or amends any regulatory approvals required for the Issuer to perform its obligations under the OMA;
- The Note Trustee ceases to be licensed to act as a trustee for the purposes of Chapter 2L of the Corporations Act;
- the Offer is not conducted in accordance with the Offer timetable or any event specified in the Offer timetable is delayed for more than two Business Days without the prior written consent of the Joint Lead Managers;
- a change in senior management of the Manager or the board of directors of the Issuer or the Manager or key personnel of the Manager resign from office or are replaced, terminated or made redundant;
- an event or occurrence after the date of the OMA which makes it illegal for the Joint Lead Managers to satisfy an obligation under the OMA, or to market, promote or settle the Offer.

#### *Termination events limited by materiality*

If any of the following events occur prior to completion of the Offer each Joint Lead Manager may terminate its obligations under the OMA if, in the reasonable opinion of the Joint Lead Manager, the event has had or is likely to have, a material adverse effect on the marketing, outcome, success or settlement of the Offer, or leads or is likely to lead to a contravention by the Joint Lead Manager of, or liability for the Joint Lead Manager under the Corporations Act or any other applicable law:

- a representation or warranty made or given by the Issuer or a Manager is, or has been or becomes untrue or incorrect or is not performed;
- the Issuer fails to perform any of its obligations under the OMA;
- a contravention by the Issuer or the Manager of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the ASIC Act, the Issuer's constitution, the constitution of the Manager or any of the ASX Listing Rules occurs;
- any material contract is varied, terminated, rescinded or altered or amended without the prior consent of the Joint Lead Managers or any material contract is breached or is or becomes void, voidable, illegal, invalid or unenforceable, or its performance is or becomes illegal;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Commonwealth of



Australia, or any State or Territory of Australia a new law; or a government agency adopts a policy or announces a proposal to adopt a new policy (other than a law or policy announced prior to the date of the OMA);

- hostilities commence or escalate in certain key countries or a major terrorist act is perpetuated anywhere in the world;
- the due diligence report or any other information supplied by the Issuer or the Manager to the Joint Lead Managers in relation to the Offer or the Issuer is or becomes misleading or deceptive;
- any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any member state of the European Union is declared by the relevant central banking authorities in those countries or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any member state of the European Union or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on the ASX, the NZX Main Board, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect.

#### **D) EFFECT OF TERMINATION ON THE OFFER MANAGEMENT AGREEMENT**

If a Joint Lead Manager terminates its obligations under the OMA, the Joint Lead Manager who validly terminates will be relieved of all further obligations under the OMA from the time of termination and will be entitled to payment and reimbursement of expenses (if any). The termination by one Joint Lead Manager does not automatically terminate the obligations of any other Joint Lead Managers under the OMA.

Under the terms of the OMA, the remaining Joint Lead Managers must in writing indicate whether they wish to terminate their obligations or assume the obligations of the terminating Joint Lead Manager in equal share with the other remaining Joint Lead Managers.

Where the remaining Joint Lead Managers give written notice that they will assume the obligations of the terminating Joint Lead Manager, they will be entitled to the fees (in equal shares) that the terminating Joint Lead Manager would have received but for its election to terminate (such fees do not include any fees already owed to, or accrued by, the terminating Joint Lead Manager). Such fee is in addition to the fees the remaining Joint Lead Managers are entitled to pursuant to the terms of the OMA.

#### **E) REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

The Issuer and the Manager have given various representations and warranties, and the Issuer has given various undertakings to the Joint Lead Managers which are standard for offers of this kind, including that the documents issued or published by or on behalf of the Issuer in respect of the offer comply with all applicable laws. These representations, warranties and undertakings relate to matters such as the conduct of the parties, the conduct and outcome of the due diligence process, information provided to the Joint Lead Managers, financial information, licences, compliance with the ASX Listing Rules and laws, information contained in this Prospectus and the conduct of the Offer.

With the exception of the Notes issued under the Offer and certain other limited exceptions, the Issuer has also agreed that, other than pursuant to the Offer it will not, without the Joint Lead Managers' prior written consent, allot or agree to allot or indicate that it may or will allot, any new equity or debt securities or securities that are convertible into equity at any time after the date of the OMA and before the expiration of 90 days after the completion of the Offer.

The Issuer has also undertaken to conduct its business in the ordinary course and not dispose of all or any material part of its business, assets or property or acquire any material asset except in the ordinary course, until the expiration of 90 days after completion of the Offer.

#### **F) INDEMNITIES**

The Issuer and the Manager have agreed to indemnify the Joint Lead Managers and their respective representatives against all claims, demands, damages, losses, costs, charges, expenses and liabilities suffered or incurred by them in connection with the Offer (subject to limited exclusions).

### **11.4 Investment Management Agreement**

This section contains a summary of key features of the Investment Management Agreement between the Issuer and the Manager.

#### **A) SERVICES**

The Manager agrees to invest and manage the Portfolio for and on behalf of the Issuer in accordance with the Investment Strategy and terms of the Investment Management Agreement. The Manager agrees to provide other ancillary services, including (without limitation) the following:

- i) obtaining relevant advice for the benefit of the Issuer;
- ii) keep proper records and books of accounts in relation to the Portfolio;
- iii) provide all the necessary information in relation to the Portfolio to assist the Issuer in preparation of the reports;
- iv) provide all necessary information to assist the Issuer to complete returns to regulatory authorities;
- v) provide all necessary information and assistance to service providers appointed by the Issuer;

- vi) assist the Issuer with the information for drafting announcements required to ensure the Issuer complies with its obligations under the ASX Listing Rules.

## **B) TERMINATION RIGHTS**

The Manager is appointed as manager for the life of the Issuer, subject to the right of the Issuer or the Manager to terminate the appointment by giving the other party 90 days' written notice, or by the Issuer at any time by written notice if:

- i) a receiver, receiver and manager, administrative receiver or similar person is appointed with respect to the assets and undertakings of the Manager;
- ii) the Manager:
  - A. goes into liquidation (other than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Issuer);
  - B. ceases to carry on business in relation to its activities as an investment manager;
  - C. breaches or fails to observe or perform any representation, warranty or undertaking required of it under the Investment Management Agreement and fails to rectify the breach or failure within 10 Business Days of receiving notice from the Issuer specifying such breach or failure;
  - D. ceases to be authorised under the relevant law or is unable to carry out its duties under this agreement because it has ceased to hold necessary authorisations or be able to rely on relevant exemptions, to operate as an investment manager; or
  - E. sells or transfers or makes any agreement for the sale or transfer of the main business and undertaking of the Manager or of a beneficial interest therein, other than to a member of the Challenger Group for purposes of corporate reconstruction on terms previously approved in writing by the Issuer; or
- iii) relevant law requires the Investment Management Agreement to terminate.

Following termination of the Manager, the Issuer must take all reasonable steps to facilitate the transfer of the Portfolio from the Manager.

The Manager may at any time give notice in writing to the Issuer terminating the Investment Management Agreement if the events set out above in sections 11.4(B)(i) or 11.4(B)(ii)(C) in relation to the Manager occur in respect of the Issuer (with the requirement that a breach is material and the necessary changes being read into that clause).

## **C) EXCLUSIVITY**

The Manager is appointed on an exclusive basis for the term of the Investment Management Agreement and the Issuer agrees not to appoint another party to manage the Issuer during the term of the Investment Management Agreement.

The Manager may from time to time perform similar investment and management services for itself and other persons to the services performed for the Issuer.

## **D) FEES AND EXPENSE RECOVERY**

The Manager is entitled to receive a management fee of 0.50% p.a. of the Gross Asset Value of the Issuer (inclusive of GST, to the extent it is payable, and net of any input tax credits) and is entitled to be reimbursed for expenses (including fees and expenses paid by the Manager to service providers of the Issuer).

## **E) AMENDMENT**

The Investment Management Agreement may be amended by the written agreement of the Issuer and the Manager, with the exception of the investment instructions, which may be amended by specific written instruction by the Issuer.

## **F) DELEGATION**

The Manager must not delegate any of its discretionary management under the Investment Management Agreement without prior written consent of the Issuer.

## **G) MANAGEMENT OF POTENTIAL CONFLICTS**

The Manager will manage all conflicts subject to the relevant law and its policies.

## **H) OTHER MATERIAL TERMS**

### *Indemnities*

The Issuer indemnifies the Manager against any liabilities reasonably incurred by the Manager arising out of, or in connection with the Manager or any of its officers, employees, employees who are also a member of the Manager, or agents acting under the Investment Management Agreement except to the extent that any liability is caused by the negligence, fraud or dishonesty of the Manager or any of its officers, employees, employees who are also a member of the Manager or agents.

The Manager indemnifies the Issuer against any losses or liabilities reasonably incurred by, or suffered by, the Issuer arising out of, or in connection with, and any costs, charges and expenses incurred in connection with any negligence, fraud or dishonesty of the Manager or its officers or agents or supervised agents. The Manager is not otherwise liable to the Issuer for any loss or liability.

## 12. Additional information

### 12.1 Benefits to those involved in the preparation of this Prospectus

#### A) GENERAL

Other than as set out below or elsewhere in this Prospectus:

- no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a Director, or proposed Director to induce them to become, or to qualify as, a director of the Issuer; and
- none of the following persons:
  - a Director or proposed Director;
  - each person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
  - a promoter of the Issuer, holds or held at any time during the last two years an interest in:
    - the formation or promotion of the Issuer;
    - property acquired or proposed to be acquired by the Issuer in connection with the Offer; or
    - the Offer,or was paid or given or agreed to be paid or given any amount or benefit for services provided by such persons in connection with the formation or promotion of the Issuer or the Offer.

#### B) INTERESTS OF ADVISERS

Challenger Investment Partners Limited (ACN 092 382 842, AFSL 234678) has been engaged to act as Manager of the Issuer and will receive the management fees as set out in Section 11.4. Note that Equity Investor will be the sole shareholder of the Issuer and the Junior Noteholder will hold the Junior Notes and may receive distributions and/or payments as and when available as described in this Prospectus.

Morgans, NAB, E&P and CommSec have been engaged to act as Joint Lead Arrangers and Joint Lead Managers. Canaccord, Ord Minnett, Taylor Collison and Wilsons have also been engaged to act as Joint Lead Managers. The Manager has paid, or agreed to pay, fees as summarised in Section 11.3 for these services.

Under the terms of the Offer Management Agreement (see Section 11.3), the Joint Lead Arrangers and the Joint Lead Managers may pay fees on behalf of the Manager to financial services licensees and representatives (Brokers) for procuring subscriptions of the Notes by their clients (who are wholesale clients within the meaning of the Corporations Act), among other things.

Corrs Chambers Westgarth has acted as Australian legal adviser to the Manager and Issuer, to provide certain legal services as set out in its terms of engagement with each entity.

The fees for the provision of these services are expected to be up to \$632,500. Further amounts may be paid to Corrs Chambers Westgarth in accordance with its time-based charge-out rates. These fees will be borne by the Issuer.

KPMG Law has acted as the Issuer's tax advisor and has reviewed and commented on the income tax aspects of the taxation overview in Section 8. The Manager has incurred \$10,000 for such services to the date of this Prospectus. Further amounts may be paid to KPMG Law in accordance with its time-based charge-out rates.

Ernst & Young is the Issuer's Investigating Accountant and has prepared the Investigating Accountant's Report in Section 6. The Manager has incurred \$85,000 for such services to the date of this Prospectus. Further amounts may be paid to Ernst & Young in accordance with its time-based charge-out rates.

Unless stated otherwise, all such payments have been paid or are payable in cash and exclude GST.

### 12.2 Broker responsibility

Your brokers, not the Issuer or the Manager, will be responsible for ensuring that Applications are submitted on your behalf.

The Issuer, Note Registry and the Manager take no responsibility for any acts or omissions by your broker in connection with your Application, Application Form and Application Monies (including, without limitation, failure to submit your Application by the close of the Offer).

Please contact your broker if you have any questions.

### 12.3 Consents to be named and disclaimers of responsibility

Each of the parties referred to below:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section 12.3; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility or liability for any part of or any statement in or omission from the Prospectus other than as specified in this Section 12.3.

Each of the parties referred to below has consented, and as at the Prospectus Date has not withdrawn, its consent, to:

- be named in this Prospectus in the form and context in which it is named; and
- the inclusion of the following statements in this Prospectus, in the form and context in which they are included (and all other references to those statements).

The Manager has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as manager of the Issuer in the form and context it is so named.



Corrs Chambers Westgarth has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Australian legal adviser to the Offer (other than in relation to taxation law) in the form and context it is so named.

KPMG Law has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax advisor to the Issuer in the form and context it is so named.

Ernst & Young has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to (i) be named in this Prospectus as Investigating Accountant to the Issuer in the form and context it is so named and (ii) the inclusion in this Prospectus of its Investigating Accountant's Report in Section 6 in the form and context in which it is included.

Boardroom Pty Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as the Issuer's Note Registry in the form and context in which it is named. Boardroom Pty Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Note Registry to the Issuer.

State Street Australia Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as the Issuer's Investment Administrator in the form and context in which it is named. State Street Australia Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as the Investment Administrator.

Equity Trustees Limited has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as the Note Trustee in the form and context in which it is named. Equity Trustees Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Note Trustee.

Each of Morgans, NAB, E&P, CommSec, Canaccord, Ord Minnett, Taylor Collison and Wilsons has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as the Joint Lead Arranger and/or Joint Lead Manager (as relevant) in the form and context in which it is named. They have not taken part in the preparation of any part of this Prospectus other than the recording of their name and capacity.

## 12.4 Expenses of the Offer to be met by the Issuer

The expenses connected with the Offer (Offer Expenses) are estimated to be approximately:

- \$6.0 million (excluding GST) if only the Minimum Amount is raised under the Offer; and
- \$9.45 million (excluding GST) if the Maximum Amount sought under the Offer is raised.

The funding required to cover the Offer Expenses will be provided by the investment of the Equity Investor and Junior Noteholder. For clarity, the injection of funds for Offer

Expenses will be in excess of the amounts necessary to meet the First Loss Buffer and to ensure that the net tangible assets of the Issuer are at least \$10 million at the time of admission. As the Junior Notes and the Equity Investor Shares rank behind the Notes, the funding of the Offer Expenses should not impact the Issuer's ability to pay Noteholders.

## 12.5 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

## 12.6 Complaints

The Issuer takes complaints seriously and aims to resolve all complaints as quickly as possible. In the first instance, if you have a complaint, then you should notify the Issuer immediately using the following contact details:

Phone: 1300 721 637 and +61 2 8023 5428 (outside Australia)

Post: GPO Box 3993, Sydney NSW 2001

Email: [info@fidante.com.au](mailto:info@fidante.com.au)

If we receive a complaint, we will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible.

If you are not satisfied with the Issuer's response, then you may refer your complaint to the Australian Financial Complaints Authority (AFCA), an external complaints handling body of which the Issuer is a member. AFCA may hear complaints from retail clients and certain other categories of Noteholder. The role of this body is to provide you a free and independent assessment of your complaint. AFCA can be contacted as follows:

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority  
GPO Box 3 - Melbourne Victoria 3001.

For the hearing and speech impaired, AFCA can be contacted by either:

National Relay Service: [www.relayservice.com.au](http://www.relayservice.com.au)

TTY/Voice Calls: 133 677 (local)

Speak & Listen: 1300 555 727 (local)

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

AFCA is independent of the Issuer and the Manager. AFCA does have some rules which may change from time to time, including that the claim involved must generally be under a certain financial amount – current details can be obtained from [www.afca.org.au](http://www.afca.org.au).

## 12.7 Privacy and collection and disclosure of information

In applying to invest and completing an Application Form, you are providing the Note Registry, Joint Lead Managers, Manager and FPSL with certain personal details (your name, address, etc.). Your information will also be provided to the Joint Lead Managers who will hold this information on behalf of the Issuer. The Note Registry and FPSL use this information to establish and manage that investment for you.

The Manager and FPSL may also use your personal information to tell you about other products and services offered by the Manager or other related bodies corporate.

Under the *Privacy Act 1988* (Cth), you can access personal information about you that is held by, or on behalf of, FPSL or the Manager ('us') except in limited circumstances. Please let us know if you think the information is inaccurate, incomplete, or out of date.

If you do not provide your contact details and other information, then your Application Form may not be able to be processed.

Under various laws and regulatory requirements, we may have to pass-on certain information to other organisations, such as the ATO, or AUSTRAC.

By applying to invest, you give us permission to pass-on information we hold about you to other companies which are involved in helping us administer the Notes, or where they require it for the purposes of compliance with FATCA and CRS.

A copy of the Manager's Privacy Policy is available on the Manager's website [www.challengerim.com.au/privacy](http://www.challengerim.com.au/privacy) or by contacting the Manager on 1300 721 637.

A copy of FPSL's Privacy Policy is available on the website [www.fidante.com/au/privacy](http://www.fidante.com/au/privacy) or by contacting FPSL on 1300 721 637. You can also refer to the Note Registry's privacy policy, available from the website [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).

## 13. Authorisation

Each Director of the Issuer has authorised and consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

This Prospectus is signed by Victor Rodriguez, a Director of the Issuer, under section 351 of the Corporations Act.

Signed for and on behalf of the Issuer by:

A handwritten signature in black ink, appearing to be 'V. Rodriguez', with a stylized flourish at the end.

**VICTOR RODRIGUEZ**

**Chairperson, Executive Director**

## 14. Glossary

In this Prospectus, the following terms and abbreviations have the following meanings, unless the context otherwise requires:

<b>\$</b>	The lawful currency of Australia.
<b>AASB</b>	Australian Accounting Standards Board.
<b>Admission Date</b>	The date that the Issuer is admitted to the official list by the ASX.
<b>AFSL</b>	Australian financial services licence.
<b>Applicant(s)</b>	A person(s) who submits an Application.
<b>Application</b>	An application to subscribe for Notes under this Prospectus, using an Application Form.
<b>Application Form</b>	An application form attached to or accompanying this Prospectus.
<b>Application Monies</b>	The aggregate amount of money payable by an Applicant for Notes applied for under the Offer.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Asset Backed Finance</b>	Debt instruments secured by a pool of underlying income-generating assets, such as residential mortgage-backed securities.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>ASX Debt Listing</b>	Admission to the Official List in accordance with the requirements in ASX Listing Rule 1.8.
<b>ASX Listing Rules</b>	The official listing rules of the ASX, as amended from time to time.
<b>ASX Settlement Rules</b>	The operating rules of the settlement facility provided by ASX Settlement Pty Ltd ACN 008 504 532.
<b>ATO</b>	Australian Taxation Office.
<b>AAS</b>	Australian Accounting Standards.
<b>Base Terms</b>	The base terms of issue of the Notes attached to the Note Trust Deed, as amended from time to time.
<b>BBSW (1 month)</b>	<p>The credit-based floating interest rate benchmark 'BBSW (Mid)' for 1 month which measures the cost for highly rated banks in Australia to issue one month bank paper as published by the ASX as at approximately 10:30 AM (or if corrected by the ASX, such other time as it is recalculated and republished by the ASX) on the first date of the relevant Interest Period or, if such rate's publication is permanently or indefinitely discontinued, such other published successor rate or alternative rate for bank bill swap rate linked floating rate notes that is consistent with best market practice as determined at such time by the Issuer (acting in good faith and in a commercially reasonable manner).</p> <p>For further information, see Section 2.2.</p>
<b>BBSW (2 month)</b>	<p>The credit-based floating interest rate benchmark 'BBSW (Mid)' for 2 months which measures the cost for highly rated banks in Australia to issue two month bank paper as published by the ASX as at approximately 10:30 AM (or if corrected by the ASX, such other time as it is recalculated and republished by the ASX) on the first date of the First Interest Period or, if such rate's publication is permanently or indefinitely discontinued, such other published successor rate or alternative rate for bank bill swap rate linked floating rate notes that is consistent with best market practice as determined at such time by the Issuer (acting in good faith and in a commercially reasonable manner).</p> <p>For further information, see Section 2.2.</p>
<b>Broker</b>	Any organisation selected by the Issuer or the Joint Lead Managers to act as a broker for the Offer.

<b>Broker Firm Offer</b>	The Offer of Notes under this Prospectus to Australian resident Retail Investors that fall within the Target Market and Wholesale Investors who have received a firm allocation from their broker to participate in the Broker Firm Offer.
<b>Business Day</b>	Has the same meaning as in the ASX Listing Rules, but where used in connection with any redemption or payment on the Notes, excludes a day on which major trading banks are not open for business in Sydney, Australia.
<b>Challenger Group</b>	The corporate group consisting of Challenger Limited (ABN 85 106 842 371), an ASX-listed company (ASX:CGF), and its related bodies corporate, which include Challenger Life Company Limited.
<b>Challenger Investment Management</b>	Challenger Investment Partners Limited (ACN 092 382 842, AFSL 234678).
<b>Change of Control Event</b>	An event resulting in the Manager no longer being a subsidiary of Challenger Limited (ABN 85 106 842 371).
<b>CIF</b>	Challenger IM Credit Income Fund.
<b>CIMC Trust</b>	Challenger IM Capital Wholesale Trust 1.
<b>CIM</b>	Challenger Investment Partners Limited (ACN 092 382 842, AFSL 234678).
<b>CIM Managed Funds</b>	Funds managed by the Manager.
<b>CLC or Challenger Life</b>	Challenger Life Company Limited (ABN 44 072 486 938, AFSL 234670).
<b>Closing Date</b>	Has the meaning given in the “Key Offer Information” section.
<b>Commercial Real Estate Loans</b>	Financing provided by private lenders to borrowers for the purpose of purchasing, developing or refinancing of commercial properties.
<b>Constitution</b>	The constitution of the Issuer.
<b>Cornerstone Offer</b>	The Offer of Notes to Wholesale Investors that have been invited to participate in the Cornerstone Offer by the Issuer and Joint Lead Managers.
<b>Corporate Loans</b>	Financing provided by private lenders to corporate borrowers.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Credit Default Swaps</b>	A financial derivative that allows an investor to transfer the credit risk of a debt obligation to another party.
<b>Credit Spread Duration</b>	A measure of how much a debt security’s price changes in response to a change in its credit spread, quantifying the debt security’s sensitivity to changes in credit risk.
<b>CRM Team</b>	Challenger Group’s credit risk management team.
<b>DDO Regime</b>	The design and distribution obligations regime contained in Part 7.8A of the Corporations Act.
<b>Default Weighted Average Rating</b>	An estimate of the credit risk of a portfolio based on the Moody’s Weighted Average Rating Factor (WARF) methodology which weights exposures according to their dollar weighted default risk.
<b>Director</b>	A director of the Issuer.
<b>Diversified Banks</b>	Sub-industry group within the “Banks” industry group as categorised under GICS.
<b>EFT</b>	Electronic funds transfer.
<b>EIR</b>	Effective interest rate method.
<b>Expiry Date</b>	Has the meaning given in the “Important Information” section.
<b>Equity Investor</b>	The Challenger Group entity that invests in shares of the Issuer.
<b>Equity Investor Shares</b>	The ordinary shares held by the Equity Investor in the Issuer.

<b>ESG</b>	Environmental, social and governance.
<b>Exposure Period</b>	Has the meaning given in the “Important Information” section.
<b>FPSL</b>	Fidante Partners Services Limited (ACN 119 605 373; AFSL 320505).
<b>Face Value</b>	The face value of a Note.
<b>Fidante</b>	Fidante Partners Holdings Pty Limited (ACN 123 318 650) and its subsidiaries.
<b>Financial Indebtedness</b>	<p>Indebtedness of a person in respect of:</p> <ol style="list-style-type: none"> <li>1. money borrowed; or</li> <li>2. money raised by the issue of bonds, debentures, notes or similar instruments or by drawing and negotiating any negotiable instrument,</li> </ol> <p>which in each case would be recognised as a liability of the person on a balance sheet of the person prepared in accordance with the accounting standards or principles that it is required to comply with under Australian law.</p>
<b>First Interest Period</b>	The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date.
<b>First Loss Buffer</b>	Has the meaning given to that term in Section 2.5.
<b>First Loss Buffer Percentage</b>	Has the meaning given to that term in Section 2.5.
<b>FUM</b>	Funds under management.
<b>Funds Management</b>	Challenger Group's funds management business.
<b>G10 Currencies</b>	A group of ten of the most heavily traded and liquid currencies in the world.
<b>GICS</b>	Global Industry Classification Standard, a hierarchical system developed by MSCI and S&P Dow Jones to categorise companies based on their primary business activities.
<b>Global Financial Crisis</b>	A period of extreme stress in global financial markets and banking systems, primarily between mid-2007 and early 2009.
<b>Gross Asset Value</b>	An amount equal to the aggregate value of all assets of the Issuer at the relevant time in accordance Issuer's valuation policy.
<b>GST</b>	Goods and services tax.
<b>Holding Statement</b>	Holding statement evidencing that the person named on it is the holder of the number of Notes shown on it.
<b>Independent Limited Assurance Report</b>	The report contained in Section 6.
<b>Initial Portfolio</b>	The initial portfolio of assets of the Issuer, as described in Section 4.4.
<b>Insufficient Income</b>	In relation to an Interest Period, insufficient income from the Issuer's investments to pay the Interest in full, as determined by the Issuer.
<b>Interest</b>	Interest accruing on the Notes.
<b>Interest Payment</b>	The payment of Interest accrued on the Note.
<b>Interest Payment Date</b>	The date on which an Interest Payment is to be made, intended to be monthly, on the 20th of each month (or the next Business Day if that day is not a Business Day). The first Interest Payment Date will be 20 November 2025.
<b>Interest Period</b>	<p>In respect of a Note:</p> <ol style="list-style-type: none"> <li>a. the First Interest Period; and</li> <li>b. subsequently, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date.</li> </ol>

<b>Interest Rate</b>	BBSW (1 month) plus the applicable Margin, other than in respect of the first Interest Payment on 20 November 2025, which will be BBSW (2 month) plus the applicable Margin.
<b>Internal Rating</b>	A credit rating which has been determined by Challenger's credit risk management team rather than an external credit rating agency. Note that credit ratings are intended to be used by Wholesale Investors only and should not be relied on by Retail Investors when making a decision about investing in the Notes. See sections 7.4(d) and 7.4(e) for further information on the associated risks.
<b>Investigating Accountant</b>	Ernst & Young.
<b>Investment Administrator</b>	State Street Australia Limited (ACN 002 965 200).
<b>Investment Management Agreement</b>	The investment management agreement between the Manager and the Issuer.
<b>Investment Strategy</b>	The investment strategy of the Manager for the Issuer as set out in Section 4.
<b>Investment Grade</b>	In relation to a debt security, a credit rating of 'BBB-' or higher, implying a low risk of default.
<b>Issue Date</b>	4 September 2025.
<b>Issue Price</b>	\$100 per Note, being the price that Applicants will pay for each Note.
<b>Issuer</b>	Challenger IM Capital Limited (ACN 687 738 263).
<b>Joint Lead Arrangers</b>	Morgans Financial Limited (ACN 010 669 726; AFSL 235 410) ( <b>Morgans</b> ); National Australia Bank Limited (ACN 004 044 937; AFSL 230 686) ( <b>NAB</b> ), E&P Capital Pty Limited (ACN 137 980 520; AFSL 338 885) ( <b>E&amp;P</b> ) and Commonwealth Securities Limited (ACN 067 254 399; AFSL 238 814) ( <b>CommSec</b> ).
<b>Joint Lead Managers</b>	In addition to the Joint Lead Arrangers, Canaccord Genuity (Australia) Limited (ACN 075 071 466; AFSL 234 666) ( <b>Canaccord</b> ), Ord Minnett Limited (ACN 002 733 048; AFSL 237 121) ( <b>Ord Minnett</b> ), Taylor Collison Limited (ACN 008 172 450; AFSL 247 083) ( <b>Taylor Collison</b> ) and Wilsons Corporate Finance Limited (ACN 057 547 323; AFSL 238 383) ( <b>Wilsons</b> ).
<b>Junior Note</b>	An unsecured subordinated debt obligation in the form of a note issued by the Issuer which ranks behind the Issuer's obligations under the Notes.
<b>Junior Noteholder</b>	The entity that invests in Junior Notes of the Issuer.
<b>Lead Manager Parties</b>	Has the meaning given to that term in the "Important Information" section.
<b>Legal Preference</b>	In relation to a financial obligation, a statutory or similar legal priority which means that a debtor must give priority to the payment of such financial obligation over the claims of other creditors or claimants.
<b>LiFTS</b>	Listed Floating Rate Term Securities.
<b>Manager</b>	Challenger Investment Partners Limited (ACN 092 382 842, AFSL 234678).
<b>Margin</b>	The margin above the benchmark rate, which will be 2.75% per annum from the Issue Date until and including the Target Repayment Date (or any early redemption date) and which will step up by 1 percentage point per annum after the Target Repayment Date to 3.75% per annum.
<b>Maturity Date</b>	The maturity date of the Notes expected to be 6 September 2032.
<b>Maximum Amount</b>	3,500,000 Notes at \$100 per Note to raise \$350 million.
<b>Minimum Amount</b>	2,000,000 Notes at \$100 per Note to raise \$200 million.
<b>Modified Interest Rate Duration</b>	A measure of the sensitivity of the price of a fixed-income security to changes in interest rates.
<b>MSPL</b>	Challenger IM Multi-Sector Private Lending Fund.



<b>Multi-Family Residential REITS</b>	Sub-industry group within the 'Equity Real Estate Investment Trusts' industry group as categorised under GICS.
<b>Note</b>	An unsecured deferrable and redeemable debt security issued by the Issuer and in the form of a note called the Challenger IM LiFTS 1 Notes to be quoted on the ASX with the ticker code "CIMHA".
<b>Note Registry</b>	Boardroom Pty Limited or any other Note registry that the Issuer appoints to maintain the register of Notes.
<b>Note Trust Deed</b>	The trust deed between the Issuer and the Note Trustee in relation to the Notes.
<b>Note Trustee</b>	Equity Trustees Limited (ACN 004 031 298; AFSL 240 975).
<b>Note Trust</b>	The trust constituted under the Note Trust Deed.
<b>Noteholder</b>	A holder of Notes.
<b>Noteholder's Bank Account</b>	Has the meaning given to that term in Section 2.2.
<b>Noteholder Resolution</b>	An Ordinary Resolution or Special Resolution, as applicable.
<b>Offer</b>	The offer of a minimum of 2,000,000 and up to 3,500,000 Notes at the Issue Price on the terms set out in this Prospectus.
<b>Offer Expenses</b>	Has the meaning given to that term in Section 12.4.
<b>Offer Period</b>	Has the meaning given to that term in the "Important Information" section.
<b>Offer Specific Terms</b>	The offer specific terms of issue of the Challenger IM LiFTS 1 Notes dated 11 August 2025.
<b>Official List</b>	The official list of entities that ASX has admitted and not removed from listing.
<b>Offshore Associate</b>	An associate (as defined in section 128F of the Tax Act) of the Issuer that is either: <ul style="list-style-type: none"> <li>a. a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or</li> <li>b. a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia.</li> </ul>
<b>Opening Date</b>	Has the meaning given in the "Key Offer Information" section.
<b>Ordinary Resolution</b>	A resolution approved (a) by 50% of the persons voting on show of hands at a meeting, (b) if a poll is duly demanded at a meeting, by Noteholders representing at least 50% of the aggregate Issue Price of all the Notes held by all Noteholders who attend the meeting and vote on the resolution (in person or by proxy) or (3) if the resolution is approved by postal ballot or in writing, by Noteholders representing at least 50% of the aggregate Issue Price of all Notes on issue.
<b>Permitted Financial Indebtedness</b>	Has the meaning given to that term in Section 2.5.
<b>Principal Amount of Core Debt Obligations</b>	Has the meaning given to that term in Section 2.5.8.
<b>Privacy Act</b>	<i>Privacy Act 1988</i> (Cth).
<b>Pro Forma Historical Financial Information</b>	Has the meaning given to that term in Section 5.1.
<b>Prospectus</b>	This electronic document containing the Offer, and any supplementary or replacement document.
<b>Prospectus Date</b>	The date on which the Prospectus is lodged with ASIC.
<b>Public Credit Assets</b>	Debt instruments that are rated by external credit rating agencies, centrally cleared and are actively traded in secondary markets with observable trading levels.

<b>Record Date</b>	Has the meaning given to that term in the Terms of Issue and Appendix 6A of ASX Listing Rules, as applicable.
<b>Reference Funds</b>	Has the meaning given in Section 4.5.
<b>Redemption Amount</b>	Has the meaning given to that term in the Terms of Issue.
<b>Retail Investor</b>	A person who is a "retail client" under the Corporations Act.
<b>Running Yield</b>	The annual income (interest or dividends) from an investment, expressed as a percentage of its current market price.
<b>Secured Financial Indebtedness</b>	Has the meaning given to that term in Section 2.5.
<b>Series</b>	Has the meaning given to that term in Section 2.5.
<b>Settlement Date</b>	3 September 2025.
<b>Short-Term Financial Indebtedness</b>	Any short-term Financial Indebtedness incurred in the ordinary course of the Issuer's investment activities, including, but not limited to, such Financial Indebtedness incurred in relation to foreign exchange hedging, swaps, repos and settlements.
<b>Special Resolution</b>	A resolution approved by Noteholders representing at least 75% of the aggregate Issue Price of all the Notes held by all Noteholders who attend the meeting and vote on the resolution (in person or by proxy) (or of all Notes on issue if the resolution is approved by postal ballot or in writing).
<b>Step Up Rate</b>	The 'Premium Interest Rate' stated in the Offer Specific Terms.
<b>Sub-Investment Grade</b>	In relation to a debt security, a credit rating below Investment Grade, indicating a higher risk of default.
<b>Sydney time</b>	The time in Sydney, Australia. As at the date of this Prospectus, it is Australian Eastern Daylight Time, the time in New South Wales, while daylight saving is applicable.
<b>Target Market</b>	Has the meaning given to that term in Section 10.10.
<b>Target Market Determination</b>	The Target Market Determination issued by the Issuer in relation to the Notes.
<b>Target Repayment Date</b>	The Target Repayment Date for the redemption of the Notes, expected to be 4 September 2031.
<b>Tax Act</b>	Both the <i>Income Tax Assessment Act 1997</i> (Cth) and the <i>Income Tax Assessment Act 1936</i> (Cth).
<b>Tax Event</b>	Has the meaning given to that term in the Base Terms.
<b>Terms of Issue</b>	The Base Terms and the Offer Specific Terms.
<b>TFN</b>	Tax file number.
<b>TFN Withholding Tax</b>	Tax payable to the ATO in respect of any Noteholder that has not quoted its TFN, or ABN, as applicable, to the Issuer.
<b>Trading Day</b>	Any day on which trading occurs on 'ASX Trade', as determined by ASX.
<b>Tranche</b>	Has the meaning given to that term in Section 2.5.
<b>US or United States</b>	The United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
<b>U.S. Securities Act</b>	The <i>United States Securities Act</i> of 1933, as amended.
<b>Wholesale Investor</b>	A person who is a "wholesale client" under the Corporations Act.
<b>Winding Up Event</b>	Has the meaning explained in Section 2.5.

# Base Terms

*These Base Terms will be supplemented, amended, modified or replaced by the Offer Specific Terms in respect of each Series of the Notes. The provisions of the Offer Specific Terms will prevail over these Base Terms in the event of any inconsistency.*

## 1. Definitions

### 1.1 DEFINITIONS

The following defined terms apply in the Terms (capitalised terms not otherwise defined in this clause 1.1 have the meanings given to them in the Note Trust Deed):

**Accounting Standards** means for a person, all accounting standards or principles that it is required to comply with under Australian law.

**Applicable Law** means the Listing Rules, ASX Settlement Operating Rules, ASX Operating Rules, the Corporations Act and any other laws, regulations or rules as may be applicable to the transfer or holding of a Note.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the market it operates.

**ASX Operating Rules** means the market operating rules of ASX as modified from time to time.

**ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532).

**ASX Settlement Operating Rules** means the settlement operating rules of ASX Settlement from time to time.

**Australian dollars or \$A** means the lawful currency of Australia.

**Business Day** has the same meaning as the ASX Listing Rules, but where used in connection with any Redemption or payment on the Notes, excludes a day on which major trading banks are not open for business in Sydney, Australia.

**Challenger Group** means Challenger Limited (ABN 85 106 842 371) and its Subsidiaries and Challenger Group Member means each of the members of the Challenger Group.

**Change of Control Event** means an event resulting in the Manager no longer being a Subsidiary of Challenger Limited (ABN 85 106 842 371).

**Change of Control Event Redemption Date** has the meaning given in clause 5.3(d)(v).

**Change of Control Notice** has the meaning given in clause 5.3(d)(ii).

**Change of Control Event Redemption Period** has the meaning given in clause 5.3(d)(iv).

**CHESS** means the Clearing House Electronic Sub-Register System operated by ASX Settlement.

**CHESS Approved Securities** means securities that are "CHESS approved" for the purpose of the ASX Listing Rules.

**CS Facility** has the same meaning as "prescribed CS facility" in the Corporations Act.

**CS Facility Operator** means the operator of a CS Facility.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Deferred Interest** has the meaning given to that term in clause 4.6.

**Disposal** means sell, assign, transfer, or otherwise dispose or cease to hold, or part with possession of, or create a right to or an interest in an asset and **Dispose** has a corresponding meaning.

**Face Value** means the Face Value amount which is specified in the Offer Specific Terms.

**Financial Indebtedness** means indebtedness of a Person in respect of:

- a. money borrowed; or
- b. money raised by the issue of bonds, debentures, notes or similar instruments or by drawing and negotiating any negotiable instrument,

which in each case would be recognised as a liability of the person on a balance sheet of the person prepared in accordance with the Accounting Standards.

**First Interest Payment Date** means the date which is specified in the Offer Specific Terms.

**First Interest Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the First Interest Payment Date.

**Gross Asset Value** means an amount equal to the aggregate value of all assets of the Issuer at the relevant time determined in accordance with the Issuer's valuation policy.

**Government Agency** means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity.

**Holding Statement** means a holding statement evidencing that the person named on it is the holder of the number of Notes shown on it.

**Initial Interest Rate** means, in respect of Note, the Initial Interest Rate specified in the applicable Offer Specific Terms or calculated or determined in accordance with the Terms.

**Initial Interest Rate Period** means in respect of a Note, the period during which the Initial Interest Rate will be payable on the Note, beginning on (and including) the Issue Date and ending on (but excluding) the Target Repayment Date or, if earlier, the Redemption Date.

**Insufficient Income** means, in relation to an Interest Period, insufficient income from Investments to pay the Interest in full.

**Interest** means the interest payable on a Note in accordance with its Terms.

**Interest Payment Date** means in respect of a Note, the twentieth day of each month (or such other date specified in the Offer Specific Terms) in the period commencing with the First Interest Payment Date until the Redemption Date of the Notes, with the Redemption Date being the last Interest Payment Date, or if any such date is not a Business Day, the following Business Day.

**Interest Period** means in respect of a Note:

- a. the First Interest Period; and
- b. subsequently, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

**Interest Rate** means, in respect of a Note, the Initial Interest Rate and the Premium Interest Rate (as applicable).

**Investments** means the Issuer's investments.

**Issue Date** means the date on which a Note is issued, as recorded or to be recorded in the Note Register or any other date specified in the Offer Specific Terms.

**Issuer** means Challenger IM Capital Limited (ACN 687 738 263).

**Junior Note** means an unsecured subordinated debt obligation in the form of a note issued by the Issuer which ranks behind the Issuer's obligations under the Notes.

**Manager** means Challenger Investment Partners Limited (ACN 092 382 842; AFSL 234678).

**Maturity Date** means in respect of a Note, the Maturity Date which is specified in the applicable Offer Specific Terms.

**Note** means an unsecured debt obligation of the Issuer in the form of an unsecured note issued or to be issued by the Issuer in accordance with its Terms.

**Note Register** means the register of Noteholders established and maintained in accordance with clause 10 and, where appropriate, includes a sub-register conducted by or for the Issuer pursuant to the Corporations Act, the Listing Rules or ASX Settlement Operating Rules.

**Note Trust Deed** means the trust deed dated on or about 11 August 2025 between the Issuer and the Note Trustee, as amended from time to time.

**Note Trustee** means Equity Trustees Limited (ACN 004 031 298).

**Noteholder** means in relation to any Note, a person whose name is for the time being registered in the Note Register as the holder of that Note.

**Officer** means a director or secretary of the Issuer or any other person authorised by the Issuer as an Officer of the Issuer for the purposes of the Terms.

**Permitted Financial Indebtedness** means:

- a. Short-term Financial Indebtedness; and
- b. Secured Financial Indebtedness.

**Premium Interest Rate** means, in respect of Note, the Premium Interest Rate specified in the applicable Offer Specific Terms or calculated or determined in accordance with the Terms.

**Premium Interest Rate Period** means, where a Note has not been redeemed on the Target Repayment Date, the period during which the Premium Interest Rate is payable on the Note, beginning from (and including) the Target Repayment Date and ending on (but excluding) the Maturity Date or, if earlier, the Redemption Date.

**Quoted** means in respect of the Notes, admitted to official quotation on the ASX, whether or not quotation of the Notes is deferred, suspended or subjected to a trading halt.

**Record Date** means:

- a. in respect of payment of Interest:
  - i. the date which is 5 calendar days, or if such date is not a Business Day, the previous Business Day, before the Interest Payment Date upon which such Interest actually falls due for payment; or
  - ii. such other date as is determined by the Issuer in its absolute discretion and communicated to ASX not less than seven Business Days before the specified Record Date; or
  - iii. in either case such other date as may be required under the ASX Listing Rules or by ASX; and
- b. in other cases where it is necessary to determine the holder of a Note as at a Record Date, such determination will be made as of such time as the Issuer reasonably determines.

**Redemption** means the redemption of a Note by payment of its Redemption Amount in accordance with its Terms. The terms "**Redeem**" and "**Redeemed**" have a corresponding meaning.

**Redemption Amount** means:

- a. in respect of any Note to be Redeemed under clause 5.3(b) (Early Redemption), the Redemption Amount calculated in accordance with that clause;
- b. in respect of any other Note to be Redeemed, the aggregate of:
  - i. the Face Value of the Note; and
  - ii. any accrued (but unpaid) Interest in respect of the Note up to but not including the Redemption Date.

**Redemption Date** means in respect of a Note, the earlier of:

- a. the Maturity Date; and
- b. the date for Redemption of that Note in accordance with clause 5.3 or clause 6.2.

**Redemption Resolution** has the meaning given in clause 5.3(d)(i).

**Registry** or **Registrar** means Boardroom Pty Limited or such other person appointed by the Issuer to maintain the Note Register on the Issuer's behalf from time to time (and specified in the Offer Specific Terms).

**Restricted Securities** has the same meaning as in the ASX Listing Rules and extends to Notes which are subject to voluntary restrictions by agreement between the Issuer and one or more Noteholders.

**Restriction Agreement** means an agreement which is required to be concluded under Chapter 9 of the ASX Listing Rules or is voluntarily concluded between the Issuer and one or more Noteholders.

**Secured Financial Indebtedness** means Financial Indebtedness that is secured over the assets of the Issuer and incurred by the Issuer in accordance with clause 3.3(b).

**Security Interest** means:

- a. a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement, notice or arrangement having similar effect including any "security interest" as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009* (Cth); or
- b. any other arrangement (including any preferential, trust or set-off arrangement) having a similar commercial effect as a grant of security.

**Series** means an issue of Notes made up of one or more Tranches all of which are expressed to be consolidated and form a single series and are issued on the same terms, except that the Issue Date may be different in respect of different Tranches of a Series.

**Share** means a share in the capital of the Issuer (including, for the avoidance of doubt, a preference share).

**Short-Term Financial Indebtedness** means any short-term Financial Indebtedness incurred in the ordinary course of the investment activities, including, but not limited to, such Financial Indebtedness incurred in relation to FX hedging, swaps, repos and settlements. Subject to any Legal Preferences, the Short-Term Financial Indebtedness will rank equally or behind the Notes.

**Subsidiary** has the meaning given to that term in section 46 of the Corporations Act.

**Target Repayment Date** means in respect of a Note, the date which is specified in the applicable Offer Specific Terms.

**Tax** means any tax, levy, impost, deduction, charge or withholding or duty (including stamp duty and transaction duty) imposed by any authority together with any related interest, penalties and expenses in connection with them.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), as the context requires.

**Tax Event** occurs upon the Issuer receiving an opinion of a senior tax adviser in Australia that due to a change in a law, or in the application or interpretation of a law, such change, application or interpretation has a negative effect on the tax treatment of the Notes.

**Terms** means these Base Terms as amended, supplemented, modified or replaced by the applicable Offer Specific Terms.

**Tranche** means an issue of Notes issued on the same Issue Date and on the same terms.

**Winding Up Event** has the meaning given to that term in clause 6.

## 1.2 INTERPRETATION

- a. Unless the contrary intention appears, a reference in the Terms:
  - i. a group of persons is a reference to any two or more of them jointly and to each of them individually;
  - ii. an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
  - iii. anything (including an amount) is a reference to the whole and each part of it;
  - iv. a document includes any variation or replacement of it;
  - v. "law" includes common law, principles of equity and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them), and consolidations, amendments, re-enactments or replacements of any of them;
  - vi. a time of day is a reference to Sydney, Australia time;
  - vii. if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
  - viii. the word "person" includes an individual, corporation, company, firm, tribunal, undertaking, association, organisation, partnership, joint venture, trust, limited liability company, unincorporated organisation or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity;
  - ix. a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
  - x. the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.
- b. The singular includes the plural and vice versa.
- c. Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of the Terms.

## 2. Form, denomination and title

### 2.1 NOTE TRUST DEED

- a. The Notes are unsecured debt obligations of the Issuer, constituted by and owing under the Note Trust Deed.
- b. Noteholders are entitled to the benefit of, and are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed.
- c. The Note Trust Deed is available for inspection by Noteholders at the office of the Note Trustee during local business hours.

### 2.2 FORM

- a. The Notes are unsecured notes of the Issuer and are issued in registered form by entry in the Note Register.
- b. Each Note is a separate debt obligation of the Issuer, and (subject to clause 8) may be transferred separately from any other Note.

### 2.3 FACE VALUE AND CURRENCY

- a. Each Note is issued fully paid and with a Face Value of \$100.
- b. Notes will be issued in Australian dollars.

### 2.4 TITLE AND TRANSFER

- a. Title to all Notes will be determined as provided in the Note Trust Deed and in the Terms, and the Notes may be transferred, as provided in clause 8.
- b. Except as provided in the Note Trust Deed and the Terms or required by law, the Issuer will not recognise any person other than the registered Noteholder as having any title to, or interest in, a Note.

### 2.5 REGISTRATION

- a. The Issuer must establish and maintain or cause to be maintained the Note Register.
- b. The Issuer will enter or cause to be entered on the Note Register the details set out in clause 10.

### 2.6 QUOTATION

The Issuer must use all reasonable endeavours and furnish any documents, information and undertakings as may be reasonably necessary in order to ensure that the Notes are, and remain until Redeemed, in accordance with the Terms, Quoted on ASX.

### 2.7 ASX RULES

The Terms are to be interpreted subject to:

- a. the ASX Listing Rules as they apply to the Issuer or the Notes, while the Notes are Quoted; and
- b. the ASX Settlement Operating Rules, while the Notes are CHESS Approved Securities.

## 2.8 EVIDENCE OF HOLDINGS

The Issuer must provide to each Noteholder Holding Statements or such statements of the holdings of the Notes of the Noteholder as the Issuer is required to give under the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules. Note certificates will not be issued unless the Issuer determines that certificates should be made available or are required to be made available by law.

## 2.9 PROVISION OF INFORMATION BY NOTEHOLDERS

If requested by the Issuer or the Note Trustee, the Noteholders must provide information required by the Issuer or the Note Trustee in order to comply with any Applicable Law.

## 3. Status and undertakings

### 3.1 STATUS OF NOTES

- a. Notes are direct unsubordinated non-preferred unsecured obligations of the Issuer and rank equally with:
  - i. all Series of Notes, and without any preference by reason of Issue Date; and
  - ii. all other unsubordinated non-preferred unsecured obligations of the Issuer.
- b. A Note is not convertible into shares of the Issuer and does not confer any rights on a Noteholder:
  - i. to attend or vote at a meeting of members of the Issuer;
  - ii. to subscribe for new securities or to participate in any issue of securities by the Issuer; or
  - iii. to otherwise participate in the profits or property of the Issuer or to benefits produced by the Issuer, except by receiving payments as set out expressly in its Terms.

### 3.2 FIRST LOSS BUFFER

- a. For as long as any of the Notes remain outstanding, the Issuer can only make any Relevant Payments on any Junior Notes or Shares when (and only to the extent that) the Gross Asset Value exceeds the amount determined as follows:

$$\frac{\text{Principal Amount of Core Debt Obligations}}{100\% - \text{First Loss Buffer Percentage } \%}$$

- b. The Issuer may only make Relevant Payments on any Junior Notes or Shares if at the time of the Relevant Payment there is no Deferred Interest on the Notes and there are no amounts currently due and payable on the Notes.
- c. In this clause 3.2:
  - i. **First Loss Buffer Percentage** means 6% (or such higher percentage specified in the Offer Specific Terms). **Principal Amount of Core Debt Obligations** means the sum of:
    - A. the aggregate Face Value of the Notes (of all Series); and



B. the principal amount of the Secured Financial Indebtedness.

- ii. **Relevant Payment** means an interest or redemption payment (in the case of Junior Notes) or dividend, reduction of capital or buyback (in the case of Shares).

### 3.3 RESTRICTIONS ON INCURRENCE OF FINANCIAL INDEBTEDNESS

- a. For as long as any of the Notes remain outstanding, the Issuer must not incur any Financial Indebtedness other than:
- through the issuance of Notes (including the issuance of future Tranches and Series of Notes);
  - through the issuance of Junior Notes; and
  - any Permitted Financial Indebtedness.
- b. The Issuer will only incur Secured Financial Indebtedness for the purpose of acquiring Investments and is required to ensure that:
- at the time that the Security Interest is granted, the aggregate principal amount of all Secured Financial Indebtedness secured by such Security Interests does not exceed 25% of the Gross Asset Value of the Issuer; and
  - the interest rate of such Secured Financial Indebtedness does not exceed the lowest Interest Rate applicable in relation to the Notes (of any Series).

### 3.4 RESTRICTIONS ON CREATION OF SECURITY INTERESTS

The Issuer will not create any Security Interest in relation to the Investments, except:

- in accordance with clause 3.3(b); or
- in relation to a lien or statutory preference which arise by operation of law in the ordinary course of trading so long as the payment obligation it secures is paid when due or contested in good faith and appropriately provisioned.

### 3.5 OTHER DEBT OBLIGATIONS

For the avoidance of doubt, subject to Applicable Laws and the provisions in relation to Financial Indebtedness set out in clause 3.3 and in relation to Security interest in clause 3.4, there are no restrictions under the Terms or the Note Trust Deed on the Issuer incurring any other (service provider, operational, trade and other) debt and payment obligations, subject to such obligations ranking equal with or behind the Notes.

## 4. Interest

### 4.1 INTEREST

Each Note carries an entitlement to be paid interest on its Face Value in respect of each Interest Period, subject to and in accordance with this clause 4.

### 4.2 INTEREST PAYMENTS – INITIAL INTEREST RATE PERIOD

- a. The Interest payable on each Note in respect of an Interest Period during the Initial Interest Rate Period is the amount calculated in accordance with the following formula:

$$\text{Interest} = \frac{\text{Initial Interest Rate} \times \text{Face Value} \times N}{365}$$

where:

**N** is the number of days in the applicable Interest Period.

- b. Interest payable in respect of each such Interest Period is payable in arrears on the Interest Payment Date on which the Interest Period ends and, in the case of the Interest payable on the Redemption Date of a Note, is payable as part of the Redemption Amount.

### 4.3 INTEREST PAYMENTS – PREMIUM INTEREST RATE PERIOD

- a. The Interest payable on each Note in respect of an Interest Period during the Premium Interest Rate Period is the amount calculated in accordance with the following formula:

$$\text{Interest} = \frac{\text{Premium Interest Rate} \times \text{Face Value} \times N}{365}$$

where:

**N** is the number of days in the applicable Interest Period.

- b. Interest payable in respect of each such Interest Period is payable in arrears on the Interest Payment Date on which the Interest Period ends and, in the case of the Interest payable on the Redemption Date of a Note, is payable as part of the Redemption Amount.

### 4.4 DETERMINATION AND NOTIFICATION OF INTEREST RATES AND INTEREST PAYABLE

- a. The Issuer must promptly determine:
- the amount of the Interest that will (subject to this clause 4) be payable on each Note in respect of each Interest Period; and
  - if the Notes are to be Redeemed, the amount of the Interest to be paid on each Note on Redemption of the Note,
- and, where required under the Listing Rules, promptly notify ASX of that determination.
- b. The determination by the Issuer of amounts required to be determined by it under the Terms is, in the absence of manifest error, final and binding on the Note Trustee and each Noteholder.
- c. If, in respect of an Interest Period of a Note, the applicable Interest Rate becomes negative, no Interest will be payable by the Issuer on the Note for that Interest Period, but the Noteholder will not be obliged to pay the Issuer.



## 4.5 ROUNDING

For the purposes of any calculations required under the Terms:

- a. all percentages resulting from the calculations must be rounded to the nearest one ten-thousandth of a percentage point (with 0.00005 per cent being rounded up to 0.0001 per cent);
- b. all figures must be rounded to four decimal places (with halves being rounded up); and
- c. all amounts that are due and payable must be rounded (with halves being rounded up) to one cent.

## 4.6 INTEREST PAYMENTS CAN BE DEFERRED

- a. If on an Interest Payment Date in relation to an Interest Period, the Issuer has Insufficient Income:
  - i. the payment of the Interest amount for that Interest Period may be (partially or wholly) deferred (**Deferred Interest**) to the next Interest Payment Date (and, subsequently, to later Interest Payment Dates, if required); and
  - ii. ASX will be notified of this decision to the extent required in accordance with the ASX Listing Rules.
- b. The Issuer is required to pay the Noteholder an amount of interest on the unpaid balance of the Deferred Interest amount, calculated at the same Interest Rate as applies for the calculation period. The amount of interest accrued under this clause 4.6(b) is payable at the same time as payment of the Deferred Interest to which it relates.
- c. The Issuer is required to pay any prior Deferred Interest (and the interest accrued on it under clause 4.6(b)) before paying any Interest (including any Deferred Interest) arising from subsequent Interest Periods.

# 5. Redemption and purchase

## 5.1 MATURITY DATE

The Maturity Date is the final maturity date of each Note.

## 5.2 REDEMPTION ON MATURITY DATE

- a. The Issuer must Redeem each Note on the Maturity Date for its Redemption Amount. The Issuer must pay the Redemption Amount within 10 Business Days after the Maturity Date.
- b. However, the Issuer intends to Redeem each Note by the Target Repayment Date for its Redemption Amount but may elect at its discretion not to Redeem Notes at the Target Repayment Date, in which case it will give the Noteholders, the Note Trustee and the ASX no less than five Business Days prior notice of such election.
- c. For the avoidance of doubt, no Interest will accrue after the Maturity Date.
- d. If the Issuer does not expect the Investments to be sufficiently liquid to repay the entirety of the aggregate Face Value of the Notes on the Maturity Date, it will call a meeting of Noteholders to be held at least one month prior to the Maturity Date to obtain directions from the Noteholders by Special Resolution.

## 5.3 REDEMPTION AT THE OPTION OF THE ISSUER

- a. Without affecting clause 6.2, Noteholders have no right to request Redemption of their Notes at any time.
- b. (**Redemption — Issuer's early redemption**)
  - i. The Issuer may Redeem all or some of the Notes on issue on any Interest Payment Date by giving no less than five Business Days prior notice of such proposed Redemption to Noteholders, the Note Trustee and ASX, nominating the Redemption Date upon which the Issuer will Redeem the Notes.
  - ii. If the Redemption Date is more than 12 months prior to the Target Repayment Date, the Redemption Amount for the Notes will be an amount equal to 101% of the Face Value per Note plus any accrued (but unpaid) interest on the Note up to but not including the Redemption Date.
  - iii. If the Redemption Date is 12 months or less prior to the Target Repayment Date or after the Target Repayment Date, the Redemption Amount for the Notes that are to be Redeemed will be an amount equal to 100% of the Face Value per Note plus any accrued (but unpaid) interest on the Note up to but not including the Redemption Date.
  - iv. If the Issuer Redeems some but not all of the Notes on issue in accordance with clause 5.3(b)(i), such Redemption must be made on a pro-rata basis in respect of all Noteholders' Notes on issue at the relevant time, subject to such adjustments as the Issuer considers necessary and appropriate or required by the Registry, to take into account the effect of such Redemption on marketable parcels and whole numbers of any Notes remaining on issue or any minimum holding determined by the Issuer.
- c. (**Redemption — Tax Event**)
  - i. If a Tax Event occurs, the Issuer may Redeem all (but not some) of the Notes of a Series at any time on the Redemption Date nominated in accordance with this clause 5.3(c) for their Redemption Amount.
  - ii. The Issuer may only Redeem a Note under this clause 5.3(c) if:
    - A. the Issuer has given at least 30 days' (and no more than 45 days') notice to the Note Trustee, the Noteholders and ASX nominating the Redemption Date upon which the Issuer proposes to Redeem the Notes; and
    - B. before the Issuer gives the notice under paragraph (A), the Note Trustee has received a certificate signed by two directors of the Issuer that a Tax Event has occurred.
- d. (**Redemption — Change of Control Event**)
  - i. If a Change of Control Event occurs, the Note Trustee, if directed by the Noteholders by an Ordinary Resolution (Redemption Resolution), may require the Issuer to Redeem all (but not some) of the Notes on the Change of Control Event Redemption Date for their Redemption Amount.

- ii. As soon as reasonably practicable after the occurrence of a Change of Control Event, the Issuer must give notice of the Change of Control Event to the Note Trustee with a copy to the Registrar, the Noteholders and the ASX (**Change of Control Notice**).
- iii. The Change of Control Notice will contain: (i) a statement informing Noteholders of their entitlement to direct the Note Trustee to require Redemption of the Notes pursuant to this clause 5.3(d), and will also specify: (ii) all information concerning the Change of Control Event that is material to the Noteholders; (iii) the closing price of the Notes on the day that the Notes were trading on the ASX immediately prior to the occurrence of the Change of Control Event; (iv) details of the meeting or other procedure by which the Noteholders are to consider whether to direct the Note Trustee; and (v) the last day of the Change of Control Redemption Period.
- iv. To exercise the right under paragraph (i), the Note Trustee must, subject to paragraph (vi), within 30 Business Days after the receipt of the Change of Control Notice (**Change of Control Event Redemption Period**), deliver a notice to this effect to the Issuer.
- v. If the Note Trustee delivers a notice to the Issuer in accordance with paragraph (iv), the Issuer must Redeem all Notes the subject of the Redemption Resolution on the 20th Business Day after the expiry of the Change of Control Event Redemption Period (**Change of Control Event Redemption Date**).
- vi. The Note Trustee is not bound to take action to require the Redemption under this clause 5.3(d) unless it is directed to do so by Redemption Resolution and the Note Trustee is indemnified in accordance with the terms of the Note Trust Deed.

## 5.4 FAILURE TO REDEEM

If the Issuer fails to Redeem the Notes when due, Interest will continue to accrue on the Notes at the rate applicable to them on their Redemption Date and must be paid to the relevant Noteholders upon Redemption of the Notes.

## 5.5 CANCELLATION

Notes that are Redeemed will be cancelled by the Issuer and may not be resold.

## 5.6 PURCHASE

Subject to compliance with any Applicable Law or requirement of the ASX:

- a. the Issuer may at any time purchase Notes at any price;
- b. Notes purchased under this clause 5.6 may be held, resold, dealt with or cancelled at the discretion of the Issuer.

# 6. Winding Up Events

## 6.1 WINDING UP EVENTS

It is a “**Winding Up Event**”, whether or not it is within the control of the Issuer, if any of the following events occurs and is continuing:

- a. (**failure to pay Notes**) the Issuer fails to pay or repay any of the Face Value or interest amount due on any Note (of any Series) within 10 Business Days of the relevant Maturity Date;
- b. (**failure to perform other obligations**) the Issuer fails in performing and observing any other obligation under the Terms of a Note or the Note Trust Deed and such failure is not remedied within 60 days after the Issuer receives written notice of the failure from the Note Trustee (such written notice to be identified as a 'Notice of a Winding Up Event' and to refer specifically to this clause); and
- c. (**insolvency**) an order of a court of competent jurisdiction is made, or an effective resolution is passed, for the winding up of the Issuer, or a receiver or receiver and manager (or similar) is appointed in relation to the assets of the Issuer in each case.

## 6.2 CONSEQUENCES OF A WINDING UP EVENT

- a. Subject to clause 6.2(b) and the Note Trust Deed, if a Winding Up Event occurs and is subsisting, the Note Trustee may:
  - i. declare by notice to the Issuer that the Issuer must immediately Redeem the Notes for a Redemption Amount equal to their Face Value plus accrued (but unpaid) Interest with the date specified by the Note Trustee for redemption being the Redemption Date and wind-up of the Issuer, however:
    - A. the Issuer can Redeem the Notes in full or in part prior to the specified Redemption Date; and
    - B. the Issuer can extend the specified Redemption Date by notice to the Noteholders, but the Premium Interest Rate will apply for each Note if this Redemption Date is after the Target Repayment Date; and
  - ii. take any action permitted by the Note Trust Deed to enforce the Notes or the Note Trust Deed.
- b. The Note Trustee is not bound to take any action referred to in clause 6.2(a) or any other action pursuant to or in connection with the Note Trust Deed or the Notes unless:
  - i. it has been so directed by an Ordinary Resolution, a Special Resolution or any other direction given by the Noteholders in accordance with the Note Trust Deed, the Terms or section 283EA, 283EB or 283EC of the Corporations Act with which the Note Trustee is required to comply (**Noteholder Resolution**);
  - ii. it has been indemnified or secured (by way of advance payment or otherwise) to its satisfaction in respect of all liabilities, costs, charges, damages and expenses (including any management time) which it may incur, as more fully set out in the Note Trust Deed; and

- iii. the Note Trustee is not restricted or prohibited by any order of any court or Applicable Law.
- c. The Noteholders may by a Noteholder Resolution (with the same majority as the original Noteholder Resolution) at any time:
  - i. rescind any instruction or request previously given to the Note Trustee in accordance with clause 6.2(b); or
  - ii. rescind any declaration made by the Note Trustee under clause 6.2(a), and upon the passing of any such Noteholder Resolution, the relevant instruction, request or declaration will be deemed never to have been made.

### **6.3 NOTIFICATION**

If a Winding Up Event occurs, the Issuer must promptly after becoming aware of it, notify the Note Trustee and the ASX of the occurrence and details of the Winding Up Event.

### **6.4 ENFORCEMENT BY NOTE TRUSTEE AND NOTEHOLDERS**

The rights of the Note Trustee and the Noteholders to take any action against the Issuer to enforce the Notes or the Note Trust Deed are limited as provided in the Note Trust Deed.

## **7. Payments**

### **7.1 PAYMENT OF REDEMPTION AMOUNT**

Payments of the Redemption Amount in respect of a Note (including all Interest payable on Redemption of the Note) will be made to the person registered at 5:00pm (or at such other time as the Issuer reasonably determines) on the relevant Redemption Date as the Noteholder of that Note.

### **7.2 PAYMENT OF INTEREST**

Interest payable in respect of a Note (other than Interest payable on Redemption of the Note) will be made to the person registered at the Record Date for that payment as the Noteholder of that Note.

### **7.3 MANNER OF PAYMENT**

- a. Amounts payable to a Noteholder in respect of the Notes will be paid by direct credit to an account nominated by the Noteholder at an Australian financial institution by notice to the Registry not less than eight calendar days before the date for payment.
- b. Where a payment cannot be made by direct credit in accordance with clause 7.3(a) because a Noteholder cannot be located by the Issuer after making reasonable efforts to do so, or has not provided account details, or the Issuer determines that the account details are incorrect or the relevant account has been closed or is not an account to which the relevant payment can be made, the Issuer is under no obligation to make the relevant payment until the required account details have been provided. The Issuer may at any time pay any amount which remains unpaid

in accordance with this clause in accordance with the law relating to unclaimed moneys and, having done so, will be under no further obligation to make payment to the relevant Noteholder and will not be liable to the Noteholder for any moneys paid to unclaimed moneys.

- c. Where a payment is due on a day that is not a Business Day, or cannot be made on the due date because a financial institution is not open for business (or is not open for business in the place where the account is kept) on that date, the Issuer is under no obligation to make the relevant payment until the next Business Day on which payment can be made.
- d. The Noteholder is not entitled to any interest or other amount in respect of a delay in payment under clause 7.3(b) or clause 7.3(c).

### **7.4 PAYMENT SUBJECT TO APPLICABLE LAWS**

The Issuer's obligations to make payments on the Notes are subject to all Applicable Laws.

### **7.5 PAYMENTS NET OF DEDUCTIONS**

- a. The Issuer may deduct from any Interest or other amount payable to a Noteholder the amount of any withholding or other tax, duty or levy required by law to be deducted in respect of such amount.
- b. The Issuer will pay the full amount deducted to the relevant revenue authority within the time allowed for such payment without incurring a penalty under the Applicable Law and will, if required by any Noteholder, deliver to that Noteholder the relevant receipt issued by the revenue authority without unreasonable delay after it is received by the Issuer.

## **8. Transfers**

### **8.1 TRANSFER**

A Noteholder may transfer Notes:

- a. for so long as Notes are CHESS Approved Securities, in accordance with Applicable Law and the ASX Settlement Operating Rules; or
- b. at any other time by:
  - i. a proper transfer under any other computerised or electronic system recognised by the Corporations Act; or
  - ii. by any proper or sufficient instrument of transfer of marketable securities under Applicable Law acceptable to the Issuer in its reasonable discretion.

### **8.2 STAMP DUTY**

The Noteholder is responsible for any stamp duty or other similar taxes which are payable in any jurisdiction in connection with the transfer, assignment or other dealing with its Notes.

### 8.3 REGISTRATION

Subject to Applicable Law and the ASX Settlement Operating Rules while the Notes are CHESS Approved Securities, where the Issuer receives an instrument of transfer in accordance with clause 8.1, the Issuer must (subject to clause 8.4 and clause 8.5):

- a. enter the named transferee in the Note Register; and
- b. re-issue and dispatch any Holding Statements for the Notes being transferred in the name of that transferee to that transferee.

### 8.4 ISSUER MAY REQUEST HOLDING LOCK OR REFUSE TO REGISTER TRANSFER

If Notes are quoted on ASX, and if permitted to do so by the ASX Listing Rules and Applicable Law, the Issuer may:

- a. request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Notes approved by and registered on the CS Facility's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be; or
- b. refuse to register a transfer of Notes.

### 8.5 ISSUER MUST REQUEST HOLDING LOCK OR REFUSE TO REGISTER TRANSFER

- a. The Issuer must request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of Notes approved by and registered on the CS Facility's electronic sub-register or Notes registered on an issuer-sponsored sub-register, as the case may be, if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.
- b. The Issuer must refuse to register any transfer of Notes if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.
- c. During a breach of the ASX Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the holder of the Restricted Securities is not entitled to any interest payment on, or voting rights in respect of, the Restricted Securities.

### 8.6 OWNER

Subject to Applicable Law and the ASX Settlement Operating Rules (while the Notes are CHESS Approved Securities), the transferor remains the owner of such Notes until the name of the transferee is entered into the Note Register.

## 9. Time limit for claims

A claim against the Issuer for a payment under the Notes is void unless made within five years after the date on which payment first became due and payable.

## 10. Registry and Note Register

### 10.1 REGISTRY'S ROLE

The Issuer agrees to procure that the Registry does the following:

- a. establish and maintain the Note Register in Sydney or such other city in New South Wales as the Issuer and the Registry may agree;
- b. include in the Note Register:
  - i. the number and Face Value amount of Notes held by each Noteholder;
  - ii. the full name and address of the Noteholder, and if provided, the Noteholder's Australian Company Number, Australian Business Number or other Australian identifying registration number;
  - iii. any declaration of non-residence, tax file number or Australian business number or exemption details;
  - iv. the Issue Date, Target Repayment Date, Maturity Date and any interest rate and payment details of the Note;
  - v. the Series and Tranche of the Note;
  - vi. any payment instructions notified by the Noteholder or provided by the Issuer or any paying agent in respect of a Noteholder;
  - vii. all subsequent transfers and changes of ownership of the Note;
  - viii. the details of any marking which has been provided in respect of the Note; and
  - ix. such other information as is required by all Applicable Laws or as the Issuer and Registry agree; and
- c. comply with the obligations expressed in the Note Trust Deed to be performed by the Registry.

### 10.2 REGISTRY

- a. In acting in connection with the Notes, the Registry acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- b. The Issuer reserves the right at any time to terminate the appointment of the Registry and to appoint successor or additional Registries.

### 10.3 MULTIPLE NOTEHOLDERS

- a. Subject to the Corporations Act, if more than four persons are the Noteholders of a Note, the names of only four such persons will be included in the Note Register.
- b. Subject to the Corporations Act, if more than one person is the holder of a Note, only the address of the joint Noteholder first named in the Note Register will be included on the Note Register.

### 10.4 ISSUER NOT LIABLE FOR MISTAKES

The Issuer is not liable for any mistake in the Note Register, except to the extent that the mistake is attributable to the Issuer's own fraud, negligence or wilful default.

## 10.5 NOTEHOLDER CHANGE OF INFORMATION

A Noteholder must promptly notify the Issuer of any change of the information noted in the Note Register. On receipt of such notification, the Issuer must, or must procure that the Registry does, promptly update the information contained in the Note Register.

## 10.6 CHESS SUB-REGISTER

If the Notes are lodged in CHESS, the rules and regulations of CHESS with respect to any Note Register prevail to the extent of any inconsistency with this clause 10.

# 11. Amendments

## 11.1 AMENDMENTS WITHOUT CONSENT

- a. Subject to the Note Trust Deed, compliance with the Corporations Act and all other Applicable Laws, the Issuer may from time to time, with the approval of the Note Trustee (such approval not to be unreasonably withheld or delayed upon receipt of an Officer's Certificate confirming the circumstances set out in (as applicable) clauses 11.1(a)(i) or 11.1(a)(ii)), but without the consent of the Noteholders, amend the Terms or the Note Trust Deed:
  - i. if the Issuer is of the opinion that such amendments are:
    - A. of a formal or technical or minor nature;
    - B. made to cure any ambiguity or correct an error;
    - C. necessary or expedient to facilitate the listing or quotation of the Notes on ASX or another securities exchange; or
    - D. necessary to comply with any laws or the ASX Listing Rules; or
  - ii. generally, but subject to clauses 11.1(c) and 11.1(d), where in the Issuer's reasonable opinion, such amendment (**Proposed Amendment**) is not, taken as a whole and in conjunction with all other amendments to be made contemporaneously with that Proposed Amendment, materially prejudicial to the interests of Noteholders as a whole.
- b. For the purposes of determining whether a Proposed Amendment taken as a whole and in conjunction with all other contemporaneous amendments is not materially prejudicial to the interests of Noteholders (as a whole), the taxation and regulatory capital consequences for a Noteholder (or group of Noteholders) and other special consequences or circumstances which are personal to a Noteholder (or group of Noteholders) do not need to be taken into account.
- c. The Issuer must give the Note Trustee notice of a Proposed Amendment (including the reasoning for the Issuer's opinion as to why it considers the Proposed Amendment is not materially prejudicial to the interests of Noteholders as a whole) (**Proposed Amendment Notice**) at least 30 days (or such other period as may be acceptable to the Note Trustee (acting reasonably)) prior to the making of the Proposed Amendment.

- d. If the Note Trustee (acting reasonably) notifies the Issuer that it considers that the Proposed Amendment as set out in the Proposed Amendment Notice may be materially prejudicial to the interests of Noteholders (as a whole) (which notice shall be given as soon as practicable, and in any event within 10 Business Days' of the date of receipt of the Proposed Amendment Notice), the Issuer may not make the amendment unless a resolution of the Noteholders is passed in favour of the Proposed Amendment under clause 11.2.

## 11.2 AMENDMENTS WITH CONSENT

Without limiting clause 11.1, at any time, but subject to the Note Trust Deed, compliance with the Corporations Act and all other Applicable Laws, the Issuer may, with the approval of the Note Trustee (such approval not to be unreasonably withheld or delayed if the required resolution of the Noteholders has been obtained under (as applicable) clauses 11.2(a), 11.2(b) or 11.2(c)) amend the Terms or the Note Trust Deed:

- a. except as otherwise provided in clause 11.2(b) or 11.2(c), if such amendment is authorised by an Ordinary Resolution of Noteholders;
- b. in the case of an amendment to this clause 11.2 or any clause of the Note Trust Deed providing for Noteholders to give a direction to the Note Trustee by a Special Resolution, if a Special Resolution is passed in favour of such amendment; and
- c. in the case of an amendment to the Meeting Provisions, if a Special Resolution is passed in favour of such amendment.

## 11.3 INTERPRETATION

In this clause 11, **amend** includes modify, cancel, alter, waive or add to, and **amendment** has a corresponding meaning.

# 12. Notices

## 12.1 NOTICES TO NOTEHOLDERS

- a. A notice or other communication is properly given by the Issuer, the Note Trustee or the Registry to a Noteholder if it is:
  - i. in writing signed on behalf of the Issuer, the Note Trustee or the Registry (as applicable) (by original or printed or electronic signature);
  - ii. addressed to the person to whom it is to be given; and
  - iii. either:
    - A. delivered personally;
    - B. sent by pre-paid mail to that person's address as shown in the Note Register or an alternative address nominated in writing to Issuer and the Registry by the Noteholder;
    - C. (if available) issued to Noteholder through CHESS in accordance with any applicable rules and regulations of CHESS;
    - D. so long as the Noteholder are Quoted, by publication of an announcement on ASX;



- E. given by an advertisement published in the Australian Financial Review, The Australian or in any other newspaper nationally circulated within Australia; or
  - F. sent by electronic message to the electronic address (if any) nominated by that person.
- b. Notices or other communications to which this clause applies made by electronic means shall be taken to be in writing and signed by the sender or person causing the issuance or publication of the notice or other communication.

## 12.2 WHEN NOTICES TO NOTEHOLDERS TAKE EFFECT

Notices or other communications from the Issuer, the Note Trustee or the Registry (as applicable) take effect on the day the notice or communication was delivered, sent, issued or published (as applicable under clause 12.1).

## 12.3 NON-RECEIPT OF NOTICE BY A NOTEHOLDER

The non-receipt of a notice or other communication by a Noteholder or an accidental omission to give notice to a Noteholder will not invalidate the giving of that notice either in respect of that Noteholder or generally.

## 12.4 NOTICES TO THE ISSUER

A notice or other communication given to the Issuer in connection with Notes must be:

- a. in legible writing or typing and in English; and
- b. either:
  - i. addressed as shown below:  
Attention: Company Secretary  
Address: Level 2, 5 Martin Place, Sydney NSW 2000  
Email: [companysecretariat@challenger.com.au](mailto:companysecretariat@challenger.com.au)
  - ii. to such other address or email address as the Issuer notifies to Noteholders as its address or email address (as the case may be) for notices or other communications in respect of the Terms from time to time;
- c. (other than in the case of email) signed by the person making the communication or by a person duly authorised by that person; and
- d. delivered or posted by prepaid post, or sent by email to the email address in accordance with clause 12.4(b).

## 12.5 NOTICES TO THE NOTE TRUSTEE

A notice or other communication given to the Note Trustee in connection with Notes must be:

- a. in legible writing or typing and in English; and
- b. either:
  - i. addressed as shown below:  
Attention: Johnny Francis – General Manager  
Level 1, 575 Bourke Street, Melbourne, Victoria, 3000  
Email: [jfrancis@egt.com.au](mailto:jfrancis@egt.com.au)
  - ii. to such other address or email address as the Note Trustee notifies to Noteholders as its address or email

address (as the case may be) for notices or other communications in respect of the Terms from time to time;

- c. (other than in the case of email) signed by the person making the communication or by a person duly authorised by that person; and
- d. delivered or posted by prepaid post, or sent by email to the email address in accordance with clause 12.5(b).

## 12.6 NOTICES TO THE REGISTRY

A notice or other communication given to the Registry in connection with Notes must be:

- a. in legible writing or typing and in English; and
- b. either:
  - i. addressed as shown below:  
Attention: C/- Boardroom Unit Registry  
Address: GPO Box 3993 Sydney NSW 2001  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)
  - ii. to such other address or email address as the Registry notifies to Noteholders as its address or email address (as the case may be) for notices or other communications in respect of the Terms from time to time;
- c. (other than in the case of email) signed by the person making the communication or by a person duly authorised by that person; and
- d. delivered or posted by prepaid post, or sent by email to the email address in accordance with clause 12.5(b).

## 12.7 WHEN NOTICES TO ISSUER, THE NOTE TRUSTEE OR THE REGISTRY TAKE EFFECT

Notices or other communications from Noteholders to the Issuer, the Note Trustee or the Registry take effect from the time they are received unless a later time is specified in them.

## 12.8 DEEMED RECEIPT OF NOTICES TO ISSUER, THE NOTE TRUSTEE OR THE REGISTRY

A letter or email is taken to be received:

- a. in the case of a posted letter, on the sixth (tenth if posted to or from a place outside Australia) Business Day after posting;
- b. if sent by email:
  - i. when the sender receives an automated message confirming delivery; or
  - ii. 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed, whichever happens first.

Despite paragraphs (a) or (b), if a letter or email is received after 5.00pm in the place of receipt or on a day which is not a Business Day, it is taken to be received at 9.00am on the next Business Day.



## **13. General**

### **13.1 GOVERNING LAW**

The Notes and the Terms are governed by the laws of New South Wales, Australia.

### **13.2 SUBMISSION TO JURISDICTION**

The Issuer, the Note Trustee and each Noteholder submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales, Australia in connection with matters concerning the Notes or the Terms. The Issuer, the Note Trustee and each Noteholder waive any right they have to object to an action being brought in those courts, or to claim that the action has been brought in an inconvenient forum, or to claim those courts do not have jurisdiction.

## Offer Specific Terms

*These Offer Specific Terms will be updated on the Issue Date of the Challenger IM LiFTS 1 Notes – Tranche 1 to confirm the actual principal amount and if required to update for the actual Issue Date and resulting Target Repayment Date and Maturity Date.*

*These Offer Specific Terms are supplementary to, and should be read in conjunction with, the terms and conditions of the Challenger IM LiFTS Notes base terms (**Base Terms**) contained in Schedule 1 of the trust deed relating to the Challenger IM LiFTS Notes between the Issuer and Equity Trustees Limited (ACN 004 031 298) (the **Note Trustee**) dated 11 August 2025 (**Note Trust Deed**).*

*The Challenger IM LiFTS 1 Notes – Tranche 1 are unsecured notes for the purposes of section 283BH of the Corporations Act 2001 (Cth).*

*Unless otherwise indicated, terms defined in the Base Terms have the same meaning in these Offer Specific Terms.*

The particulars relating to the Challenger IM LiFTS 1 Notes – Tranche 1 are as follows:

<b>Issuer</b>	Challenger IM Capital Limited (ACN 687 738 263)
<b>Joint Lead Managers</b>	National Australia Bank Limited Morgans Financial Limited E&P Capital Pty Limited Commonwealth Securities Limited Canaccord Genuity (Australia) Limited Ord Minnett Limited Taylor Collison Limited Wilsons Corporate Finance Limited
<b>Registry</b>	Boardroom Pty Limited
<b>Series particulars</b>	Challenger IM LiFTS 1 Notes – Tranche 1.
<b>Principal amount</b>	A minimum of \$200 million, with the ability to raise up to a maximum of \$350 million.
<b>Issue Date</b>	Thursday, 4 September 2025.
<b>Face Value</b>	\$100 per Note.
<b>Maturity Date</b>	Monday, 6 September 2032.
<b>Target Repayment Date</b>	Thursday, 4 September 2031.
<b>Initial Interest Rate</b>	<p>Benchmark Rate + a Margin of 2.75% per annum, other than in respect of the First Interest Period, which will be the Modified Benchmark Rate + a Margin of 2.75% per annum.</p> <p><b>Benchmark Rate</b> means the credit-based floating interest rate benchmark 'BBSW (Mid)' for 1 month which measures the cost for highly rated banks in Australia to issue one month bank paper as published by the ASX as at approximately 10:30 AM (or if corrected by the ASX, such other time as it is recalculated and republished by the ASX) on the first date of the relevant Interest Period or, if such rate's publication is permanently or indefinitely discontinued, such other published successor rate or alternative rate for bank bill swap rate linked floating rate notes that is consistent with best market practice as determined at such time by the Issuer (acting in good faith and in a commercially reasonable manner).</p> <p><b>Modified Benchmark Rate</b> means the credit-based floating interest rate benchmark 'BBSW (Mid)' for 2 months which measures the cost for highly rated banks in Australia to issue two month bank paper as published by the ASX as at approximately 10:30 AM (or if corrected by the ASX, such other time as it is recalculated and republished by the ASX) on the first date of the First Interest Period or, if such rate's publication is permanently or indefinitely discontinued, such other published successor rate or alternative rate for bank bill swap rate linked floating rate notes that is consistent with best market practice as determined at such time by the Issuer (acting in good faith and in a commercially reasonable manner).</p>

<b>Issuer</b>	Challenger IM Capital Limited (ACN 687 738 263)
<b>Premium Interest Rate</b>	Benchmark Rate + a Margin of 3.75% per annum.
<b>First Interest Payment Date</b>	Thursday, 20 November 2025.
<b>Interest Payment Date</b>	The twentieth day of each month in the period commencing with the First Interest Payment Date until the Redemption Date of the Notes, with the Redemption Date being the last Interest Payment Date, or if any such date is not a Business Day, the following Business Day.

# Corporate directory

## Issuer

Challenger IM Capital Limited  
Level 2, 5 Martin Place  
Sydney NSW 2000

## Manager

Challenger Investment Partners Limited  
Level 2, 5 Martin Place  
Sydney NSW 2000

## Note Trustee

Equity Trustees Limited  
Level 1, 575 Bourke Street  
Melbourne VIC 3000

## Authorised intermediary

Fidante Partners Services Limited  
Level 2, 5 Martin Place  
Sydney NSW 2000

## Note Registry

Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney

## Joint Lead Arrangers and Joint Lead Managers

Morgans Financial Limited  
Level 29, 123 Eagle Street  
Brisbane QLD 4000

National Australia Bank Limited  
Level 6, 2 Carrington Street  
Sydney NSW 2000

E&P Capital Pty Ltd  
Level 9, 171 Collins Street  
Melbourne VIC 3000

Commonwealth Securities Limited  
Level 1, 11 Harbour Street  
Sydney NSW 2000

## Legal Adviser to the Offer

Corrs Chambers Westgarth  
Level 37, Quay Quarter Tower  
50 Bridge Street  
Sydney, NSW 2000, Australia

## Investigating Accountant

Ernst & Young  
200 George Street  
Sydney NSW 2000

## Tax adviser

KPMG Law  
Level 38, Tower Three, International Towers Sydney  
300 Barangaroo Avenue  
Sydney NSW 2000

## Investment Administrator

State Street Australia Limited  
Level 14, 420 George Street  
Sydney NSW 2000

## Joint Lead Managers

Canaccord Genuity (Australia) Limited  
Level 42, 101 Collins Street  
Melbourne VIC 3000

Ord Minnett Limited  
Level 18, Grosvenor Place  
225 George Street  
Sydney NSW 2000

Taylor Collison Limited  
Level 16, 211 Victoria Square  
Adelaide SA 5000

Wilsons Corporate Finance Limited  
Level 32, Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

