

EFFECTIVE DATE

11 August 2025

STATUS

CURRENT

PRODUCT

Challenger IM LiFTS 1 Notes

Target Market Determination Challenger IM LiFTS 1 Notes

The issuer of this Target Market Determination ("**TMD**") is Challenger IM Capital Limited (ACN 687 738 263) (the "**Issuer**").

1. About this document

This TMD is required under section 994B of the *Corporations Act 2001* (Cth). It sets out the class of retail investors for whom Challenger IM LiFTS 1 Notes (the "**product**") would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of the Issuer's design and distribution arrangements for Challenger IM LiFTS 1 Notes.

This document is not a prospectus or other disclosure document and is not a summary of the features or terms of Challenger IM LiFTS 1 Notes. This document does not take into account any investor's likely objectives, financial situation or needs. Persons interested in acquiring Challenger IM LiFTS 1 Notes should carefully read the prospectus relating to Challenger IM LiFTS 1 Notes ("**Prospectus**") before deciding whether to invest in Challenger IM LiFTS 1 Notes. The Prospectus can be obtained from a Syndicate Broker or at www.fidante.com/challenger-im-lifts.

Challenger IM LiFTS 1 Notes are unsecured, deferrable, floating rate and redeemable debt securities in the form of notes.

Capitalised expressions not otherwise defined in this document have the meanings given in the Prospectus.

2. Target Market

The table below sets out the target market and key product attributes of Challenger IM LiFTS 1 Notes.

Challenger IM LiFTS 1 Notes have been designed for investors who:	The following attributes of Challenger IM LiFTS 1 Notes make them appropriate for the target market:
Investment objectives <ul style="list-style-type: none"> are seeking to acquire an investment product with the ability to generate income; and are not seeking capital growth. 	<ul style="list-style-type: none"> Challenger IM LiFTS 1 Notes are debt securities and include terms and features as described in the Prospectus; Challenger IM LiFTS 1 Notes are scheduled to pay monthly interest at a floating variable rate as specified in the Prospectus; payment of interest on Challenger IM LiFTS 1 Notes is not guaranteed as the Issuer will be able to defer the payment of interest if there is insufficient investment income, as described in the Prospectus; and Challenger IM LiFTS 1 Notes are not designed to provide capital growth.
Risk profile and ability to bear loss <ul style="list-style-type: none"> are able to bear the risks associated with an investment in Challenger IM LiFTS 1 Notes (in particular, the risk of deferral of payment of monthly interest) 	<p>There are a number of risks associated with an investment in Challenger IM LiFTS 1 Notes which are summarised in the Prospectus. In particular:</p> <ul style="list-style-type: none"> payment of scheduled interest on Challenger IM LiFTS 1 Notes is not guaranteed – the Issuer will be able to defer the payment of interest if there is insufficient investment income; and the Issuer does not guarantee the return of capital on Challenger IM LiFTS 1 Notes – an investor may lose some or all of the capital invested (including where, as described in the Prospectus, there is a winding up event and there are insufficient funds to pay investors the face value of the Challenger IM LiFTS 1 Notes).

Challenger IM LiFTS 1 Notes have been designed for investors who:	The following attributes of Challenger IM LiFTS 1 Notes make them appropriate for the target market:
Investment timeframe <ul style="list-style-type: none"> are seeking to invest for the long term 	<ul style="list-style-type: none"> Challenger IM LiFTS 1 Notes have a target redemption date of 6 years and final maturity date of 7 years; and in certain circumstances as described in the Prospectus, Challenger IM LiFTS 1 Notes may be redeemed prior to the final maturity date of 7 years.
Liquidity <ul style="list-style-type: none"> seek to have the ability to dispose of Challenger IM LiFTS 1 Notes by sale on a licensed securities exchange at the price available on the exchange 	<ul style="list-style-type: none"> Challenger IM LiFTS 1 Notes are expected to be quoted on the Australian Securities Exchange ("ASX"), however, there may not be a liquid market for Challenger IM LiFTS 1 Notes, and investors who wish to dispose of their Challenger IM LiFTS 1 Notes may not be able to do so at an acceptable price, or at all.

3. How this product can be distributed and distribution conditions

The Issuer applies the following conditions and restrictions to the distribution of Challenger IM LiFTS 1 Notes so that Challenger IM LiFTS 1 Notes are likely to be issued to investors in the target market.

Authorisation and appointment of distributors

These conditions apply to all retail product distribution conduct

CONDITION 1

A distributor must:

- hold an appropriate Australian Financial Services Licence ("AFSL") or be an authorised representative of a AFSL holder unless an AFSL exemption applies covering the provision of financial services in respect of Challenger IM LiFTS 1 Notes;
- comply with the terms and conditions of any relevant distribution agreement or arrangement with the Issuer; and
- if applicable, comply with the terms of any AFSL exemption covering the provision of financial services in respect of Challenger IM LiFTS 1 Notes.

This condition is appropriate as it requires distributors to have the requisite licence to provide the relevant regulated financial services and requires distributors to comply with the commercial terms agreed between the distributor and the Issuer.

CONDITION 2

A distributor must only engage in retail product distribution conduct in respect of Challenger IM LiFTS 1 Notes if:

- a TMD has been made and published for the product and has not been withdrawn;
- the distributor complies with the terms of the TMD for the product;
- ASIC has not issued a product intervention order restricting the distribution of the product for the distributor; and
- the distributor complies with Conditions 3 to 5 (inclusive) below.

This condition is appropriate as it requires distributors only to engage in retail product distribution conduct in accordance with a TMD that has been made by the Issuer and has not been withdrawn.

Distribution via Syndicate Brokers

These conditions apply to dealing in relation to the product in relation to a retail client

CONDITION 3

Challenger IM LiFTS 1 Notes can only be issued pursuant to applications submitted through a "Syndicate Broker". Syndicate Brokers comprise the Joint Lead Managers ("JLMs") described in the Prospectus, together with affiliated retail brokers of the JLMs and any other brokers appointed by the JLMs following consultation with the Issuer.

This condition is appropriate because:

- the target market is limited to those investors seeking an investment to generate income and not capital growth, together with other features including deferrable interest payments and investment timeframes; and

(continued)

- if the Issuer only issues Challenger IM LiFTS 1 Notes to retail investors who have submitted their applications through the Syndicate Brokers, it is more likely that Challenger IM LiFTS 1 Notes will only be distributed to such investors if they are within the target market.

CONDITION 4

Syndicate Brokers are engaged having regard to their credentials and standing in the market for securities of this kind and are subject to contractual requirements to take steps to distribute Challenger IM LiFTS 1 Notes only to retail clients who are Qualifying Retail Clients as described in Condition 5.

This condition is appropriate because it ensures that:

- checks are conducted on matters like credentials and good standing for persons involved in the distribution of Challenger IM LiFTS 1 Notes; and
- distributors are subject to contractual obligations which will make it likely that Challenger IM LiFTS 1 Notes are only distributed to investors who are retail clients if those investors are in the target market.

Distribution via Syndicate Brokers and personal advice requirement

These conditions apply to dealing in relation to the product in relation to a retail client

CONDITION 5

Challenger IM LiFTS 1 Notes can only be issued to an investor who is a retail client if the investor is a “Qualifying Retail Client”. A retail client is a Qualifying Retail Client if:

- a Syndicate Broker reasonably believes that the investor has received personal advice from a qualified financial adviser in relation to the acquisition of Challenger IM LiFTS 1 Notes; and
- the investor applies for Challenger IM LiFTS 1 Notes via a Syndicate Broker during the Offer Period.

This condition is appropriate because a retail client receiving personal advice will have received advice taking into account their objectives, financial situation and needs, which makes it likely that the person is within the target market for Challenger IM LiFTS 1 Notes.

4. Review of the TMD

The Issuer will review the TMD prior to the issue of Challenger IM LiFTS 1 Notes to ensure it remains appropriate.

REVIEW OF THE TMD	TIMING
Initial review	At the end of the Offer Period.
Subsequent review	The date falling 1 business day prior to the Issue Date.

REVIEW TRIGGERS

In addition, the TMD (and its appropriateness) will be reviewed if any event occurs or circumstance arises that reasonably suggests that the TMD is no longer appropriate, including (without limitation) the events and circumstances described below. If the TMD is updated following a review, the Issuer will publish the updated TMD on its website and notify each Syndicate Broker if this occurs.

Complaints	There is a significant increase beyond expected levels in complaints or disputes, or a significant change in the nature of complaints or disputes relating to Challenger IM LiFTS 1 Notes.
Product performance and dealings	There is evidence which shows that, if Challenger IM LiFTS 1 Notes were to be issued on the Issue Date, they would not be likely to meet the likely objectives, financial situation and needs of the target market (or evidence shows that there is likely to be potential significant distribution of Challenger IM LiFTS 1 Notes outside of the target market).
Feedback from distributors	Reporting received from distributors, or consistent feedback from distributors, reasonably suggests to the Issuer that the target market or product attributes are not appropriate.

REVIEW TRIGGERS

Substantial product change	There is a material change to the terms of Challenger IM LiFTS 1 Notes or their distribution.
Significant change to the external environment	There is a change in law or the regulatory environment which materially affects Challenger IM LiFTS 1 Notes.
Notification from ASIC	The Issuer receives a notification from ASIC requiring immediate cessation of distribution of Challenger IM LiFTS 1 Notes, or cessation of particular conduct in relation to them.

5. Reporting and monitoring this Target Market Determination

Distributors of Challenger IM LiFTS 1 Notes (including Syndicate Brokers and other regulated persons) are required to report to the Issuer on the following information in relation to this TMD:

Reporting period	The Reporting Periods for this determination are: <ul style="list-style-type: none">• Reporting Period 1: From the date of lodgement of the Prospectus with ASIC until 5:00pm (Sydney time) on the business day prior to the end of the Offer Period.• Reporting Period 2: The period commencing immediately after the conclusion of Reporting Period 1 and concluding at 5:00pm (Sydney time) on the business day prior to the Issue Date.	
Reporting timeframe	By 7:00pm (Sydney time) on the last day of the relevant Reporting Period.	
Reporting information	In each Reporting Period, a distributor must provide the following information in writing to the Issuer in accordance with the reporting timeframe specified above:	
	i. Complaint information	If any complaints in relation to the product were received by the distributor during the reporting period: <ul style="list-style-type: none">• the number of complaints received during the reporting period; and• the substance of those complaints and any general feedback relating to the product or its performance.
	ii. Feedback from regulator	Any other significant feedback from a regulator or investor group which relates to the suitability of the product or its distribution.
	iii. Significant dealings	Any significant dealing in the product that is not consistent with the TMD (e.g., where an allocation of Challenger IM LiFTS 1 Notes to a retail client that is not a Qualifying Retail Client may occur) of which the distributor becomes aware, together with the following information: <ul style="list-style-type: none">• the date(s) the significant dealing occurred;• description of the significant dealing;• why the dealing is significant;• how the significant dealing was identified; and• what steps, if any, have been, or will be, taken in relation to the significant dealing.
	iv. Other information requested by the Issuer	Any other information reasonably requested in writing by the Issuer from time to time subject to the Issuer providing at least 2 days prior notice before the end of the Reporting Period and which is needed to enable the Issuer to identify promptly whether a review trigger, or another event or circumstance that would reasonably suggest that the TMD is no longer appropriate, has occurred.

Important information

This TMD is not a recommendation, opinion or advice that any person should acquire Challenger IM LiFTS 1 Notes or that any person is within the target market for Challenger IM LiFTS 1 Notes. It does not summarise the terms or risks of Challenger IM LiFTS 1 Notes and is not an offer of, or invitation to apply for, Challenger IM LiFTS 1 Notes to any person in Australia or elsewhere. It does not set out all obligations of regulated persons in relation to the product or this TMD. This TMD relates to retail clients and it does not regulate dealings with wholesale clients. Go to www.fidante.com/challenger-im-lifts for information about Challenger IM LiFTS 1 Notes and access to the Prospectus.

Investors who wish to apply for Challenger IM LiFTS 1 Notes should read the Prospectus in its entirety and retail clients must seek professional guidance which takes into account their particular objectives, financial situation and needs from a professional adviser who is authorised by ASIC to give such advice.