

MARKET RELEASE

PROFORMA AUM TEMPLATE – ADDITIONAL INFORMATION

21 October 2011, Sydney – Challenger Limited (ASX: CGF) released a template for its Assets and Funds Under Management (AUM) on 19 October disclosing historical information for FY2011 and FY2010 presented on a six monthly basis. The new format provided a breakdown of historical information for Funds Management's two key earnings drivers being Boutique Partnerships and Aligned & Other Investments.

In response to a number of subsequent requests for this historical information to be provided on a more granular basis, we have now presented the information by quarter for FY2011 and FY2010. It should be noted that the Funds Management net flow historical information for the six months to 31 December 2010 and 31 December 2009 included in the template on 19 October contained classification errors. These errors have now been corrected in the revised attached templates.

Ends

Assets and Funds Under Management

Re-alignment of prior period balances – Quarterly FY11

	30 Jun 11 \$m	31 Mar 11 \$m	31 Dec 10 \$m	30 Sep 10 \$m
Total Assets and Funds Under Management	27,909	27,025	25,771	25,511
Represented by:				
Funds Management				
Boutique Partnerships^(a)				
Equities	7,211	6,919	6,745	6,477
Fixed income	7,637	6,857	5,953	5,523
Total Boutique funds	14,848	13,776	12,698	12,000
Aligned and Other^(b)				
Infrastructure				
Institutional mandates	1,001	875	862	900
Challenger Infrastructure Fund (ASX:CIF) (adjusted equity value)	311	368	371	385
Property				
Institutional mandates	1,721	1,742	1,497	1,489
Challenger Diversified Property Group (ASX:CDI) (gross assets)	874	871	781	792
Challenger Wine Trust (ASX:CWT) (gross assets)	–	–	212	230
Challenger Kenedix Property Trust (ASX:CKT) (gross assets)	–	–	–	–
Australian equities	–	–	–	–
Real estate securities	–	–	–	–
Fixed income ^(c)	4,853	4,894	5,443	6,048
Total Aligned and Other funds	8,760	8,750	9,166	9,844
Total funds under management	23,608	22,526	21,864	21,844
Comprising:				
Retail	4,379	4,666	4,880	5,846
Institutional	18,044	16,621	15,620	14,591
Listed funds	1,185	1,239	1,364	1,407
Total funds under management	23,608	22,526	21,864	21,844

^(a) Boutique Partnerships are co-owned, separately branded and licensed businesses from which Challenger receives dividends, distribution fees and administration fees.

^(b) Aligned and Other includes asset classes where Challenger Life may be a significant investor and that are typically Challenger owned and branded.

^(c) Fixed income includes mortgages.

Life

Fixed income and cash	6,114	6,025	5,431	5,176
Property ^(d)	1,535	1,519	1,497	1,489
Infrastructure	479	480	465	479
Equity and other	259	237	237	239
Total Life investment assets	8,387	8,261	7,630	7,383

^(d) Property is reported net of senior debt of (June 2011 \$660m; March 2011 \$663m; December 2010 \$684m; September 2010 \$719m). Property includes direct and indirect holdings.

Analysis of Flows

Funds Management

Net flows for the quarter:	30 Jun 11 \$m	31 Mar 11 \$m	31 Dec 10 \$m	30 Sep 10 \$m
Boutique Partnerships	1,309	585	367	1,479
Aligned and Other	(70)	(500)	(675)	(98)
Net flows	1,239	85	(308)	1,381
Retail	(187)	(428)	(1,009)	(715)
Institutional	1,426	513	701	2,096
Net flows	1,239	85	(308)	1,381

Reconciliation of Total Group Assets and Funds Under Management

	30 Jun 11 \$m	31 Mar 11 \$m	31 Dec 10 \$m	30 Sep 10 \$m
Funds under management	23,608	22,526	21,864	21,844
Life investment assets	8,387	8,261	7,630	7,383
Adjustments to remove double counting of cross holdings:				
Life Company investment in CDI and CIF	(435)	(441)	(454)	(446)
Life Company investment in infrastructure, property and fixed income mandates ^(c)	(3,651)	(3,321)	(3,269)	(3,270)
Total Assets and Funds Under Management	27,909	27,025	25,771	25,511

Assets and Funds Under Management

Re-alignment of prior period balances – Quarterly FY10

	30 Jun 10 \$m	31 Mar 10 \$m	31 Dec 09 \$m	30 Sep 09 \$m
Total Assets and Funds Under Management	23,948	22,080	22,887	21,614

Represented by:

Funds Management

Boutique Partnerships^(a)				
Equities	3,255	2,534	2,144	1,529
Fixed income	3,722	2,133	1,889	1,403
Total Boutique funds	6,977	4,667	4,033	2,932

Aligned and Other^(b)				
Infrastructure				
Institutional mandates	995	902	1,094	1,003
Challenger Infrastructure Fund (ASX:CIF) (adjusted equity value)	423	470	615	535
Property				
Institutional mandates	1,578	1,490	1,238	1,172
Challenger Diversified Property Group (ASX:CDI) (gross assets)	799	795	794	852
Challenger Wine Trust (ASX:CWT) (gross assets)	240	258	261	266
Challenger Kenedix Property Trust (ASX:CKT) (gross assets)	–	–	749	821
Australian equities	1,651	2,706	2,836	3,007
Real estate securities	1,479	1,279	1,364	1,340
Fixed income ^(c)	6,079	5,944	6,240	5,963
Total Aligned and Other funds	13,244	13,844	15,191	14,959
Total funds under management	20,221	18,511	19,224	17,891

Comprising:				
Retail	6,488	6,177	6,287	6,311
Institutional	12,271	10,810	10,517	9,106
Listed funds	1,462	1,524	2,420	2,474
Total funds under management	20,221	18,511	19,224	17,891

^(a) Boutique Partnerships are co-owned, separately branded and licensed businesses from which Challenger receives dividends, distribution fees and administration fees.

^(b) Aligned and Other includes asset classes where Challenger Life may be a significant investor and that are typically Challenger owned and branded.

^(c) Fixed income includes mortgages.

Life

Fixed income and cash	5,207	4,389	4,464	4,004
Property ^(d)	1,578	1,490	1,238	1,172
Infrastructure	527	509	693	663
Equity and other	266	257	256	229
Total Life investment assets	7,578	6,645	6,651	6,068

^(d) Property is reported net of senior debt of (June 2010 \$683m; March 2010 \$683m; December 2009 \$277m; September 2009 \$479m). Property includes direct and indirect holdings.

Analysis of Flows

Funds Management

Net flows for the quarter:	30 Jun 10 \$m	31 Mar 10 \$m	31 Dec 09 \$m	30 Sep 09 \$m
Boutique Partnerships	1,950	535	855	961
Aligned and Other	183	(661)	142	(133)
Net flows	2,133	(126)	997	828
Retail	552	(382)	(52)	(148)
Institutional	1,581	256	1,049	976
Net flows	2,133	(126)	997	828

Reconciliation of Total Group Assets and Funds Under Management

	30 Jun 10 \$m	31 Mar 10 \$m	31 Dec 09 \$m	30 Sep 09 \$m
Funds under management	20,221	18,511	19,224	17,891
Life investment assets	7,578	6,645	6,651	6,068
Adjustments to remove double counting of cross holdings:				
Life Company investment in CDI and CIF	(467)	(488)	(522)	(510)
Life Company investment in infrastructure, property and fixed income mandates ^(c)	(3,384)	(2,588)	(2,466)	(1,835)
Total Assets and Funds Under Management	23,948	22,080	22,887	21,614