

MARKET RELEASE

4 May 2004

ASSETS & LOANS UNDER MANAGEMENT/ADMINISTRATION 31 MARCH 2004

4 May 2004, Sydney - Diversified financial services company Challenger Financial Services Group Limited (CGF), today announced that as at 31 March 2004, its assets under management totalled \$9.96 billion (31 December 2003 \$9.53 billion) comprising:

Principal investments supporting the annuities business	\$4.11 billion
Managed funds	\$5.61 billion
Beston Wine Industry Trust	\$0.24 billion

Highlights for the quarter ended 31 March 2004 included a 6.8 per cent increase in the assets under management for managed funds.

Challenger's assets under administration increased to \$3.33 billion at 31 March 2004, up from \$3.26 billion at the end of December 2003.

Challenger's mortgage loan book totalled \$15.51 billion at 31 March 2004 (31 December 2003 \$14.74 billion) and included a 5.5 per cent increase in the Interstar book to \$13.23 billion (31 December 2003 \$12.54 billion).

ENDS

Assets and loans under management/administration

as at 31 March 2004

	31 Mar 04 \$m	31 Dec 03 \$m
Investments managed for the life company (excludes market linked life policies and business assets)		
Direct property ¹	2,570	2,559
Fixed interest, including hybrids	1,145	1,146
Cash	320	265
Listed Equity ²	80	65
	4,115	4,035
Managed investments where Challenger acts as Responsible Entity, Approved Trustee or Investment Mandate Manager (includes 5Di funds, Custom Choice funds and market life policies) (excludes Beston Wine Industry Trust, PST and Challenger Corporate Master Trust; interfunding eliminated)		
Australian equities funds/mandates	1,307	1,156
International equities funds/mandates	13	14
Property securities funds/mandates	1	1
Direct property (via syndicates)	175	174
Mortgage funds	3,128	2,992
Fixed interest funds	372	335
Cash funds	26	35
Multi sector funds	496	464
Alternative investment funds ³	88	79
	5,610	5,254
Beston Wine Industry Trust (gross assets)	242	242
Funds under administration		
Synergy mastertrust	1,541	1,553
Galaxy Wrap	66	50
Corporate superannuation	1,725	1,660
	3,332	3,264
Margin lending book	173	166
Mortgage loan book		
Mortgages via Howard Mortgage Trust (included above)	2,275	2,203
Mortgages via Interstar	13,231	12,535
	15,506	14,738

¹ Includes properties to be divested as announced to the ASX on 16 March 2004.

² Previously reported December 2003 figure included some market linked life policies.

³ Previously reported December 2003 figure included Beston Wine Industry Trust which has now been separately classified.