

MEDIA RELEASE

22 June 2005

FUNDS SA AWARDS \$70 MILLION TO CHALLENGER HIGH YIELD FUND

22 June 2005, Sydney – Challenger Financial Services Group Limited (CGF) today announced that Funds SA has awarded the Challenger High Yield Fund a \$70 million mandate.

Challenger's Head of Institutional Business Development, Matthew Gaden said, "Challenger's High Yield Fund has an excellent track record and works particularly well as a portfolio diversifier.

"Challenger continues to win mandates across both the public and private sectors, as the market recognises the strength and diversity of Challenger's fund management offerings across domestic property, equities and fixed interest."

The Challenger High Yield Fund invests primarily in a diversified portfolio of high yielding, fixed interest and hybrid debt/equity investments.

The fund is designed for investors seeking to diversify the defensive component of their investment portfolio and are willing to accept some additional risk in return for the potential for higher performance.

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