

MEDIA RELEASE

22 April 2005

CHALLENGER FORMS MULTI-MANAGER ALLIANCE WITH QIC

22 April 2005, Sydney – Challenger Financial Services Group Limited (CGF) today announced that it has formed a strategic alliance with Queensland based wholesale funds manager, QIC to expand Challenger's range of multi-manager funds.

QIC will provide Challenger with manager selection and portfolio construction services across an expanded multi-manager range, which includes the existing Challenger Boutique Australian Share Portfolio.

QIC's first priority will be the development of an international equities multi-manager fund for Challenger, which is already well advanced and expected to be launched in the coming months.

Challenger's Chief Executive, Wealth Management Chris Cuffe said, "Advisers are increasingly using multi-manager funds as a more effective way to meet client needs. Since the launch of our boutique multi-manager fund, we have experienced growing demand for these types of funds and believe there is significant opportunity in this space.

"Tapping into the substantial resources of QIC will allow Challenger to accelerate the development of its multi-manager range as it provides Challenger access to a greater depth of resources and expertise."

QIC Chief Executive, Dr Doug McTaggart said, "We believe the Challenger relationship will result in the development of an outstanding range of Manage-The-Manager funds. Challenger has given us the mandate to combine a limited number of best quality investment managers and allow these managers to use specialised alpha-generating strategies where appropriate. This will be a key differentiator in the market."

As a result of this new alliance with QIC, Caroline Saunders, Challenger's Head of Manager Research and Alliances, and Kathy Cave, Senior Manager Research & Alliances, will leave the company after a transition period.

Challenger's relationship with van Eyk will continue and this commitment has been confirmed through a new three-year contract.

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