

MEDIA RELEASE

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CHALLENGER GOES GLOBAL WITH FIVE OCEANS ALLIANCE

6 September 2005, Sydney – Challenger Financial Services Group Limited today announced it has taken a 25 per cent shareholding in the newly established Five Oceans Asset Management, an internationally focused boutique asset management company based in Sydney.

Five Oceans will be headed by Chief Executive Officer, Ross Youngman and Chief Investment Officer and lead portfolio manager, Chris Selth. Both Mr Youngman and Mr Selth bring strong track records in the funds management industry. Ross Youngman was formerly the CEO of Deutsche Asset Management and Chris Selth held a number of senior roles at BT Funds Management, including head of international equities.

Challenger's Chief Executive, Wealth Management, Chris Cuffe said the establishment of Five Oceans marks a further milestone in Challenger Wealth Management's strategy to build alliance relationships. "The establishment of Five Oceans marks our entry into the global equity market and comes just two and half months after the formation our alliance with Kinetic Investment Partners in the small companies space.

"In Australia, the international retail equity market is dominated by just a handful of asset managers. We believe this concentration provides a new entrant like Five Oceans, with its stronger focus on absolute returns, a significant opportunity to gain market share."

Challenger will have exclusive distribution rights with Five Oceans in Australia and New Zealand. Challenger will also provide front and back office support that includes: portfolio management, dealing, administration, registry and pricing services.

Five Oceans Chief Executive Officer Ross Youngman said: "Five Oceans has a strong cultural fit with Challenger and we are excited to have the company's backing. The alliance with Challenger will allow us to develop an asset management business with all the hallmarks of a boutique, while providing the infrastructure support of a large company."

Five Oceans will take a bottom up approach to research. The company will initially develop a 30-50 international stock portfolio as its lead product, with a non-benchmark orientation and an absolute return bias. Further products will be developed as the business becomes more established.

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