

Challenger Infrastructure Fund

UK Roadshow

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Agenda

1. Overview of Fund
2. 2009 Half Year Results Overview
3. Assets
4. Outlook

Appendices

1. Overview of Fund

Overview of Fund

Portfolio

- Diversified infrastructure and utilities portfolio with total assets under management of A\$1.1bn
- Highly cash generative assets that are either in regulated industries or have monopolistic characteristics
- Assets are diversified geographically and by revenue type

Listing

- CIF was listed in August 2005
- 340m securities on issue
- Current market capitalisation is approximately \$541m¹

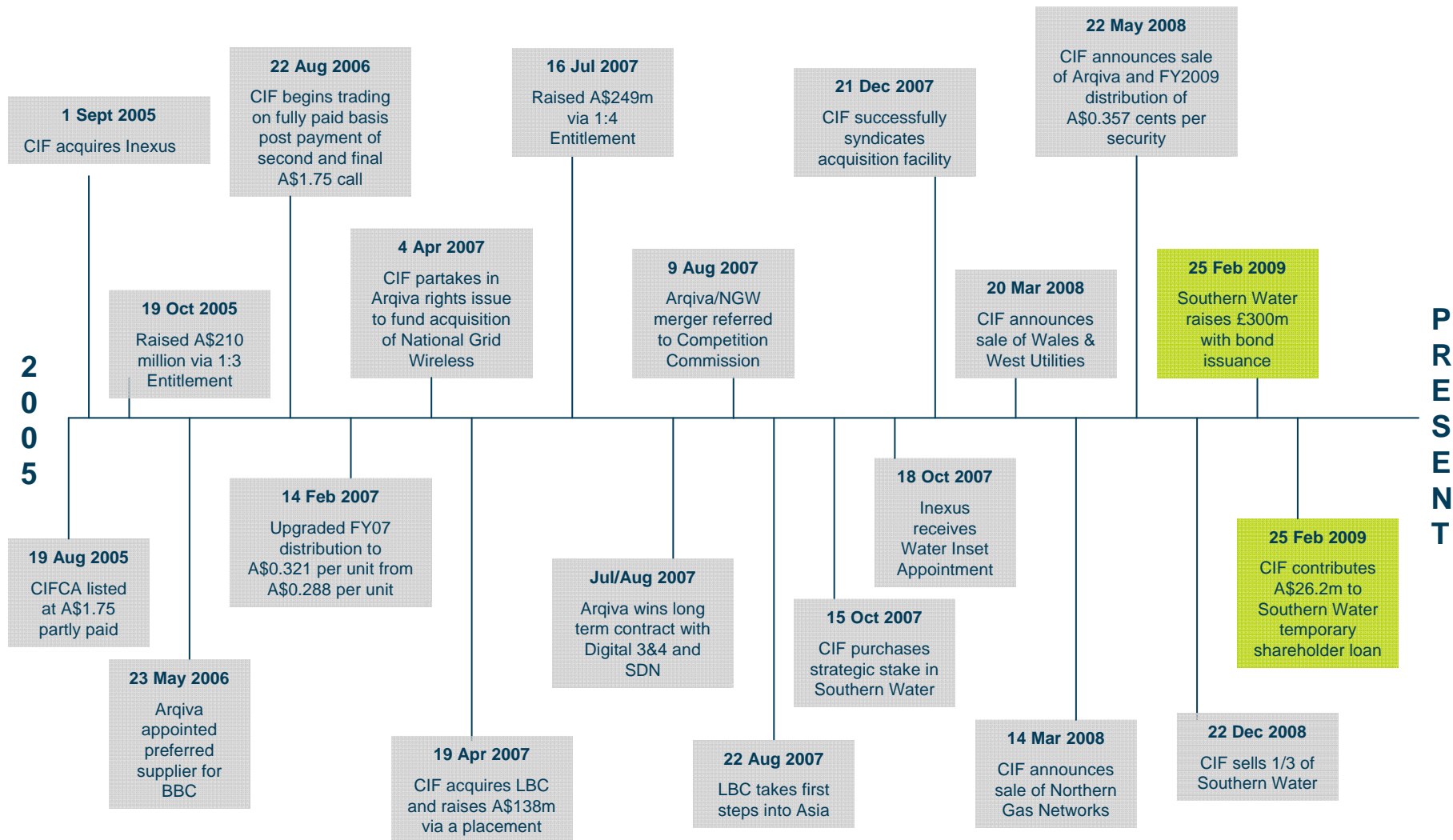
Assets

- Inexus – Leading UK independent last mile gas and electricity connections business
- LBC – second largest independent bulk chemical storage terminals company globally
- Southern Water – fastest growing UK water and wastewater company in terms of regulated capital value

Management

- Managed by Challenger, a highly skilled manager and originator of infrastructure assets
- Experienced operating management team
- Majority non-executive independent directors on Board

History of Fund



2. 2009 Half year Results Highlights

Highlights

Earnings Quality

- Highly predictable yet diversified cashflow – 62% regulated revenues
- Revenue of \$251.9m up 28% pcp
- Underlying Proportionate EBITDA growth of 19% pcp¹

Capital Management

- Sale of £100 million of Southern Water at NAV
- Reduction in total proportional net debt by \$1.7 billion (45%) over last 12 months
- Cash of \$64 million available at Fund level for capital management initiatives, including buy-back²

Distributions

- 12 cent distribution for HY2009
- Distribution funded 100% from operating cashflow

Outlook

- Continue active capital management
- Highly predictable EBITDA in 2009
- EBITDA growth will continue via returns on recent capex investment
- Actively manage portfolio to maximise operational asset performance

1 Underlying Proportionate EBITDA has been normalised to exclude disposed assets and include the full period impact of Southern Water and removes asset specific one off items as defined in each of the asset sections.

2 Cash available as at 20 April 2009.

Earnings Quality – Resilient Asset Performance

CIF	<ul style="list-style-type: none">- Revenue growth 28% pcp- Underlying Proportionate EBITDA growth 19% pcp¹
Inexus	<ul style="list-style-type: none">- Revenue growth of 24% pcp, reflecting build out of the order book- Underlying EBITDA growth of 28% pcp- Record half year sales of 59,981 (25% pcp), reflecting potential of the multi-utility strategy
LBC	<ul style="list-style-type: none">- Revenue growth of 20% pcp, reflecting growth capex build out- Underlying EBITDA growth of 28% pcp- Investment of €29.5 million capex and maintained utilisation rate of ~95%
Southern Water	<ul style="list-style-type: none">- Revenue growth of 7% pcp, driven by capital program- EBITDA growth of 13% pcp- RCV growth of ~9% consistent with regulatory plan

¹ Underlying Proportionate EBITDA has been normalised to exclude disposed assets and include the full period impact of Southern Water and removes asset specific one off items as defined in each of the asset sections.

Capital Management – Derisking & Prudent Management of Fund

- Completed sale of 1/3 of CIF's stake in Southern Water for £100m
 - Sale price at NAV
 - Repaid £50.7 million of Redeemable Preference Securities (RPS)
 - Reducing CIF's proportional net debt by A\$560 million
 - \$64 million of cash held at Fund level for capital management initiatives
 - Initiated on market buy-back¹

- Refinanced RPS to \$118.5 million and extended term to April 2011

- Cancellation of Fund acquisition facility, eliminating line fees

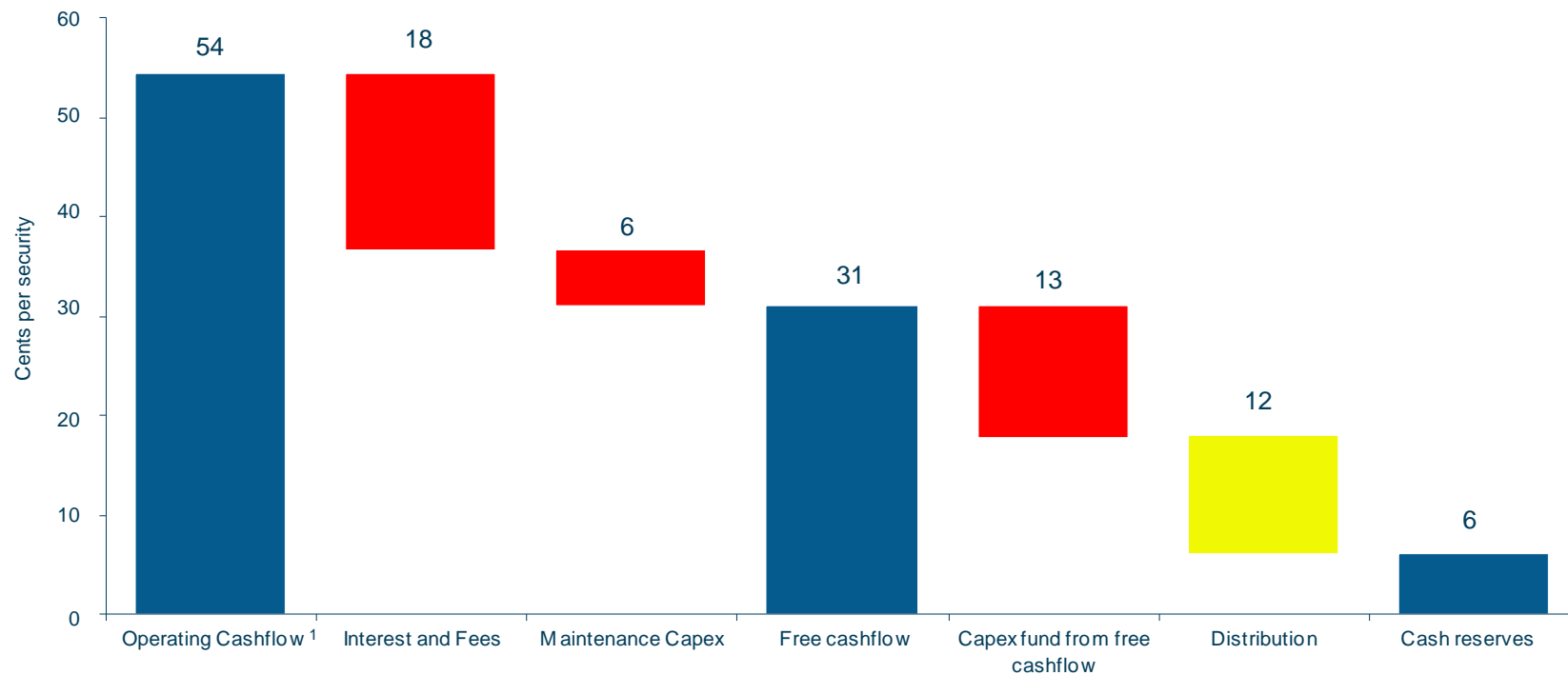
- Derived proportionate free cash flow of 31 cents per security

- Distribution to be 100% funded from operating cashflow

1. Cash available as at 20 April 2009.

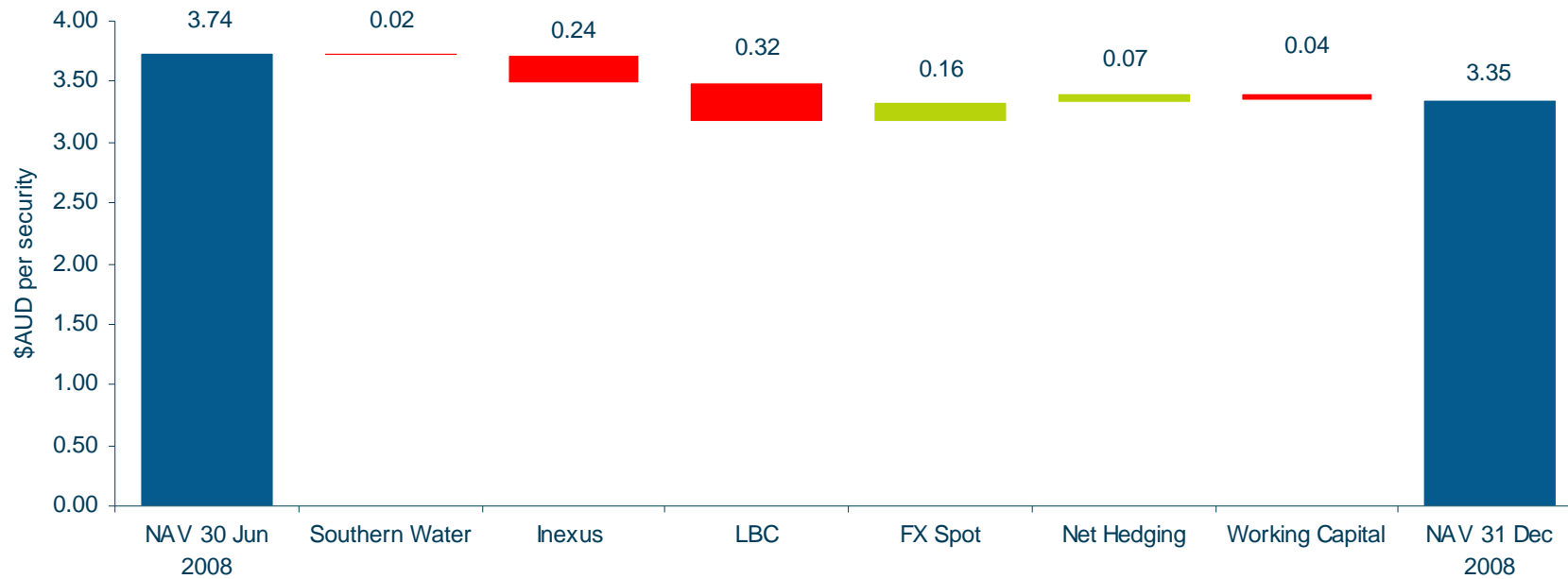
Distributions – Strong Operating Cashflow Generation

- Free cash flow of 31 cents per stapled security¹
- Interim distribution of 12 cents per stapled security



¹ Represents CIF's proportionate share of assets net of Fund level items.

Net Asset Value of \$3.35 per Security¹



Notes:

1. Net asset value per security is calculated as the Directors' fair valuation of all CIF investments net of fund level net debt, working capital and hedging.
2. Asset values converted at \$A = £0.4850; \$A = €0.5016.

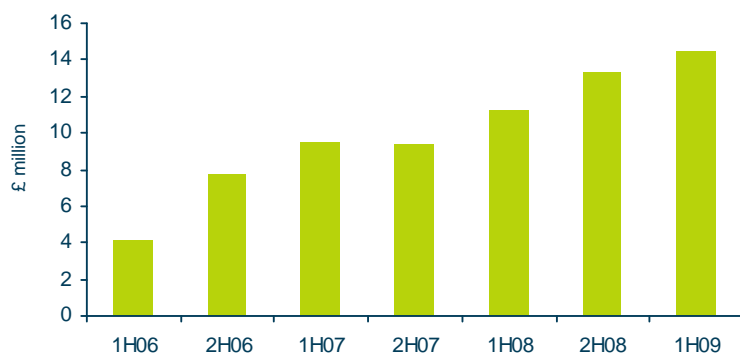
3. Assets

Inexus

Asset Snapshot

CIF Ownership	80.4%
Date of Initial Investment	Sept 2005
Cost of Acquisition (£m) ¹	152.0
31 Dec 2008 Valuation (£m) ¹	180.4
% of CIF Portfolio ²	33.8%

Underlying EBITDA



¹ Represents CIF's ownership %.

² Based on 31 December 2008 asset valuation.

Description

- Leading UK independent last mile gas and electricity connections business
- Inexus constructs and owns connections

Revenue

- Availability charge paid by the gas shippers and electricity suppliers to allow access to their customers

Investment Highlights

- Regulated revenue stream indexed to inflation and connection owned into perpetuity
- Capacity charges - fixed revenue per connection

HY09 Highlights

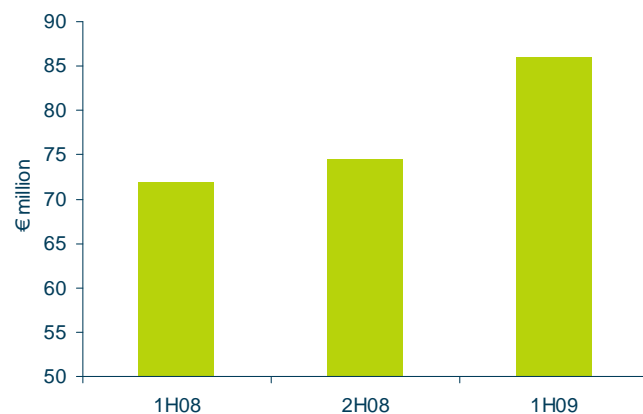
- Operating in market that has experienced lowest level of housing starts since 1950
- Revenue growth 24% pcp
- Highly predictable revenue and EBITDA from in the ground assets
- Underlying EBITDA growth of 28% pcp
- Record level of sales, benefits of first mover multi-utility provider further strengthening order book
- Active management of cost base protecting EBITDA margins
- Connections softened, reducing capex requirements

LBC

Asset Snapshot

CIF Ownership	66.2%
Date of Initial Investment	June 2007
Cost of Acquisition (€m) ²	214.7
31 Dec 2008 Valuation (€m) ¹	159.1
% of CIF Portfolio ³	28.8%

Revenue



¹ Represents CIF's ownership %.

² Includes acquisition of Shanghai terminal in September 2007.

³ Based on 31 December 2008 asset valuation.

Description

- Second largest independent bulk chemical storage terminals company globally
- 2.4 million m³ of capacity
- 13 terminals in USA, Europe and Asia

Revenue

- Rental fee for capacity made available, contracted on take or pay basis
- ~80% of revenue from take or pay contracts

Investment Highlights

- Terminals strategically located in USA, Europe and Asia
- Typical customer relationship greater than 10 years
- 30-40% EBITDA margins

HY2009 Highlights

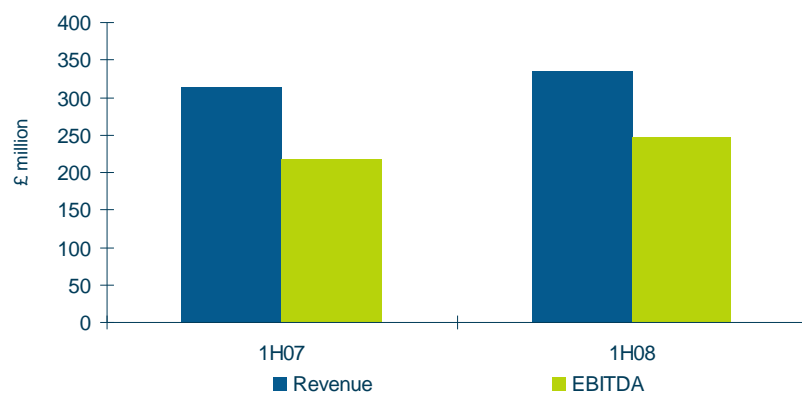
- Starting to realise the benefits of growth capex investment
- 28% growth in underlying EBITDA
- 20% growth in revenue
- 52% growth in operating cashflow
- Utilisation maintained at 95%
- Cash reserves and strong free cash flow enabling funding of €14.5 million of growth capex in 1H09 and conserving current debt capacity
- Opportunities to improve margins through better opex management in Northern Europe

Southern Water

Asset Snapshot

CIF Ownership	15.6%
Date of Initial Investment	October 2007
Cost of Acquisition (£m) ^{1,3}	208.1
31 Dec 2008 Valuation (£m) ^{1,3}	200.0
% of CIF Portfolio ²	37.5%

Revenue and EBITDA growth



¹ Represents CIF's ownership %.

² Based on equivalent purchase price on 15 October 2007 for 15.6%.

³ Based on 31 December 2008 asset valuation.

Description

- Fastest growing UK water and wastewater company
- Located in the south-east of England, the region with the highest population growth in the UK

Revenue

- Exclusive supply licence for that area of UK
- Retail and Industrial customers are billed directly for their consumption of clean and waste water services

Investment Highlights

- Fastest growing of the 10 WaSCs
- Focused, pure-play regulated asset (99% of EBITDA comes from regulated business)
- Low volume risk and threat from competition
- Strong EBITDA margins consistently over 60%

HY2009 Highlights

- Southern Water continues to perform in line with expectations
- EBITDA growth of 14% driven by capital program
- RCV growth of ~9% consistent with regulatory plan
- Brighton & Hove received planning approval
 - Work to subject to judicial review
- Business received a number of awards:
 - Les Dawson received OBE for services to the Energy & Water industries
 - Won two categories of the International Business Awards – Best Management Team and Best Communications Team

4. Outlook

Asset Outlook Summary

Southern Water

- Regulatory reset to provide certainty to March 2015, RCV growth expected to be consistent with current regulatory period
- Strong capital position – long dated maturity profile (average maturity of 20 years)
- Majority of temporary shareholder loan to be repaid before 30 June 2009

Inexus

- ~90% of FY2009 EBITDA derived from existing in the ground connections
- Proactive response to UK housing market conditions via focus on multi-utility strategy
- Focus on capital structure, including August 2010 refinance, to take advantage of high returns generated by the multi-utility strategy

LBC

- Significant capex investment of €64.3 million over last twelve months, revenue yet to fully reflect these completed growth projects
- Capex investment expected to slow in response to economic conditions
- LBC will deleverage business through EBITDA from completed projects and cashflow funding of future growth capex

Fund Outlook

High Quality Assets

- Highly predictable yet diversified cashflow – 62% regulated revenues²
- Proportional weighted average debt maturity of ~ 11 years
- Highly predictable EBITDA in 2009
- Strong financial position to respond to difficult financial markets
- Distribution funded 100% from operating cash flow

Capital Management

- Actively manage our portfolio to maximise operational asset performance
- Proactive capital management and financial flexibility
- Solid revenue and EBITDA growth
- Cash of \$64 million available at Fund level for capital management initiatives, including buy-back¹



CONTINUOUS FOCUS ON MAXIMISING SECURITYHOLDER VALUE

Questions

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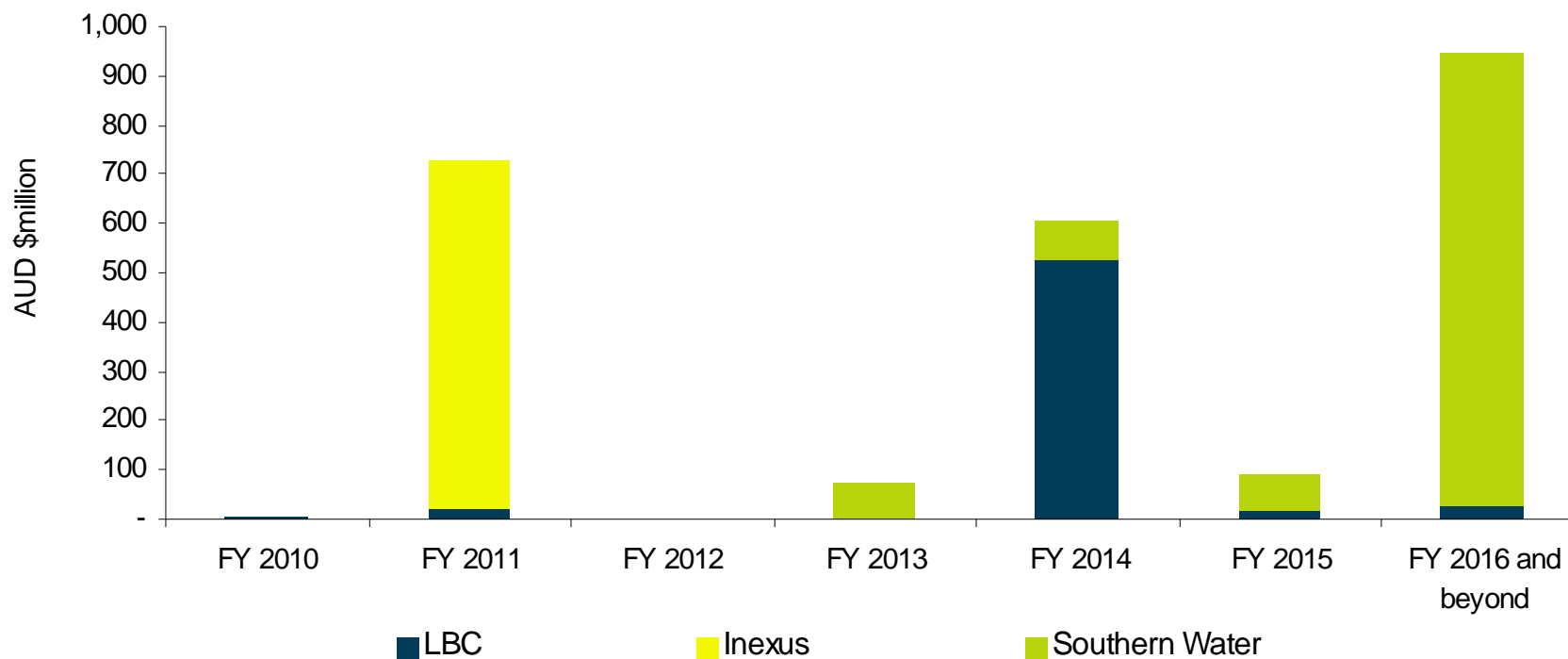
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Appendix

Proportionate Debt Maturity Profile¹

- Proportional weighted average maturity of ~11 years¹
- Next major refinance point – August 2010 Inexus refinance



¹ Excludes CIF RPS of \$118.5 million at 31 March 2009.