

MARKET RELEASE

CHALLENGER INFRASTRUCTURE FUND RAISES \$630M

15 August 2005, Sydney - Challenger Financial Services Group Limited (CGF) today announced the Challenger Infrastructure Fund has raised \$630 million and closed fully subscribed.

The Challenger Infrastructure Fund (CIFCA) will commence trading from 19 August 2005. The fund is offering 90 million units to the public with an initial subscription price of \$1.75. A second instalment of \$1.75 will be payable 12 months after listing.

Challenger Life, a division of the Challenger Group, has subscribed for 50 per cent of the issued securities, approximately \$315 million.

Steven Bickerton, Managing Director of the Challenger Infrastructure Fund, said the fund had received tremendous support from the market. "The level of take-up by both institutional and retail investors is a clear endorsement of the fund and the Challenger infrastructure team.

"The fund's strategy is to invest in long term quality assets with stable cash flows which will generate consistent, attractive returns for our investors."

The fund has acquired interests in three UK-based infrastructure assets with proceeds from the initial instalment. Proceeds from the second instalment will fund future investments.

The Challenger Infrastructure Fund offer was fully underwritten by JP Morgan and Citigroup. JP Morgan also acted as financial advisor to Challenger.

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