

Challenger Infrastructure Fund
Level 41
88 Phillip Street
Sydney NSW 2000
Australia

Telephone: 02 9994 7000
Facsimile: 02 9994 7777

Managed by Challenger
Listed Investments Limited
AFSL 236 887
CIF Investment Trust 1
ARSN 114 139 703
CIF Investment Trust 2
ARSN 114 139 632

6 July 2006

Dear Securityholder,

Challenger Infrastructure Fund – second and final instalment due 21 August 2006

We write to advise that your second instalment of \$1.75 per partly paid security is now due, as outlined in the Challenger Infrastructure Fund (CIF) Product Disclosure Statement dated 15 July 2005 and the Challenger Infrastructure Fund Entitlement Offer Product Disclosure Statement dated 19 October 2005.

The Second and Final Instalment Notice enclosed with this letter contains important information on the total amount now due and how this amount can be paid. Please read it carefully.

Please note that payment of your second instalment must be:

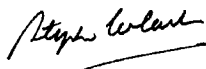
- received by 5.00pm (Eastern Standard Time) on Monday 21 August 2006; and
- made via BPAY or cheque or bank draft and be in Australian dollars and drawn on an Australian bank.

Importantly, if your second instalment is not paid by the due date, your securities may be forfeited and sold on your behalf with the proceeds used to pay the second instalment, as well as interest and charges and any expenses related to the sale. Any remaining balance would be paid to you, or in the case of a deficit, you would remain liable for the outstanding amount. Your voting and distribution rights will also be suspended if you fail to pay the second instalment by the due date.

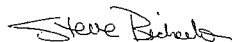
Answers to Frequently Asked Questions have also been included on the reverse of this letter to provide further information to help you comply with the Second and Final Instalment Notice. Should you be in any doubt as to what action to take, you should consult your stockbroker, accountant or other financial adviser.

If you have any queries regarding the attached notice or your obligation to pay the second instalment, please call the CIF Infoline on 1800 114 027.

Yours faithfully



Stephen Gerlach
Chairman
Challenger Listed Investments Limited



Steve Bickerton
Chief Executive
Challenger Infrastructure Fund



Frequently Asked Questions

1. How much do I have to pay?

The second instalment is \$1.75 for each CIFCA partly paid security that you hold.

2. When is the second instalment due?

You must pay the second instalment by 5.00pm (Eastern Standard Time) on Monday 21 August 2006.

3. How do I pay for the second instalment?

Your second instalment can only be paid by BPAY or cheque or bank draft. Cheques and bank drafts should be made payable to 'CLIL as RE of the Challenger Infrastructure Fund' and will be processed on the day of receipt.

4. What will happen to trading on the ASX?

The following key dates provide information on how CIFCA/CIF will trade on the ASX prior to and after the second instalment call date.

7 August 2006	Last day for trading partly paid (CIFCA) securities
8 August 2006	Commencement of trading in fully paid (CIF) securities on a deferred settlement basis
14 August 2006	Last day for accepting transfers of partly paid (CIFCA) securities
21 August 2006	Due date for payment of second instalment
28 August 2006	Allotment of fully paid (CIF) securities
29 August 2006	Quotation of fully paid (CIF) securities on T+3 settlement basis

5. What happens if I do not pay \$1.75 per partly paid security by 21 August 2006?

The deadline for payment is 5.00pm (Eastern Standard Time) on Monday 21 August 2006. If you have not paid by 21 August 2006, your securities may be forfeited and sold on your behalf with the proceeds used to pay the second instalment, as well as interest and charges and any expenses related to the sale. Any remaining balance would be paid to you, or in the case of a deficit, you would remain liable for the outstanding amount. Your voting and distribution rights will also be suspended if you fail to pay the second instalment by the due date.

6. Will the second instalment impact CIF's market capitalisation?

Yes. CIF's market capitalisation is expected to rise by \$420 million, the amount called upon in the second instalment.

7. How will the proceeds of the second instalment be used?

The proceeds of the second instalment will total \$420 million. Of this, approximately \$288 million will be used to repay bridging finance raised in order to purchase Inexus in September 2005. The remaining proceeds will be held by CIF to fund investments in infrastructure assets that offer both predictable income streams and growth potential.

8. Where do I obtain further assistance?

If you have any queries regarding your obligation to pay the second instalment, please call the CIF Infoline on 1800 114 027. Alternatively, you should consult your stockbroker, accountant or other financial adviser if you are unsure how to proceed.

Challenger Listed Investments Limited

ABN 94 055 293 644 AFSL 236887
as Responsible Entity for
Challenger Infrastructure Fund comprising
CIF Investment Trust 1 (CIF 1) ARSN 114 139 703 and
CIF Investment Trust 2 (CIF 2) ARSN 114 139 632

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1800 114 027
From outside Australia: +61 2 8280 7111
Facsimile: +61 2 9287 0303
ASX Code: CIF
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

SRN/HIN:

Date of this Notice:

6 July 2006

Second Instalment Payment Due Date: By 5:00pm (Sydney time)

on 21 August 2006

SECOND AND FINAL INSTALMENT – FIRST NOTICE

SECOND INSTALMENT PAYMENT DUE

- Number of Partly Paid Securities held on 3 July 2006
- Total amount owing at A\$1.75 per Partly Paid Security

PAYMENT DETAILS – You may elect to make payment by one of the following options:

Option 1 – CHEQUE/BANK DRAFT – please complete and ensure that the amount payable is correct.

Mail this form together with your cheque/bank draft payable to “**CLIL as RE of the Challenger Infrastructure Fund**” and crossed “Not Negotiable” to Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235. A reply paid envelope is enclosed for your convenience. If you have any enquiries concerning this First Notice, please telephone Link Market Services Limited on 1800 114 027 or contact your stockbroker, lawyer or other professional adviser.

Cheque/Bank Draft Number

BSB

Account Number

Cheque/Bank Draft Amount **A\$**

Option 2 – BPAY® – If paying by BPAY you do NOT need to return this form.



Biller Code: 788273

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au

®Registered to BPAY Pty Ltd ABN 69 079 137 518

Please provide a telephone number in case we need to contact you during business hours.

Telephone Number

Contact Name

Second Instalment Timetable

Last day for trading Partly Paid (CIFCA) “Second Instalment Unpaid” Securities on ASX	7 August 2006
First day for trading Fully Paid Securities on deferred settlement basis	8 August 2006
Last day for Registry to accept transfers of Partly Paid (CIFCA) “Second Instalment Unpaid” Securities	14 August 2006
Second Instalment Payment Date	By 5:00pm (Sydney time) on 21 August 2006
Allotment of Fully Paid Securities	28 August 2006
Quotation of Fully Paid Securities on a T+3 settlement basis	29 August 2006

Security Prices

The latest available price of the Partly Paid Securities before the date of issue of this First Notice	A\$1.255
The highest market price of the Partly Paid Securities during the three months immediately before this First Notice	A\$1.365
The lowest market price of the Partly Paid Securities during the three months immediately before this First Notice	A\$1.155
The latest available market price of the Partly Paid Securities immediately before the first announcement made to ASX regarding the final instalment	A\$1.255

Consequences of Late and/or Non-Payment

If you fail to pay the Second Instalment by the due date, then in accordance with the Fund’s Constitution, your Securities may be forfeited and you will remain liable to pay the monies owing to the Fund (plus interest at a rate determined by the Responsible Entity) under the Second Instalment. The Responsible Entity has the right to dispose of forfeited securities, with the proceeds to be applied firstly towards the expenses of the sale, secondly towards any expenses necessarily incurred in connection with the forfeiture (including any interest accrued), thirdly towards the payment of the Second Instalment (plus interest). The balance, if any, will be paid to the person who was the registered securityholder of the forfeited securities. To the extent there is a deficit, you will remain liable to pay the deficit. Joint holders of securities are jointly and severally liable to pay the Second Instalment. Your voting and distribution rights will be suspended if you fail to pay the Second Instalment by the due date.

CIF CAL001

