Challenger Infrastructure Fund

Macquarie Global Infrastructure Conference

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Chief Executive

12 May 2008

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Agenda

1. Overview of Fund
2. Assets
3. Outlook

Appendices

1. Overview of Fund

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Overview of Fund

Portfolio	- Diversified infrastructure and utilities portfolio with gross assets of A$1.9bn[3] - Attractive yield plus capital growth via a portfolio of global assets - Highly cash generative assets that are either in regulated industries or have monopolistic characteristics - Assets are diversified geographically and by revenue type - All assets contain organic growth upside
Listing	- CIF was listed in August 2005 - 348m securities on issue - Current market capitalisation is approximately $1.1bn[1]
Distributions	- Forecast distribution yield of 10.8%[1] in FY08 - Expected 5% p.a. distribution CAGR in the medium term - CIF's FY2008 full year distribution is forecast to be approximately 25%[2] tax deferred
Management	- Managed by Challenger, a highly skilled manager and originator of infrastructure assets - Experienced operating management team - Majority non-executive independent directors on Board

[1] Based on closing price 22 April 2008, $3.14.

[2] Tax deferral has reduced from 65% post the sale of CIF's interests in Wales & West Utilities and Northern Gas Networks.

[3] Post divestment of Northern Gas Networks and Wales & West Utilities stakes.

History of Fund

2005

19 August 2005
CIFCA listed at A$1.75 partly paid

1 September 2005
CIF acquires Inexus

19 October 2005
Raised A$210 million via 1:3 Entitlement

23 May 2006
Arqiva appointed preferred supplier for BBC

22 August 2006
CIF begins trading on fully paid basis post payment of second and final A$1.75 call

14 February 2007
Upgraded FY07 distribution to A$0.321 per unit from A$0.288 per unit

4 April 2007
CIF partakes in Arqiva rights issue to fund acquisition of National Grid Wireless

19 April 2007
CIF acquires LBC and raises A$138m via a placement

16 July 2007
Raised A$249m via 1:4 Entitlement

July/August 2007
Arqiva wins long term contract with Digital 3&4 and SDN

9 August 2007
Arqiva/NGW merger referred to Competition Commission

22 August 2007
LBC takes first steps into Asia

15 October 2007
CIF purchases strategic stake in Southern Water

18 October 2007
Inexus receives Water Inset Appointment

21 December 2007
CIF successfully syndicates acquisition facility

14 March 2008
CIF announces sale of Northern Gas Networks

20 March 2008
CIF announces sale of Wales & West Utilities

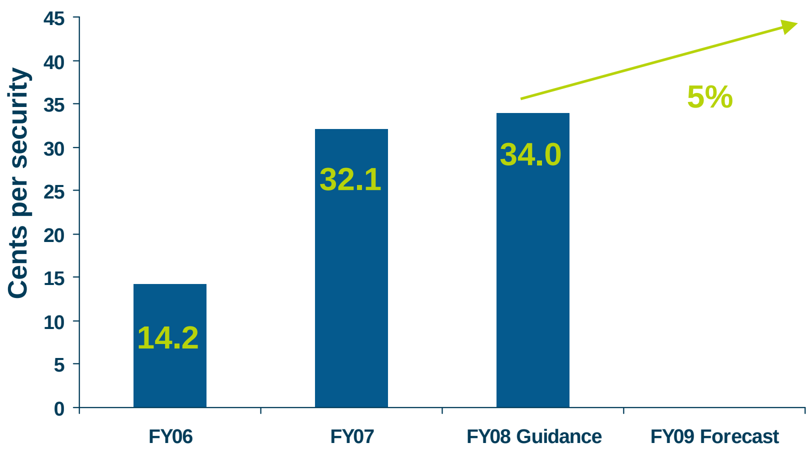
PRESENT

Secure and Growing Distributions

Distributions

- 2008FY guidance of 34c per security
- Increase of 6% on FY07
- CAGR since listing of 9.3%[1]
- Medium term distribution growth guidance of 5% pa
- CIF's FY2008 full year distribution is forecast to be approximately 25% tax deferred

Distribution Profile

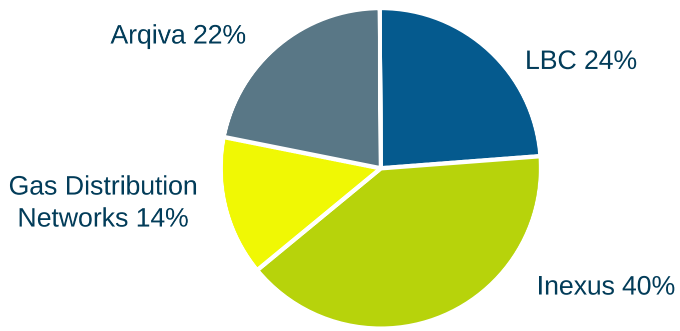


[1] Assumes 2006 normalised fully paid distribution of 28.4 cents per stapled security.

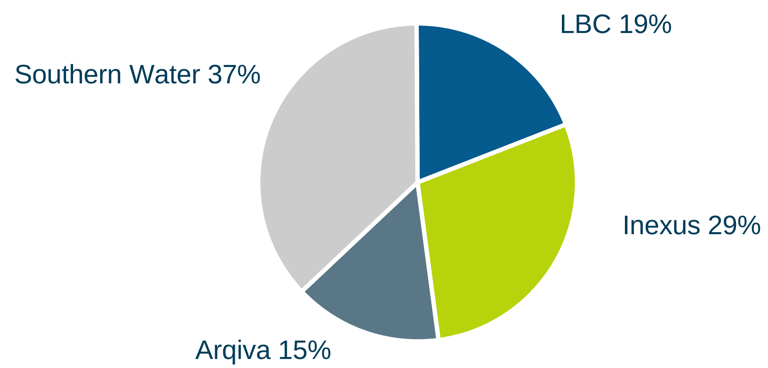
Portfolio Diversification

Diversification by Asset[1]

30 June 2007

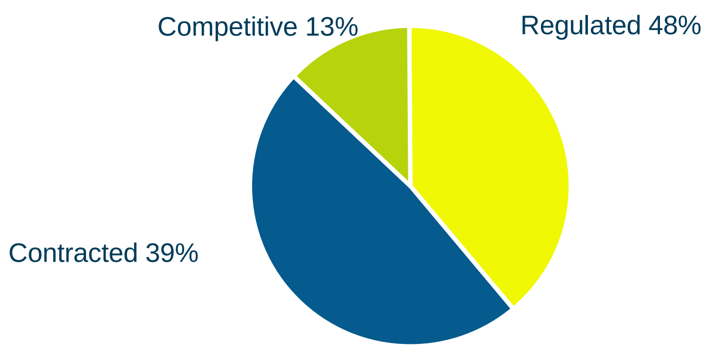


31 March 2008

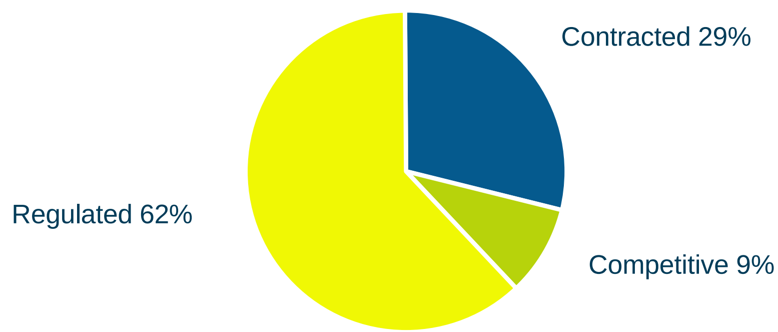


Diversification by Revenue Type

30 June 2007



31 December 2007



[1] As a percentage of total Assets Under Management based on Director's fair value as at 31 December 2007.

CIF Strategy

- A diversified global portfolio of high quality infrastructure and utility assets
- Investment criteria to identify high quality assets that have long-term, predictable cash-flows with the potential for capital growth
- Investment goal to deliver a combination of attractive and growing distributions alongside increasing asset values
- Acquisition - a disciplined approach combined with its investment criteria supports the maximisation of long term value for security holders
- Optimal capital management to maximise the value of security holder returns

2. Assets

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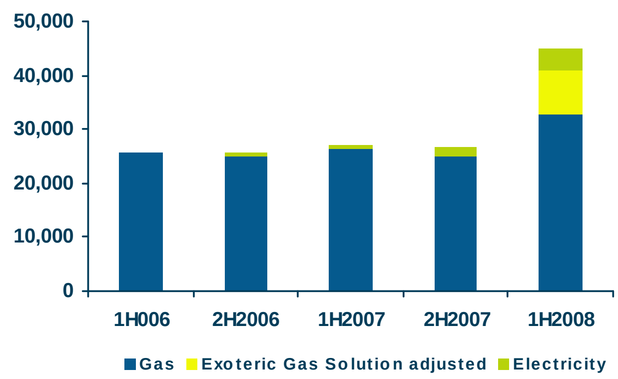
Inexus

Asset Snapshot	
CIF Ownership	80.4%
Date of Initial Investment	Sept 2005
Cost of Acquisition (£m)[1]	152.0
31 Dec 2007 Valuation (£m)[1]	239.8
% of CIF Portfolio[2]	28.6%
IRR since Acquisition	27.8%
FY08F Distribution[1] (£m)	21.5

Growth in New Connections



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
Asset Update	- Maintaining market leading position - Electricity business successfully launched in 2005 - Water inset appointment received in Aug 2007 - First Water and Fibre sales recognised in December 2007
Growth Opportunities	- Multi-fuel offerings to developers

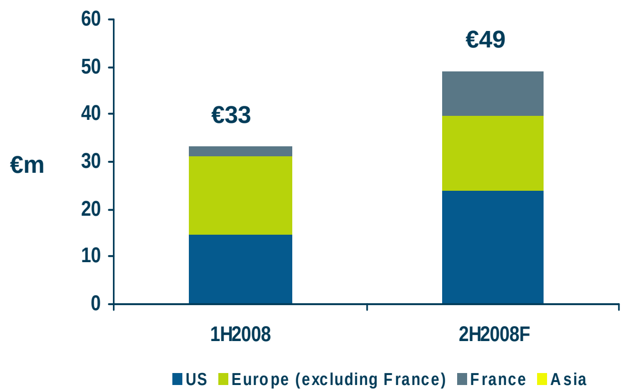
[1] Represents CIF's ownership %.

[2] Based on 31 December 2007 asset valuation.

LBC

Asset Snapshot	
CIF Ownership	66.2%
Date of Initial Investment	June 2007
Cost of Acquisition (€m)[2]	214.7
31 Dec 2007 Valuation (€m)[1]	218.5
% of CIF Portfolio[3]	19.2%
IRR since Acquisition	12.5%
FY08F Distribution[1] (€m)	19.2

Expansionary Capex



Description	- Second largest independent bulk chemical storage terminals company globally - 2.2 million m^3 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; 20% of revenues from value add services
Investment Highlights	- Terminals strategically located in USA, Europe and Asia - Typical customer relationship greater than 10 years - 30-40% EBITDA margins
Asset Update	- Performance in line with acquisition expectations - 95% capacity utilisation - Expansionary capex on target - Completion of ERTISA phase 1
Growth Opportunities	- Strong market dynamics driving increasing demand for chemical storage in USA and Europe - Customer contract future capacity ahead of construction capex spend

[1] Represents CIF's ownership %.

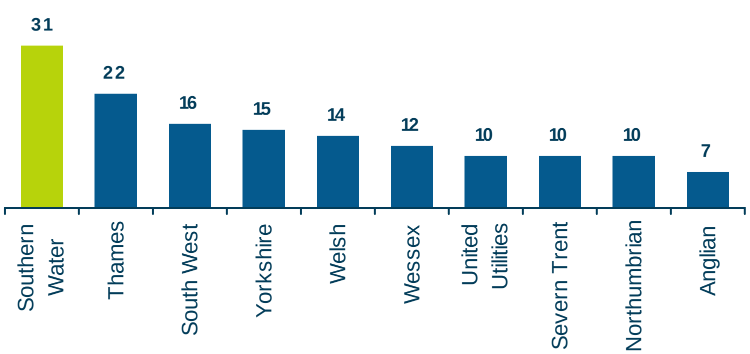
[2] Includes acquisition of Shanghai terminal in September 2007.

[3] Based on 31 December 2007 asset valuation.

Southern Water

Asset Snapshot	
CIF Ownership	23.4%
Date of Initial Investment	October 2007
Cost of Acquisition (£m) [1,3]	312.1
31 Dec 2007 Valuation (£m) [1,3]	312.1
% of CIF Portfolio[2]	37.2%
FY08F Distribution[1] (£m)	9.63

Real RCV Growth % (2005-2010)



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%
Asset Update	- Performance in line with acquisition - Next price review in 2009, commencing April 2010

Growth Opportunities	- Real RCV growth of 31% over current regulatory period
	- Similar scale capital program expected in next regulatory period due to ongoing capital requirements of:
	  - EU environmental directives
	  - Need to improve water resources
	  - Population growth

[1] Represents CIF's ownership %.

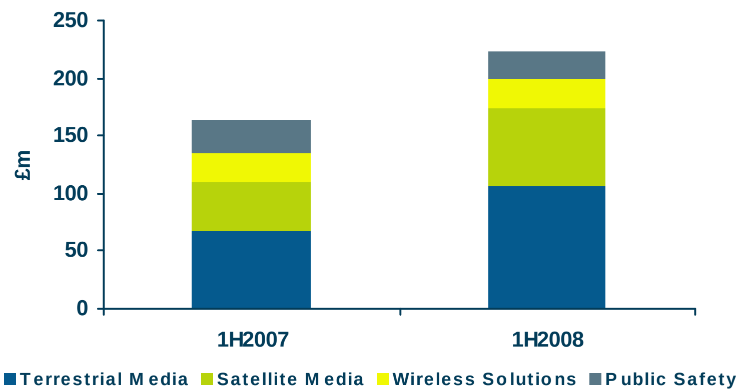
[2] Based on purchase price on 15 October 2007.

[3] Includes capitalised transaction costs of £12.1m.

Arqiva

Asset Snapshot	
CIF Ownership	6.3%
Date of Initial Investment	August 2005
Cost of Acquisition (£m)[1]	113.9
31 Dec 2007 Valuation (£m)[1]	126.0
% of CIF Portfolio[2]	15.0%
IRR since Acquisition	14.7%
FY08F Distribution (£m)[1]	9.5

Expansionary Capex



Description
- UK's leading broadcast transmission and site leasing infrastructure operator
- Transmits to 22 million homes from a network of 1100 sites, of which it controls approx. half

Revenue
- Generated from leasing broadcast towers, teleports and wireless sites via long term contracts to TV/radio broadcasters/wireless providers

Investment Highlights
- Arqiva is at the forefront of the digital switchover
- Arqiva is an industry leader in analogue and digital transmission

Asset Update
- Digital Switch Over contracts with Digital 3&4, SDN and access agreements with NGW which total £3.6bn (incl. inflation)
- NGW acquisition has received conditional approval following a detailed investigation by the UK Competition Commission

Growth Opportunities
- Shift to digital technology across all platforms provides strategic opportunities for Arqiva

[1] Represents CIF's ownership %.

[2] Based on 31 December 2007 asset valuation.

3. Outlook

Outlook

Focus	– Optimising the current assets in the portfolio – Maintaining a disciplined approach to build a portfolio of high quality assets
Distributions	– Forecast distribution yield of 10.8%[1] in FY08 – Expected 5% pa distribution CAGR in the medium term – CIF's FY2008 full year distribution is forecast to be approximately 25%[2] tax deferred
Organic Growth	– Inexus: electricity, water and fibre connections – LBC: capacity expansion – Southern Water: RCV growth – Arqiva: strategic opportunities from shift to digital technology

[1] Based on closing price 23 April 2008, $3.14.

[2] Tax deferral has reduced from 65% post the sale of CIF's interests in Wales & West Utilities and Northern Gas Networks.

Questions

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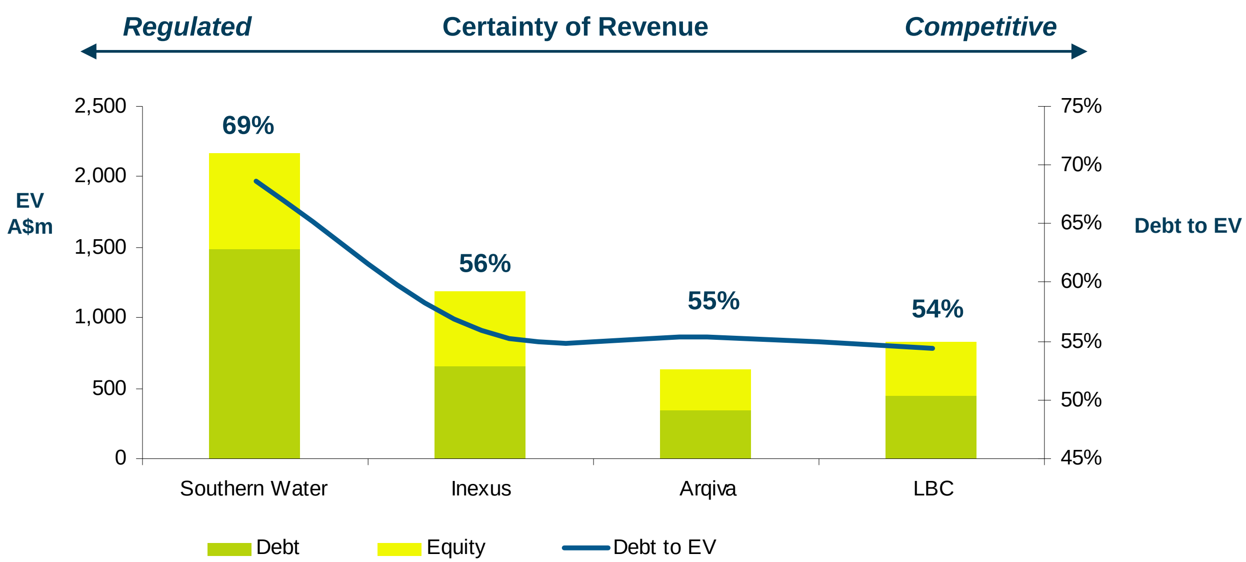
Appendix

Gearing at the Asset Level

	Mar 2008 $m	Dec 2007 $m	June 2007 $m
Asset level proportional net debt	2,947.7	3,271.5	1,680.8
Fund level net senior debt	317.5	488.9	218.0
Total proportional net debt	3,265.2	3,760.4	1,898.8
CIF Assets under Management[2]	1,862.5	2,087.1	1,351.0
Total proportional net debt to EV[1]	61%	64%	58%



[1] Enterprise Value (EV) is calculated as CIF assets under management (based on Director's valuations at 31 December 2007 adjusted for FX at 31 March 2008) plus proportional net debt.

[2] Post sale of Northern Gas Networks and Wales & West Utilities.

Debt Maturity Profile (proportional consolidation)

- Proportional weighted average maturity of approximately 13 years
- Next major refinance point - March 2010 CIF Acquisition Facility