

Member Outcomes Assessment

1. Strategic and investment objectives of the Challenger Retirement Fund (Fund)

Our vision, in line with Challenger Limited's vision, is to provide members with financial security for a better retirement. The strategic objectives of the Fund, designed to help us achieve this vision include:

- The provision of fee-free superannuation products to members at competitive rates;
- To access Challenger Life Company Limited (**Challenger Life**) guaranteed products providing competitive fixed returns;
- Improved customer experience and engagement activities.

The Fund provides members with (depending on the product and investment option selected):

- Access to investment options that are guaranteed with fixed and reliable rates of return;
- Access to a cash option that provides a stable return;
- A guaranteed income stream for a set period or for life;
- Death and total and permanent disablement insurance cover via superannuation policies issued by MetLife Insurance Limited (**MetLife**).

The Fund's investment strategy is to provide members with a guaranteed income with a low risk profile. This is achieved by investing into life policies issued by Challenger Life, to guarantee benefits provided to members who have selected a choice product offered by the Fund. The guarantees provided by Challenger Life are provided irrespective of the performance or allocations of the company's underlying investments.

The Fund's insurance strategy is to make death and total and permanent disablement insurance benefits available to existing members of the Term Life (under Super) Plan. Administration of insurance is outsourced to MetLife in accordance with an Administration Services Agreement entered into between MetLife and Challenger Group Services Pty Ltd.

2. Annual determination - 30 June 2022

Each year, we are required to assess the performance of the Fund against a range of key assessment factors and make a determination that we are promoting the financial interests of members. A separate determination needs to be made for each product we offer.

Based on that assessment, we have determined that our products have promoted the financial interests of our members and are expected to continue to do so.

In reaching our overall determination for each product, we have placed more emphasis on the items that directly influence the financial interests of our membership base. Primary consideration has been given to the appropriateness of the investment strategy.

As part of assessing the appropriateness of the investment strategies for our members, we have where possible, incorporated a comparative component of each investment option to either relevant benchmarks or competitors' products with similar risk and return characteristics.

We have also given a larger emphasis on the basis for setting fees. Given the products that we offer are comprised of investment options on the lowest end of the standard risk measure continuum, fee levels are an important consideration given the relatively higher impact on net returns. We believe the unique offering of a no fee product is particularly suited to members seeking guaranteed returns when approaching or entering retirement.

Products offered by the Fund

All products offered by the Fund have been closed to new members since 4 October 2021. We continue to provide superannuation, pension and life insurance products to existing members outlined below.

A superannuation plan for members in the accumulation stage:

- Challenger Guaranteed Personal Superannuation – a low-risk superannuation fund that offers a guaranteed fixed rate investment option and a cash investment option.

A pension income stream for members who are transitioning into or are in retirement:

- Challenger Guaranteed Allocated Pension - a low-risk account-based pension fund that offers a guaranteed fixed rate investment option and a cash investment option.

A number of term and lifetime pension plans:

- Challenger Guaranteed Term Allocated Pension;
- Challenger Guaranteed Income Pension Plan; and
- Challenger Guaranteed Lifetime Pension Plan.

A life insurance plan:

- The Term Life (under Super) Plan (**Term Life**).

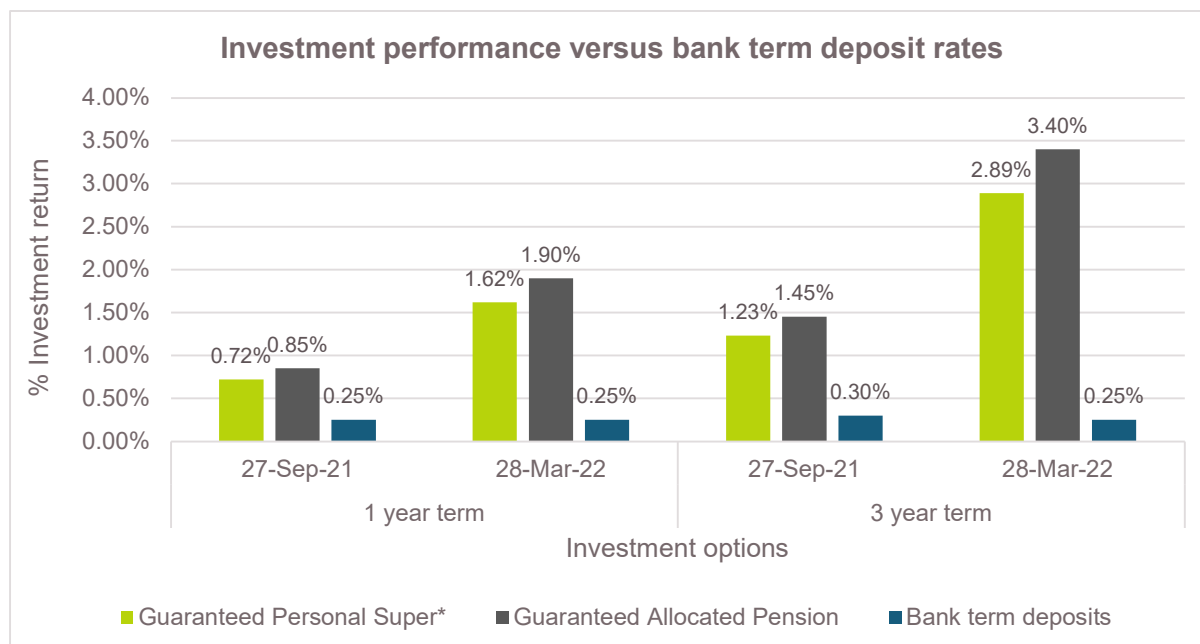
Investment Performance

Members in the Guaranteed Personal Superannuation, Guaranteed Allocated Pension and Term Allocated Pension products can invest in the Guaranteed Cash option and the Guaranteed Fixed Rate option. When compared to relevant benchmarks and competitors' products with similar risk and return characteristics as shown in the charts below, the returns are very competitive after fees and costs. This has all been achieved with a very low level of risk exposure consistent with comparable products.

Due to the unique nature of our products, there is a lack of reliable public comparative data that would provide appropriate like-for-like comparisons. We have looked to competitor products outside of superannuation including bank retail and annuity products with similar asset class and risk/return characteristics.

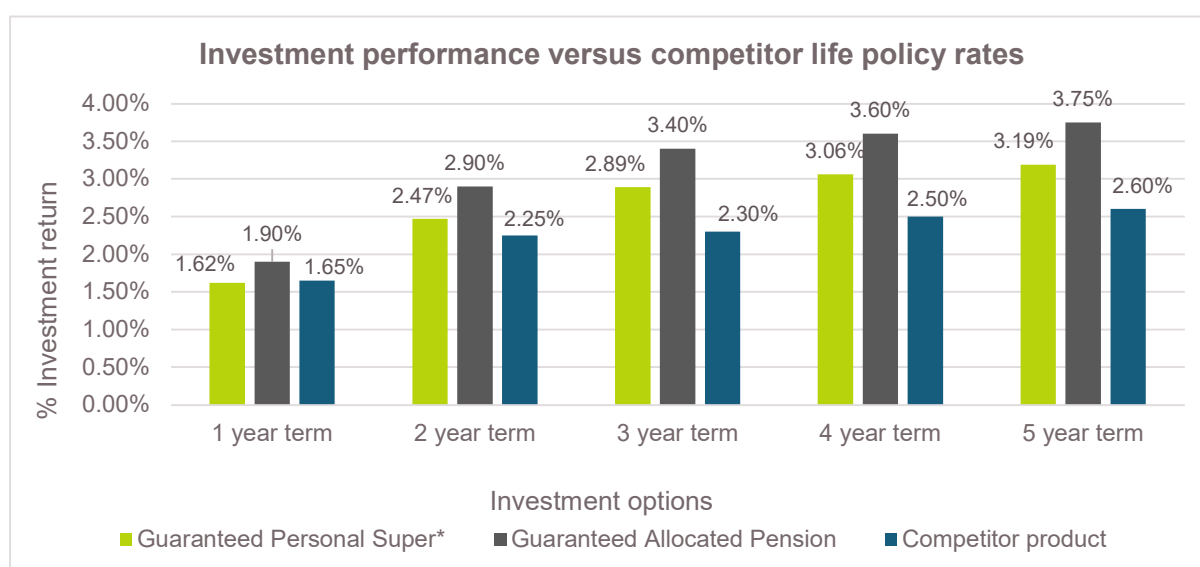
Guaranteed Fixed Rate investment option

The Guaranteed Fixed Rate option is a very low risk investment that offers a guaranteed rate of return for investment terms of one to ten years¹. The earning rate is fixed at the time of investment providing market and capital protection.



Source: RBA Retail deposit and investment rates for September 2021 and March 2022 (bank term deposits 1 year and 3 year) and Challenger weekly rates sheet for weeks commencing 27 September 2021 and 28 March 2022.

* The returns are net of 15% earnings tax deducted for superannuation accumulation accounts



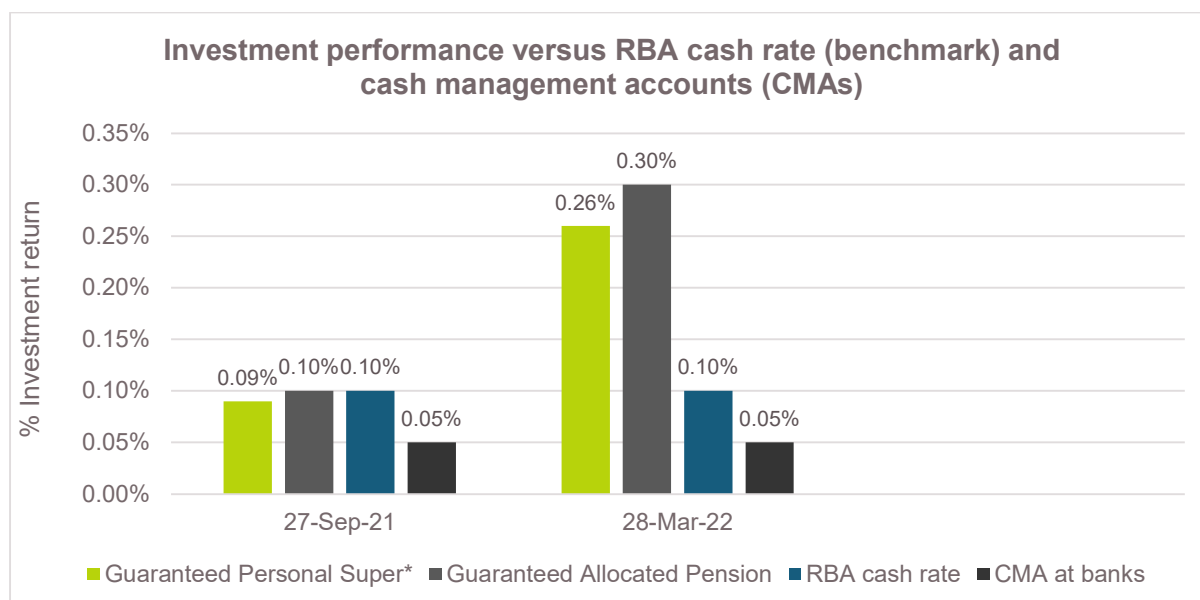
Source: Competitor weekly rates sheet (for investments less than \$500,000) and Challenger weekly rates sheet for weeks commencing 28 March 2022.

* The returns are net of 15% earnings tax deducted for superannuation accumulation accounts.

¹ Annuities are not covered by the Australian Government's Financial Claims Scheme, which protects certain types of deposits in the event that a bank, building society or credit union fails.

Guaranteed Cash investment option

The Guaranteed Cash option provided a stable return equal to the Reserve Bank of Australia (RBA) official cash target rate until 17 October 2021. From 18 October 2021 the Guaranteed Cash option has provided a stable return equal to the RBA official cash rate plus 0.20%. It is a very low risk investment that offers a guaranteed earning rate that is set at the start of the week and remains fixed for that week.



Source: RBA Retail deposit and investment rates for September 2021 and March 2022 (Savings accounts; Cash management accounts at banks). RBA Cash Rate Target and Challenger weekly rates for weeks commencing 27 September 2021 and 28 March 2022.

* The returns are net of 15% earnings tax deducted for superannuation accumulation accounts

Other Plans

We are unable to provide details of general investment performance for the Guaranteed Income Pension Plan and Guaranteed Lifetime Pension Plan as performance will differ depending on each member's individual circumstances. Payments promised to members were determined and agreed to by members when the income stream commenced, and Challenger Life guarantees to make those payments for the life of the member (and the life of the reversionary life insured if applicable) or chosen fixed term (whichever is applicable).

For additional information relating to these products, please refer to your Annual Statement or contact our Client Services team on 13 35 66.

Term Life is life insurance provided through the Fund. Investment earnings and performance are not relevant for this type of product.

Fees and other costs

A key feature of each of the products is that the Fund does not charge or recover any fees, expenses or costs directly from member accounts. This means returns promised to our members are not reduced by management or administration fees.

The Fund is unique in offering fee free superannuation products to members. Data provided by APRA in the annual fund-level superannuation statistics (June 2022), highlights that most super funds charge some level of fees.

Fees and costs across the Fund's products

Product	Total fees ⁱ (p.a.)	Other costs ⁱⁱ (p.a.)
Guaranteed Personal Superannuation	Nil	Nil
Guaranteed Allocated Pension	Nil	Nil
Term Allocated Pension	Nil	Nil
Guaranteed Income Pension Plan	Nil	Nil
Guaranteed Lifetime Pension Plan	Nil	Nil

ⁱ Fees include investment, management, administration, switching and any other fees that may be charged by trustees

ⁱⁱ Costs include any direct or indirect costs that may affect the returns of members.

Options, benefits and facilities

The options, benefits and facilities offered by the Fund are appropriate for members looking for secure, simple and fee free superannuation and retirement products and are in line with our member needs. Our products offer solutions for members that have a specific need for guaranteed returns over a chosen timeframe or stable returns linked to the cash rate with very low risk.

We are continually undertaking activities to improve member experience in the Fund and build greater awareness of superannuation and retirement.

We offer the following services for members:

Call Centre	Our Client Services team is available Monday to Friday, from 8am to 6pm AEDT via phone and email.
Offices to visit us	We have offices in Sydney (Head Office), Melbourne, Brisbane, Adelaide, and Perth ² .
Digital Services³	Our InvestorOnline platform allows customers to securely view their investment details, download correspondence and upload instructions for action.
Educational	<p>The Challenger website provides a range of educational material designed to assist members in the lead up to and whilst in retirement.</p> <p>We provide tools and resources that can be downloaded at no cost to assist them. Visit the website at www.challenger.com.au.</p>

The Fund's Retirement Income Strategy public online summary was made available from 1 July 2022 at www.challenger.com.au/CRFretirementstrategy. The purpose of this strategy is to help members understand their choices regarding their current or future retirement, and to assist them with improving their outcomes throughout their retirement.

² With regards to Term Life, MetLife who is both the administrator and insurer of the product has one primary office for members located in Sydney.

³ Digital services not available for Term Life.

3. Determination summary

Challenger Guaranteed Personal Superannuation

Challenger Retirement and Investment Services Limited (**the Trustee**) has determined that the financial interests of beneficiaries in Challenger Guaranteed Personal Superannuation are being promoted by the Trustee.

- The options, benefits and facilities offered under the product are appropriate for existing members wanting to maintain a secure, simple and fee free superannuation product.
- The investment strategy for each investment option, including the level of investment risk and return target is appropriate for members.
- A review of the investment options against relevant benchmarks or competitors' products with similar risk and return characteristics has shown these to be competitive after fees and costs.
- The product invests into a life policy issued by Challenger Life and as a result of the scale of Challenger Life's business operations, members are not being disadvantaged by the scale of the Fund.
- Given no fees are charged to members, the basis for setting fees is appropriate for all our members.
- The Trustee is committed to maintaining the product and continuing to pay competitive returns to members.

Challenger Guaranteed Allocated Pension

The Trustee has determined that the financial interests of beneficiaries in the Challenger Guaranteed Allocated Pension are being promoted by the Trustee.

- The options, benefits and facilities offered under the product are appropriate for existing members wanting to maintain a simple way of converting their superannuation into secure and regular payments in retirement or when transitioning to retirement.
- The investment strategy for each investment option, including the level of investment risk and return target is appropriate for members.
- A review of the investment options against relevant benchmarks or competitors' products with similar risk and return characteristics has shown these to be competitive after fees and costs.
- The product invests into a life policy issued by Challenger Life and as a result of the scale of Challenger Life's business operations, members are not being disadvantaged by the scale of the Fund.
- Given no fees are charged to members, the basis for setting fees is appropriate for all our members.
- The Trustee is committed to maintaining the product and continuing to pay competitive returns to members.

Challenger Term Allocated Pension

The Trustee has determined that the financial interests of beneficiaries in the Term Allocated Pension are being promoted by the Trustee.

- The options, benefits and facilities offered under the product are appropriate for existing members wanting to maintain a secure, term income stream product.

- The investment strategy for each investment option, including the level of investment risk and return target is appropriate for members.
- A review of the investment options against relevant benchmarks or competitors' products with similar risk and return characteristics has shown these to be competitive after fees and costs.
- The product invests into a life policy issued by Challenger Life and as a result of the scale of Challenger Life's business operations, members are not being disadvantaged by the scale of the Fund.
- Given no fees are charged to members, the basis for setting fees is appropriate for all our members.
- Many members may also receive other benefits whereby the pension is 50% Assets Test exempt from the Centrelink Assets Test. The Trustee is committed to maintaining the product and continue to pay pensions to the remaining members.

Challenger Guaranteed Income Pension Plan

The Trustee has determined that the financial interests of beneficiaries in the Guaranteed Income Pension Plan are being promoted by the Trustee.

- The options, benefits and facilities offered under the product are appropriate for existing members wanting to maintain a secure, term or lifetime income stream.
- The investment strategy for the product is appropriate for members. Payments promised to members were determined when the income stream commenced, and Challenger Life guarantees to make those payments for the life of the member (and for the life of the reversionary life insured if applicable) or chosen fixed term (whichever is applicable).
- The product invests into a life policy issued by Challenger Life and as a result of the scale of Challenger Life's business operations, members are not being disadvantaged by the scale of the Fund.
- Given no fees are charged to members, the basis for setting fees is appropriate for all our members.
- Many members may also receive other benefits whereby the pension is 100% or 50% Assets Test exempt (depending on when it was commenced) from the Centrelink Assets Test. The Trustee is committed to maintaining the product and continue to pay pensions to the remaining members.

Challenger Guaranteed Lifetime Pension Plan

The Trustee has determined that the financial interests of members in the Guaranteed Lifetime Pension Plan are being promoted by the Trustee.

- The options, benefits and facilities offered under the product are appropriate to members wanting to maintain a secure, lifetime income stream.
- The investment strategy for the product is appropriate for members. Payments promised to members were determined when the income stream commenced, and Challenger Life guarantees to make those payments for the life of the member (and the life of the reversionary life insured if applicable) regardless of how long they live or market conditions.
- The product invests into a life policy issued by Challenger Life and as a result of the scale of Challenger Life's business operations, members are not being disadvantaged by the scale of the Fund.
- Given no fees are charged to members, the basis for setting fees is appropriate for all our members.

- Many members may also receive other benefits whereby the pension is 100% or 50% Assets Test exempt (depending on when it was commenced) from the Centrelink Assets Test. The Trustee is committed to maintaining the product and continuing to pay pensions to the members.

Term Life (under Super) Plan

The Trustee has determined that the financial interests of beneficiaries in the Term Life are being promoted by the Trustee.

- The insurance fees charged do not inappropriately erode the retirement income of members as this is an insurance only superannuation product.
- The options, benefits and facilities offered under the product are appropriate for existing members wanting to maintain an insurance only superannuation product.
- The insurance strategy for the product continues to be appropriate for members.
- The Trustee is committed to maintaining the product for existing members.

The Choice products (**Challenger Product(s)**) are part of the Challenger Retirement Fund (ABN 87 883 998 803) (SPIN CIT0101AU) (**Fund**). Challenger Retirement and Investment Services Limited (ABN 80 115 534 453) (AFSL 295642) (referred to as **CRISL, we, us or our**) is the trustee of the Fund. The Fund is governed by a trust deed dated 2 September 1993, as amended from time to time (**Trust Deed**). By investing in the Challenger Product(s), you agree to be bound by the terms of the Trust Deed. When you invest in a Challenger Product, your money is invested in a life policy issued by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (**Challenger Life**), another company in the Challenger group of companies. All references to guarantees in this document are references to guarantees provided by Challenger Life under this policy. No other company in the Challenger group of companies guarantees the performance of the Fund or assumes any liability to customers in connection with the Fund.

Challenger Term Life (under Super) Plan is Insured and Administered by MetLife Insurance Limited ABN 75 004 274 882 AFSL No. 238096. The Trustee has entered into an agreement with MetLife, whereby MetLife is appointed to administer the Policy. To assist in prompt administration, your contributions are made directly to MetLife and your benefits are paid by MetLife. In this respect, MetLife is acting on behalf of the Trustee. The Trustee is indemnified by a policy of insurance in respect of its duties as Trustee of the Fund. A Challenger Term Life (under Super) policy is not an investment in, deposit with, or other liability of Challenger Limited or any member company of the Challenger Group. None of these companies guarantees the insurance benefits under this policy.

The information in this document is current as at 16 December 2022 unless otherwise specified and is provided by Challenger Life. The information is general only and has been prepared without taking into account any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs.

Challenger Life and CRISL are not authorised deposit-taking institutions for the purpose of the *Banking Act 1959 (Cth)*, and its obligations do not represent deposits or liabilities of an authorised deposit-taking institution in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Challenger Life and/or CRISL. **Accordingly, unless specified otherwise, the performance, the repayment of capital and any particular rate of return on your investments are not guaranteed by any Challenger ADI.**