

# 2019 Annual Review

Providing  
our customers  
with financial  
security for  
retirement



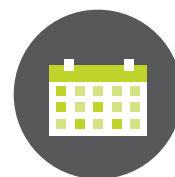
[challenger.com.au](https://challenger.com.au)

Challenger Limited ACN 106 842 371

challenger 

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## Key dates

### **25 September 2019**

Final dividend payment date

### **31 October 2019**

2019 Annual General Meeting

### **11 February 2020**

Half-year financial results

### **24 March 2020**

Interim dividend payment date

### **11 August 2020**

Full-year financial results

### **23 September 2020**

Final dividend payment date

### **29 October 2020**

2020 Annual General Meeting

**Full listing of key dates available at**

**› [challenger.com.au/share/keydates](https://challenger.com.au/share/keydates)**

Dates may be subject to change. Any change in dates will be advised to the Australian Securities Exchange.

## About this Review

This Annual Review provides information about your company in an easy-to-read document. Included in the Annual Review is a performance update, reports from the Chair and the Chief Executive Officer, and information on the environmental, social and governance matters that affect your company.

All numbers are as at 30 June 2019 unless otherwise stated.

The 2019 Annual Review can be viewed online at:

› [challenger.com.au/annualreview2019](https://challenger.com.au/annualreview2019)

## Annual Report

Can be viewed online at:

› [challenger.com.au/annualreport2019](https://challenger.com.au/annualreport2019)

## Sustainability Report

Can be viewed online at:

› [challenger.com.au/sustainabilityreport2019](https://challenger.com.au/sustainabilityreport2019)

## Corporate Governance Report

Can be viewed online at:

› [challenger.com.au/corporategovernance2019](https://challenger.com.au/corporategovernance2019)

## Annual General Meeting

### Location

Wesley Centre  
220 Pitt Street  
Sydney NSW

### Date

31 October 2019

### Time

9.30am (Sydney time)

Full details of the meeting will be included in your Notice of Annual General Meeting, which will be sent to shareholders in September 2019.

## 2019 highlights



<sup>1</sup> Adviser – Marketing Pulse Adviser Study April 2011 to December 2018. Peers include major Australian wealth managers.

<sup>2</sup> Workplace Gender Equality Agency (WGEA) 2017–18 WGEA Employer of Choice for Gender Equality.

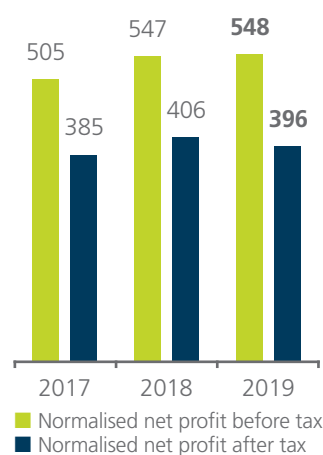
<sup>3</sup> Willis Towers Watson – March 2019. Challenger received an 84% score for sustainable engagement exceeding the Australian National Norm and Global Financial Services Norm.

<sup>4</sup> Willis Towers Watson – March 2019. Challenger received an 85% score for risk culture exceeding the Australian National Norm, Global Financial Services Norm and Global High Performance Norm.



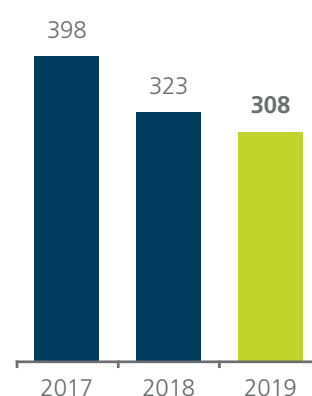
## 2019 financial performance

### Normalised profit (\$m)<sup>1</sup>



Preferred measure of underlying business performance  
2019 earnings growth impacted by lower equity distributions and performance fees

### Statutory net profit after tax (\$m)



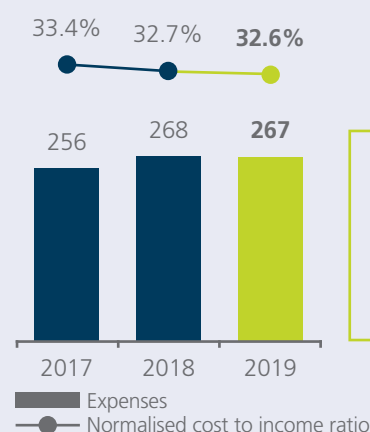
Includes valuation changes on Life's assets and liabilities  
2019 lower due to lower normalised profit after tax and valuation outcomes

### Normalised ROE<sup>2</sup> (pre-tax) (%)



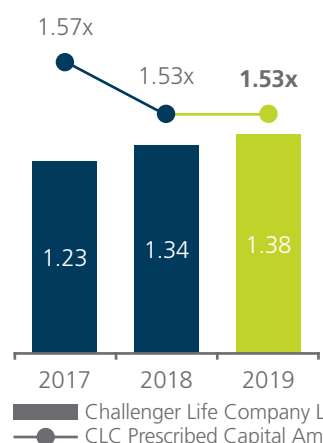
Return on shareholder equity  
2019 reflects flat earnings on higher capital levels

### Expenses (\$m)



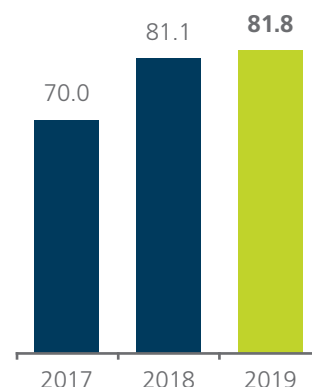
Cost to income ratio is a measure of operating efficiency  
2019 was a record low

### Excess regulatory capital (\$bn)



Level of capital held above regulatory requirements  
2019 holding 53% more than APRA requires

### Group assets under management (\$bn)



Value of assets managed by Challenger  
2019 increased by 1%

<sup>1</sup> The normalised profit, which is not statutory profit, is not audited but subject to a review by Challenger's auditor. Normalised profit framework and a reconciliation to statutory net profit after tax is disclosed in the 2019 Annual Report – Operating and Financial Review section.

<sup>2</sup> Return on Equity (ROE).

## About us

Challenger is an investment management company with a vision to provide its customers with financial security for retirement.

### To provide our customers with financial security for retirement



Increase the use of secure retirement income streams



Lead the retirement incomes market and be the partner of choice



Provide our customers with excellent funds management solutions



Maintain leading operational and people practices

Challenger operates two core investment businesses: an APRA-regulated Life division and a fiduciary Funds Management division.



### Life

Converting superannuation savings to income

**#1 market share in annuities<sup>1</sup>**

Products for retirees and institutions

Life focuses on the retirement spending phase of superannuation by providing products that convert retirement savings to income



### Funds Management

Building savings for retirement

**One of Australia's largest active fund managers<sup>2</sup>**

Products for pre- and post-retirees and institutions

Funds Management focuses on building savings by providing products seeking to deliver superior investment returns

<sup>1</sup> Strategic Insights – March 2019 – based on annuities under administration at 31 March 2019.

<sup>2</sup> Consolidated FUM for Australian Fund Managers – Rainmaker Roundup, March 2019.

## Chair report



In 2019 we made good progress delivering on our long-term strategy for growth; however, our financial performance was below expectations, impacted by a disrupted financial services landscape. Demonstrating our confidence in the long-term growth of the business, the Board declared a full-year dividend of 35.5 cents per share and expects to maintain this in 2020.

Our operating environment has been impacted by a number of factors, including significant changes in the wealth industry. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry has been a key driver in this regard.

Our commitment to good corporate governance and our focus on risk management positioned us well and remains the core of our approach.

### Governance

Ensuring the right mix of skills and experience both on our Board and Leadership Team is fundamental to our governance process and essential to Challenger's ongoing success. In January 2019, long serving executive Richard Howes commenced as CEO, bringing a wealth of knowledge, capability and passion to the role. At the same time, we farewelled outgoing CEO Brian Benari, who for the past seven years led the development and implementation of our strategy.

As part of our Board renewal process, we welcomed Duncan West to the Challenger Board in September 2018 as an Independent Non-Executive Director, and in the following month, Graham Cubbin retired from the Board after 15 years of service. Effective renewal like this ensures our Board maintains a strong mix of experience, skills and tenure.

In 2020, I expect the Board will appoint a new Director when the MS&AD Group seeks representation on the Challenger Board. This follows the announcement earlier this year regarding the expansion of our strategic relationship with MS&AD. This relationship leverages the strengths of both businesses to create opportunities for continued growth.

This year we have undertaken an extensive review of our Remuneration Framework in response to stakeholder feedback and to ensure continued alignment to our strategy. The review has resulted in important changes to drive long-term performance and strong risk management, with clear alignment to shareholder interests.

These changes include significant extensions to vesting periods for short and long-term incentives, and capping the maximum short-term incentives for key management personnel. We are also allocating a fixed amount of long-term incentives on face value, or maximum value basis. To promote alignment with shareholder interests, maximum total reward will continue to be weighted to variable performance-based pay, which means a large proportion of the reward is at risk and will be issued in equity with long deferral.

### Sustainability

Sustainability forms an important part of our business strategy and is essential to the long-term success of our business.

Our 2019 Sustainability Report details how we manage and anticipate current and future environmental, social and governance opportunities and challenges, and highlights the matters that have the most significant impact on our ability to create value for stakeholders.

This includes our highly engaged team who are dedicated and committed to delivering for our customers. Our 2019 employee engagement survey revealed leading sustainable engagement and risk culture scores, among the highest in the industry.

We have also been recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency. This is an acknowledgement of our efforts to ensure a diverse and inclusive workforce and highlights the value we place on diversity in delivering customer and community outcomes.

Engaging in constructive public policy settings is another important element of our strategy and directly aligns with our vision to provide our customers with financial security for retirement. In 2019, we saw increased focus from both government and industry on the financial needs of retirees and we continue to engage to work towards good financial outcomes for older Australians.

Despite near-term headwinds, we remain confident in the long-term growth of the business and our ability to create value for all stakeholders.

I would like to thank the Board and the Challenger team for their continued efforts this year. I am confident that the business remains in a good position and I look forward to working with you as we build on the strong foundations of our business and pursue our next phase of growth.

**Peter Polson**  
Independent Chair

## CEO report



### 2019 has been a year of challenges and change for the Australian financial services sector, as the difficult operating environment and disruption across the wealth industry impact performance.

Despite this, Challenger's normalised earnings have remained steady for the year, highlighting the resilience of our business. At the same time we have made good progress implementing our strategy to ensure we're well positioned to capture opportunities for growth as conditions evolve.

Importantly, we have maintained our strong capital position, with our PCA ratio currently towards the top end of our target range. Challenger Life holds \$1.4 billion in excess regulatory capital, which supports future growth in our annuity book and provides protection against different conditions.

Overall, our financial results for FY19 reflect the challenging operating environment, with key metrics below expectations for the year. Normalised net profit before tax was up \$1 million to \$548 million, in line with the revised guidance provided in January 2019.

Group assets under management (AUM) were stable at \$82 billion, with growth subdued because of industry disruption and internalisation of investment management by a large superannuation fund.

Statutory profit after tax was down \$15 million on 2018 to \$308 million. This includes \$88 million of negative investment experience.

In our Life business, domestic sales were down a modest 4%, despite the significant disruption across the wealth industry this year. Total annuity sales, however, were substantially lower driven by a decline in MS Primary sales in Japan, which were down 54% due to the higher US interest rates relative to Australia.

In March 2019, we announced an expanded strategic relationship with the MS&AD Group that will deliver increased annuity sales in 2020 and beyond with the reinsurance of US dollar annuities from 1 July. This will remove the impact of US interest rates on our sales and also diversifies our product offering in Japan.

Solid growth in underlying net income in our Funds Management business was offset by lower performance fees (down \$16 million). Excluding performance fees, Funds Management earnings before interest and tax increased by 23%.

### Strong foundations drive our next phase of growth

The strong foundations we have built over 10 years of disciplined implementation of our strategy will enable us to manage through the current operating environment. Together with the long-term tailwinds propelling our business, these foundations position us well to capture opportunities as they emerge.

In 2019, we have focused on supporting and nurturing advice groups and regions less impacted by disruption, and making it easier and more efficient for advisers to write annuities. This approach has helped drive strong growth in sales by independent financial advisers, particularly in the second half. Increasing the availability of Challenger annuities via superannuation and investment platforms is also key, and in 2019 we launched our products on three leading platforms serving the independent advice market.

Our Funds Management business continues to be differentiated by consistently strong performance against benchmarks over many years across both Fidante Partners and Challenger Investment Partners (CIP) investment products. Supporting continued growth, in 2019 Fidante Partners launched its new ActiveX series of active ETFs and welcomed new small cap boutique, Eiger Capital. Fidante Partners and CIP also introduced several new products and strategies to the market.

In 2019, we have demonstrated that the business is in good shape to navigate the current operating environment and well positioned to deliver future growth.

We continue to be recognised as the clear brand leader in our industry, with 95% of advisers rating Challenger as a leader in retirement income, well above our peers.

Our strategy positions us to capture the significant opportunities created by the growing superannuation system. In 2020, we will invest in new initiatives to support deeper integration with the advice process, and to build bottom-up customer demand for our products. In Funds Management, we will continue to bring new products to market, broadening investors' access to the extensive expertise of our boutique managers.

**We continue to be recognised as the clear brand leader in our industry, with 95% of advisers rating Challenger as a leader in retirement income, well above our peers.**

Underpinning these efforts, we have a highly engaged and capable team with a strong risk management culture. I believe our people are Challenger's greatest asset and I look forward to working with them to deliver strong customer and shareholder outcomes.

**Richard Howes**

Managing Director and Chief Executive Officer



## Life business

Life focuses on the retirement spending phase of superannuation by providing products that convert retirement savings into safe and secure income for life.

As Australia's largest annuity provider, we provide guaranteed<sup>1</sup> incomes to approximately 60,000 Australian customers. Our annuity products appeal to retirees because they provide security and certainty of guaranteed income while protecting against risks from market downturns and inflation.

The retirement incomes we pay are backed by a high-quality investment portfolio, predominantly invested in fixed income and commercial property. These investments generate regular and predictable investment income which we use to fund retirement incomes paid to our customers. Investments are managed by internal teams, Challenger Investment Partners and external asset managers.

Life is a market leader in Australian retirement incomes, with a 76% annuity market share<sup>2</sup>, and has won the Association of Financial Advisers Annuity Provider of the Year for the last decade. In 2019, Challenger also won the Long Term Income Stream and Annuity and Income Stream Innovation Award for its Deferred Lifetime Annuity product.

Life also has an annuity relationship with Mitsui Sumitomo Primary Life Insurance Company Limited (MS Primary), a leading provider of foreign currency annuities in Japan.

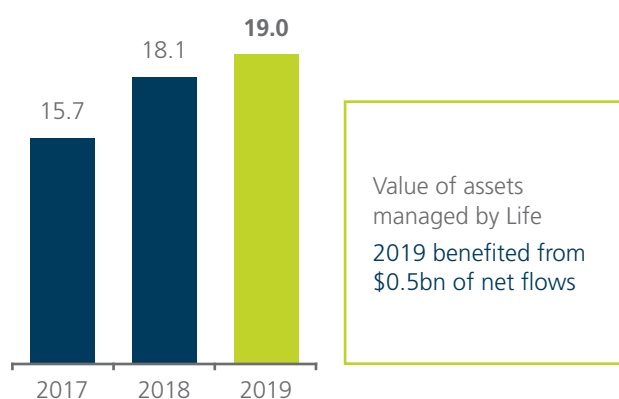


We continue to grow investment assets despite the adviser and industry disruption underway. 2019 earnings growth was impacted by lower equity distributions.

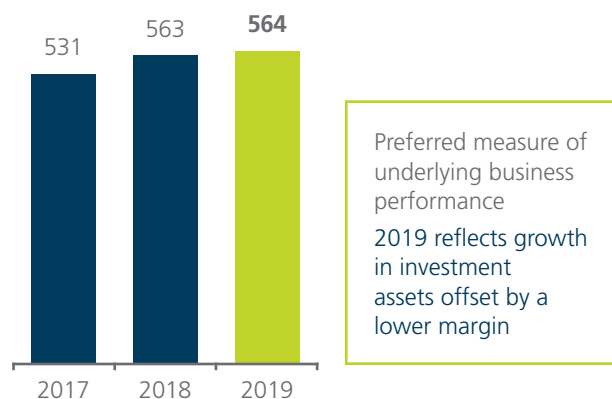
**Chris Plater** – Chief Executive, Life

## Life's 2019 financial performance

### Investment assets (\$bn)



### Normalised EBIT<sup>3</sup> (\$m)



<sup>1</sup> The word 'guaranteed' means payments are guaranteed by Challenger Life Company Ltd from the assets of its relevant statutory fund.

<sup>2</sup> Strategic Insights – March 2019 – based on annuities under administration at 31 March 2019.

<sup>3</sup> Earnings before interest and tax (EBIT).



## Older Australians want financial security

### Retired Australians want financial security and peace of mind.

Australia has a world-class accumulation system with significant retirement savings. It is now the fourth largest pension system globally, worth around \$2.8 trillion today<sup>1</sup> and forecast to double over the next 10 years<sup>2</sup>.

The super system is successful at what is essentially the first part of its job – helping Australians build savings for their retirement. Australians now have meaningful super balances when they retire, with an estimated total financial wealth at retirement of \$680,000<sup>3</sup>.

While the super system continues to be effective in accumulating assets, it has reached a stage where the retirement phase needs further development. With \$67 billion moving from accumulation to retirement each year, this issue is more important than ever<sup>4</sup>.

A recent survey conducted by National Seniors Australia, in conjunction with Challenger, identified the failure of the superannuation system to help retirees safely convert their savings into reliable income that will last for life. The survey also identified a clear mismatch between reported risk appetite and investment behaviour.

There is growing recognition that retirees need to take a different approach to investing in retirement. With the transition from Government-funded age pensions toward private pensions, retirees are demanding safe, secure retirement income products that convert savings into income and provide financial security.

Challenger lifetime annuities use part of a retiree's super to manage longevity and inflation risks while delivering good relative value to retirees. As the super system edges closer to full maturity, Challenger is ideally placed to capture the increased demand for lifetime income streams.

### Super not delivering retirees financial comfort

The National Seniors Australia survey (April 2019)<sup>5</sup> found:



**Financial comfort not defined by a \$ figure**



**53% worry about outliving their savings**



**Of the 26% of respondents who reported that they can't tolerate losses, more than 5% were fully invested in shares; and 43% had some exposure to the share market**

## MS Primary annuity relationship

### Expanded strategic relationship with MS&AD broadens access to the Japanese market while diversifying exposure across different currency products.

Consistent with Challenger's strategy to diversify its range of products and expand its distribution relationships, in November 2016 Challenger commenced a reinsurance relationship with MS Primary.

MS Primary provides annuity and life insurance products to Japanese customers and is part of MS&AD Insurance Group Holdings Inc. (MS&AD).

Japan has one of the world's most rapidly ageing populations who are looking for income from longer dated, high-yielding products due to the low Japanese interest rate environment. This has driven a significant increase in demand for foreign currency annuities.

As part of the reinsurance agreement with MS Primary, Challenger Life initially reinsured an Australian dollar 20-year term product and an Australian dollar lifetime annuity product.

In March 2019, Challenger entered into a new agreement with MS Primary to commence reinsuring a US dollar annuity product from 1 July 2019.

Under the new arrangement, MS Primary provides Challenger an annual amount of reinsurance, across both Australian and US dollar annuities, of at least ¥50 billion (~A\$660 million) per year for a minimum of five years<sup>6,7</sup>.

MS&AD also announced its intention to increase its shareholding in Challenger to over 15% of issued capital and seek representation on the Challenger Board. At 30 June 2019, MS&AD held ~16% of Challenger's issued capital, and a representative from MS&AD is expected to join the Board early in FY20.



<sup>1</sup> The Association of Superannuation Funds of Australia, Superannuation Statistics as at the end of March 2019.

<sup>2</sup> Rice Warner superannuation projections.

<sup>3</sup> Australian Bureau of Statistics Household Income and Wealth 2017-18 Cat No 6523.0. Average household wealth includes superannuation and non-superannuation assets and excludes the family home.

<sup>4</sup> Australian Taxation Office.

<sup>5</sup> National Seniors Australia Survey April 2019 (<https://nationalseniors.com.au/uploads/ChallengerReport-FeelingFinComfortable-Web.pdf>).

<sup>6</sup> Challenger Life has entered into a new agreement with MS Primary to commence reinsuring the US dollar version of the 20-year term product. Challenger will provide a guaranteed interest rate and assume the investment risk in relation to those policies issued by MS Primary and reinsured by Challenger.

<sup>7</sup> Subject to review in the event of a material adverse change for either MS Primary or Challenger Life and based on the exchange rate as at 30 June 2019.

## Funds Management business

Funds Management focuses on building savings for retirement by providing products seeking to deliver superior investment returns.

As one of Australia's largest active fund managers<sup>1</sup>, we invest across a broad range of asset classes including fixed income, commercial property and Australian and global equities. Over the years, our investment teams have developed strong long-term performance track records.

Fidante Partners forms long-term alliances with talented investment teams to create, support and grow specialist funds management businesses. Fidante Partners' deep experience in funds management, extensive investor networks and operational infrastructure enable investment teams to focus on what they do best, managing investment portfolios.

Funds Management also includes Challenger Investment Partners (CIP), which originates and manages assets principally for leading global and Australian institutions, including Challenger Life.

CIP is a manager that works with institutional clients on global opportunities, principally across fixed income and real estate investments. CIP's clients benefit from a broad product offering, deep market insights, strong investment performance and experienced investment teams.

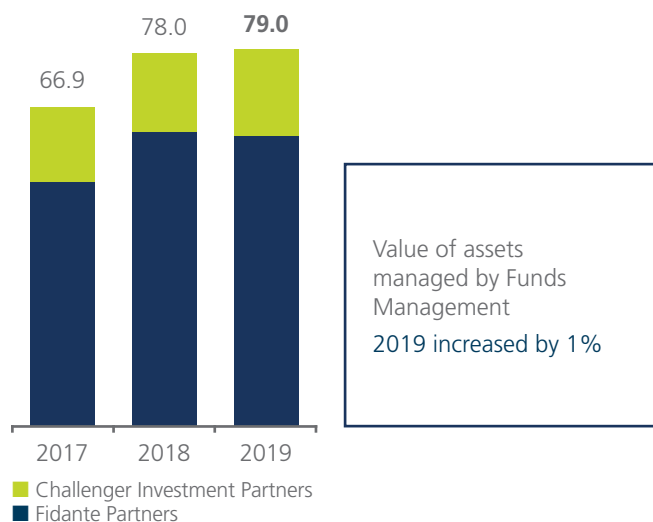


The Funds Management business continues to demonstrate strong underlying growth with EBIT<sup>2</sup> excluding performance fees up 23% driven by a 6% increase in average FUM.

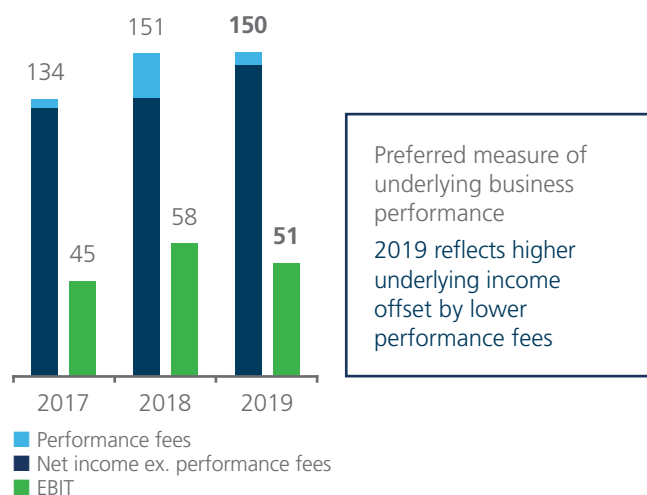
**Ian Saines** – Chief Executive, Funds Management

### Funds Management's 2019 financial performance

#### Funds Under Management (\$bn)



#### Funds Management Net fee income and EBIT (\$m)



<sup>1</sup> Consolidated FUM for Australian Fund Managers – Rainmaker Roundup, March 2019.

<sup>2</sup> Earnings before interest and tax (EBIT).

## Fidante Partners' performance advantage

### Fidante Partners continues to attract new managers.

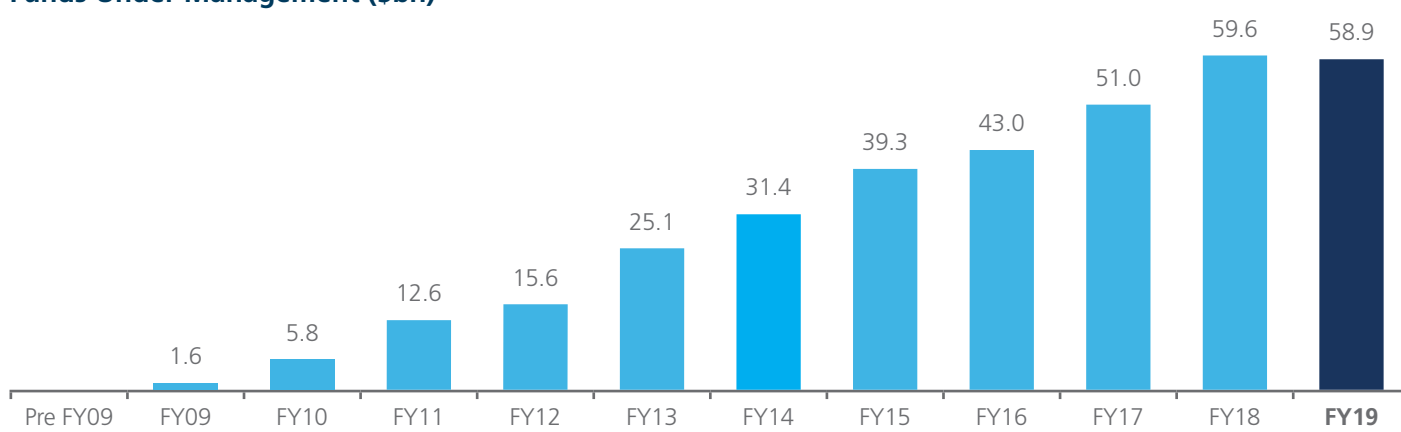
Fidante Partners is a multi-boutique investment management business, investing across fixed income, equities and alternatives.

Over the years, Fidante Partners has been successful in attracting new investment managers, adding new investment strategies and building its manager and distribution footprint. These initiatives have led to strong growth in funds under management, which has increased by a compound annual growth rate of 14% over the past five years.

In 2019, Fidante Partners continued to grow its portfolio of boutique asset managers. In April, Eiger Capital, a new Australian small cap boutique was formed through partnering with an experienced and highly rated Australian small cap team.

We remain confident that our funds management model provides strong alignment between investors and investment managers and will continue to attract best-of-breed managers, helping to continue our track record of achieving superior growth in funds under management.

### Funds Under Management (\$bn)<sup>1</sup>



### Timeline of boutique partnerships



<sup>1</sup> Kapstream was sold in July 2015. FY09 – FY15 FUM has been adjusted to remove Kapstream institutional FUM. Fidante Partners continues to distribute Kapstream products to retail clients.

## Fidante Partners launches ActiveX

Fidante Partners continues to broaden its distribution channels through the launch of ActiveX, a series of actively managed exchange traded funds (ETFs) that will feature some of Australia's most successful boutique investment managers.

There is strong investor demand for simple, easy-to-access liquid investment products, including ETFs.

To date, ETFs have been mainly passive or factor-specific products; however, an opportunity exists to expand usage to actively managed products.

During the year, Fidante Partners launched ActiveX, a series of actively managed ETFs providing investors easy access to Fidante Partners' boutique investment managers.

In December 2018, we launched one of Australia's first actively managed fixed income ETFs, the ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX: XARO). We expect to launch our second active fixed income ETF, the ActiveX Kapstream Absolute Return Income Fund (Managed Fund) (ASX: XKAP) early in FY20.

Over the year ahead we have plans to launch more ActiveX ETFs, providing greater access to our successful boutique investment managers.





# Sustainability

At Challenger, our corporate sustainability strategy supports the delivery of our business strategy, considering environmental, social and governance (ESG) factors in providing financial security for retirement.

## Our corporate sustainability strategy



## Progress implementing our strategy



### Financially resilient customers and communities

Helping our customers and communities to be strong and financially resilient.

- Launched a new campaign focused on educating retirees and creating confidence in retirement
- Donated \$321 per employee to community partners through our workplace giving program
- Strategic planning underway for a new community program to commence in FY20



### Responsible business practices

Responsible business practices that focus on our customers, employees, shareholders and the environment.

- Achieved an 84% sustainable engagement score in our 2019 employee engagement survey<sup>1</sup>
- Recognised as an Employer of Choice for Gender Equality (WGEA), two years running
- Increased ESG capability with the appointment of specialist resources



### Constructive public policy settings

Taking action on issues affecting the ability of retirees to achieve financial security.

- Ongoing engagement with policymakers on retirement income reform initiatives
- Published a series of thought leadership articles with our partner organisations
- Delivered retirement income webinars to a significant proportion of Australian advisers

<sup>1</sup> Willis Towers Watson – March 2019.

## What matters most

Through an extensive stakeholder engagement process, we identified our **five most material matters**. You can find detailed responses to these and other important sustainability matters in our 2019 Sustainability Report.

### 1. Trust and confidence

Maintaining stakeholder trust and confidence is critical to our ability to continue to deliver for our customers, shareholders, employees and the broader community.

### 2. Long-term risk management

How we manage risk in the long term is central to providing secure and stable income to our customers. To match the long-dated annuities we sell, we invest in a diversified portfolio of assets. Taking a long-term view also involves investing responsibly and anticipating current and long-term impacts such as climate change.

## Our people and culture

At Challenger, we believe that to provide the best services and outcomes for our customers, we must attract, retain, develop and engage talented people.

Our 2019 overall sustainable engagement score was 84%<sup>1</sup>. This level of engagement is well above both the Australian National Norm and the Global Financial Services Norm.

### A focus on diversity

Challenger is committed to creating an environment where our passionate teams can thrive. Creating a diverse and inclusive workplace is key to building an effective and engaged team.

For the second year, Challenger has been awarded an Employer of Choice for Gender Equality citation by the Workplace Gender Equality Agency, providing valuable recognition of our commitment to gender equality.

Complementing this, in April 2019 Challenger became a partner of Future IM/Pact, an industry initiative aimed at attracting more talented women into the investment management industry.

### 3. Changing operating environment

Challenger works within a complex operating landscape. This includes working closely with distribution and product partners, fund managers and financial advisers, all of whom have been impacted by a changing regulatory and market environment.

### 4. Retirement policy settings

As a retirement income provider, we play a key role in contributing to fiscally responsible solutions that help support an ageing population. There is broad agreement across industry and government that the retirement phase of the superannuation system is underdeveloped and reform is needed. Challenger is engaging broadly to contribute to this fundamental public policy process.

### 5. Great customer experiences

We are committed to providing great customer experiences and to providing our customers with financial security for retirement. We do this by investing in research to understand our customers; educating advisers and customers on the important role annuities can play in retirement; and designing products and services that meet both customer and society needs.

## Community engagement

At Challenger, we support our employees to get involved in their communities through volunteering and workplace giving.

Throughout the year, employees spent 1,024 hours volunteering and an average of \$321 per employee was donated to our community partners through our workplace giving program.



Read more about these topics and our other important sustainability matters in our 2019 Sustainability Report  
[challenger.com.au/sustainabilityreport2019](https://challenger.com.au/sustainabilityreport2019)

<sup>1</sup> Willis Towers Watson – March 2019.

## Board of Directors



### **Peter Polson**

Independent Non-Executive Director and Chair

Peter has been the independent Chair since 2004 and an independent Non-Executive Director since 2003. Peter is Chair of the Nomination Committee and a member of the Group Risk Committee, Group Audit Committee and Remuneration Committee.



### **JoAnne Stephenson**

Independent Non-Executive Director

JoAnne has been an independent Non-Executive Director since 2012 and is Chair of the Group Remuneration Committee and a member of the Group Risk Committee, Group Audit Committee and Nomination Committee.



### **Richard Howes**

Managing Director and Chief Executive Officer

Richard was appointed Managing Director and CEO of Challenger Limited in January 2019 and has previously held a number of senior executive roles at Challenger since joining in 2003, including Chief Executive of Distribution, Product and Marketing, Chief Executive of Life and Chief Investment Officer.



### **Duncan West**

Independent Non-Executive Director

Duncan became an independent Non-Executive Director in 2018 and is a member of the Group Risk Committee, Group Audit Committee and Nomination Committee.



### **John M. Green**

Independent Non-Executive Director

John has been an independent Non-Executive Director since 2017 and is a member of the Group Risk Committee, Group Audit Committee, Remuneration Committee and Nomination Committee.



### **Melanie Willis**

Independent Non-Executive Director

Melanie has been an independent Non-Executive Director since 2017 and is Chair of the Group Risk Committee and a member of the Group Audit Committee and Nomination Committee.



### **Steven Gregg**

Independent Non-Executive Director

Steven has been an independent Non-Executive Director since 2012 and is Chair of the Group Audit Committee and a member of the Group Risk Committee, Remuneration Committee and Nomination Committee.



### **Leon Zwier**

Independent Non-Executive Director

Leon has been an independent Non-Executive Director since 2006 and is a member of the Nomination Committee.



## Leadership Team



### **Tony Bofinger**

#### **Chief Risk Officer**

Tony joined Challenger in 2004 and was appointed Chief Risk Officer in 2018. Prior to this, Tony was Chief Financial Officer and Appointed Actuary for the Life business.



### **Angela Murphy**

#### **Chief Executive, Distribution, Product and Marketing (DPM)**

Angela was appointed Chief Executive, DPM in December 2018, having previously held the role of Chief Operating Officer, DPM. Angela joined Challenger as the Executive General Manager, Human Resources in 2012.



### **Chris Plater**

#### **Chief Executive, Life**

Chris joined Challenger in 2003 and was appointed Chief Executive of the Life business in 2017. Prior to this, Chris was Chief Investment Officer for the Life business.



### **Ian Saines**

#### **Chief Executive, Funds Management**

Ian joined Challenger in 2015 as Chief Executive of Funds Management. Prior to this, Ian held senior executive roles with the Commonwealth Bank of Australia.



### **Michelle Taylor**

#### **Chief Executive, People, Corporate Affairs and Sustainability**

Michelle joined Challenger in 2016 and was appointed Chief Executive, People, Corporate Affairs and Sustainability in December 2018. Prior to this, Michelle held senior roles in corporate affairs, sustainability and strategy.



### **Andrew Tobin**

#### **Chief Financial Officer**

Andrew joined Challenger in 2007 and was appointed Chief Financial Officer in 2012. Prior to this, Andrew was Challenger's Deputy Chief Financial Officer.

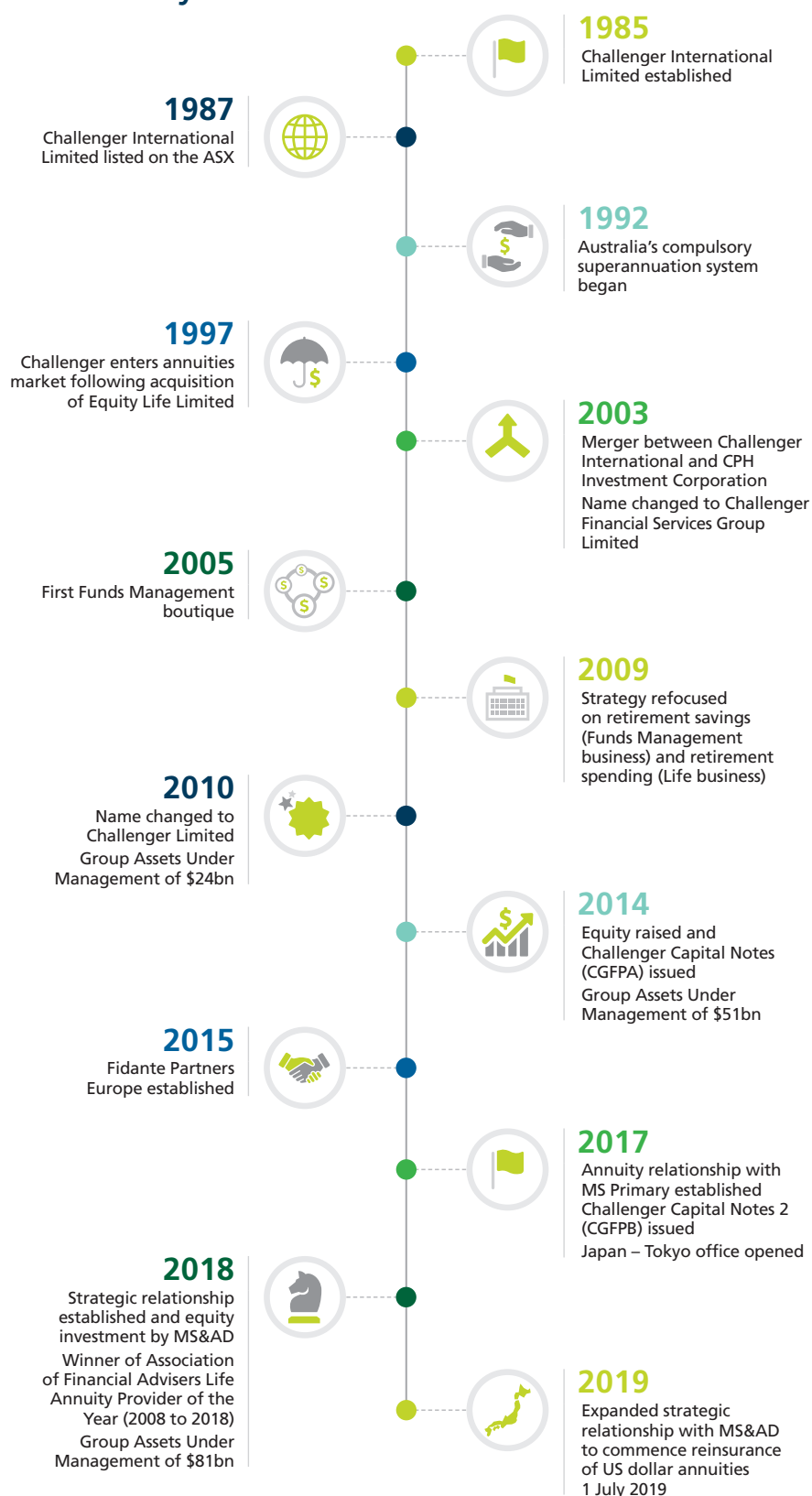


### **Michael Vardanega**

#### **General Counsel and Chief Executive Group Strategy**

Michael joined Challenger in 2006 and was appointed General Counsel in 2011. In 2017, Michael's role was expanded to include responsibility for group strategy.

## Our history



## Additional information

### Principal place of business and registered office in Australia

Level 2  
5 Martin Place  
Sydney NSW 2000  
Telephone: 02 9994 7000  
Facsimile: 02 9994 7777

➤ [challenger.com.au](http://challenger.com.au)

### Company Secretaries

Michael Vardanega  
Andrew Brown

### Manage your shareholding at Computershare Investor Services

Computershare Investor Services  
Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2000  
Telephone: 1800 780 782

### Go electronic

Challenger can deliver all of your shareholder communications electronically; just update your details via Computershare Investor Services:  
➤ [computershare.com.au](http://computershare.com.au)

Unless otherwise specified, all amounts are in Australian dollars.

The information, including all amounts, in this Annual Review are current as at 30 June 2019, and unless stated otherwise, any comparison is based on the prior corresponding period.

This Annual Review is not financial product advice, investment advice or a recommendation to acquire Challenger's securities and has been prepared without taking into account your objectives, financial situation or needs. This document is not, and should not be considered as, an offer or an invitation to acquire securities in Challenger or any other financial products.