

Withdrawal offer update

Challenger Mortgage Plus Trust

This document contains useful information about the withdrawal offers for the Challenger Mortgage Plus Trust and the Challenger Professional Mortgage Plus Trust (together 'the Fund')¹ and any action you may need to take. To participate in the withdrawal offer, your completed withdrawal form must be received by Challenger by 3.00pm (Sydney time) on Friday 30 December 2011. It's important to note that if you do not wish to make a withdrawal from your investment in the Fund, you do not need to take any further action.

We are opening our next withdrawal offer to investors in the Fund from **Thursday 3 November 2011 until 3.00pm (Sydney time) Friday 30 December 2011**.

If you would like to request a withdrawal, please read the following information, complete the enclosed withdrawal offer request form and return the form to Challenger as indicated below. We must receive your withdrawal request before **3.00pm (Sydney time) on Friday 30 December 2011** if you wish to participate in the withdrawal offer.

Withdrawal offer opening and closing dates

The offer will open on Thursday 3 November 2011 and will close on Friday 30 December 2011 (at 3.00pm Sydney time). Withdrawal requests which are incomplete or received after 3.00pm (Sydney time) on Friday 30 December 2011 will not be accepted. We reserve the right to cancel the withdrawal offer, close the offer early or extend the period of the offer.

How the offer will work

The 3 November 2011 withdrawal offer will be in two components. Investors will only be eligible to participate in one of the components of the offer:

1. The Fund has made available at least 53% of its net assets as set out in the following table for investors seeking to withdraw. These amounts are estimates only and have been calculated on a proportional basis to reflect the total value of each unit class of the Fund. The amount available may increase depending on the actual amount able to be withdrawn from the Challenger Howard Mortgage Fund (in which the Fund invests).

| Fund | Amount available* |
|---|-------------------|
| Challenger Mortgage Plus Trust | \$4.02 million |
| Challenger Professional Mortgage Plus Trust | \$2.78 million |

*Estimated minimum withdrawal amount. In addition to the Fund's cash holding, the Fund will withdraw units in the Challenger Howard Mortgage Fund's Ongoing Withdrawal Facility ending 30 December 2011 to obtain the amount available for the Fund's withdrawal offer.

2. The Challenger Howard Mortgage Fund (the fund in which the Fund invests) has made available an additional amount for the periodic small balance withdrawal offer of approximately \$30 million of its net assets to provide an opportunity for its **direct and indirect investors who hold (or notionally and indirectly hold) an account balance of \$4,000 or less, to redeem in full if requested**. As the Fund invests in the Challenger Howard Mortgage Fund it will be able to participate on behalf of direct and indirect investors of the Fund who held (or notionally and indirectly held) an account balance of \$4,000 or less as at 5 October 2011 (**Small Balance Unitholders**) in this offer.

If the periodic small balance withdrawal offer is oversubscribed

Generally a Small Balance Unitholder can request a withdrawal of their investment in the offer and the investor should receive their full account balance.

In the unlikely event that Small Balance Unitholder withdrawal requests received by the Challenger Howard Mortgage Fund (including those received by the Challenger Howard Mortgage Fund from the Fund) in aggregate exceed \$30 million, then these withdrawal requests will be satisfied on a pro-rata basis.

¹ References to the Challenger Mortgage Plus Trust and Challenger Professional Mortgage Plus Trust are to the retail and professional unit classes (respectively) issued in the Challenger Mortgage Plus Trust (ARSN 091 029 248). Separate withdrawal offers are to be made to each unit class in the Challenger Mortgage Plus Trust.

Please refer to the Challenger website www.challenger.com.au for more information on the periodic small balance withdrawal offer.

If the withdrawal offer (excluding the Small Balance Unitholder portion) is oversubscribed

The amount of withdrawal requests from investors may exceed the withdrawal offer amounts outlined above, and therefore the offers may be oversubscribed. In this event, we will reduce the requested withdrawal amounts on a pro-rata basis, consistent with the requirements of the Corporations Act 2001.

The amount paid to investors in each unit class would be calculated as follows:

$$\text{Money available for the relevant unit class} \times \frac{\text{Amount requested by unitholder}}{\text{Total of all monies requested}}$$

Example using the Challenger Mortgage Plus Trust

- The Trust makes a withdrawal offer of \$4.02 million
- An investor requests a withdrawal of \$30,000
- The total of all withdrawal requests is \$5.00 million
- The investor would receive:

$$\$4.02 \text{ million} \times \frac{\$30,000}{\$5.00 \text{ million}} = \$24,120$$

Note: The example above is purely illustrative and not indicative of, and is not a forecast or guarantee of, the amount of any future withdrawal offer or the amount received on acceptance of any withdrawal offer. The actual amount an investor will receive from any withdrawal offer made will depend on the amount made available by us, the total amount sought to be withdrawn by all investors in the Fund, and withdrawal requests received by the Challenger Howard Mortgage Fund. The withdrawal will be calculated effective 3 January 2012.

How to make a withdrawal request

For a withdrawal request to be valid, we must receive the enclosed form, correctly completed, by **3.00pm (Sydney time) on Friday 30 December 2011**.

Please return the completed form in the enclosed reply paid envelope to:

Challenger, Reply Paid 3698, Sydney NSW 2001

Commonly asked questions

Do I need to make a withdrawal request for the withdrawal offer?

No, there is no obligation for you to lodge a withdrawal request. If you do not lodge a withdrawal request, no activity will occur on your account and your unit balance will remain the same. If you are unsure about whether or not to make a withdrawal request, we recommend you seek advice from your financial adviser.

How do I know if I am a Small Balance Unitholder?

You are considered a Small Balance Unitholder if you held (or notionally and indirectly held) an account balance of \$4,000 or less as at 5 October 2011.

What happens if my form is late?

We cannot accept any withdrawal requests in this offer after **3.00pm (Sydney time) on Friday 30 December 2011**. Any requests received after this time are invalid.

How will I know if my form has been received?

If you decide to request a withdrawal and wish to confirm that your request has been received, please contact our Investor Services team on 13 35 66 prior to 3.00pm (Sydney time) on 30 December 2011. Once the withdrawal offer has closed and your payment processed, we will send you a withdrawal confirmation.

When will I receive the proceeds from my withdrawal?

We expect that your withdrawal payment will be paid to your nominated bank account within 10 business days of the closing date of the offer.

What are the tax consequences of withdrawing money from the Fund?

We recommend you seek taxation advice regarding any taxation consequences of any withdrawal proceeds.

When will the next withdrawal offer open?

We anticipate making a withdrawal offer each quarter. However our ability to make a withdrawal offer depends principally on the available liquidity within the Fund. If you require access to your money over the next few months we suggest you talk to your financial adviser about whether you should consider making a withdrawal request this time.

When will you offer the next periodic small balance withdrawal offer?

We intend, but are not obliged, to provide direct and indirect investors of the Fund who hold (or notionally and indirectly hold) an account balance of less than a specified amount (determined by Challenger) with an opportunity to withdraw their account balance in full on at least an annual basis. Our ability to make any future offer depends principally on the level of the Challenger Howard Mortgage Fund's liquidity and likely demand, however the specified amount will not be more than \$10,000. We will communicate any future periodic small balance withdrawal offer when it becomes available.

For more information

Before making a decision about whether or not to request a withdrawal for all or part of your investment, we recommend that you speak with your financial adviser. If you have any further questions regarding the withdrawal offer, please contact our Investor Services team on 13 35 66 or visit www.challenger.com.au.

Disclaimer: The information contained in this document is current as at 3 November 2011 unless otherwise specified and is provided by Challenger Managed Investments Limited (ABN 94 002 835 592) (AFSL 234668) (Challenger), the issuer of the interests in the Challenger Mortgage Plus Trust (ARSN 091 029 248). It is general information rather than advice. Any information provided or conclusions made, whether express or implied, do not take into account the investment objectives, financial situation and particular needs of an investor. Because of that, an investor should, before acting on this information, consider the appropriateness of the information, having regard to that person's objectives, financial situation and needs. Challenger is not licensed or authorised to provide tax or social security advice. The information in this document is not and should not be construed as a recommendation, solicitation or an offer to buy or sell any securities mentioned herein or otherwise. All mortgage funds carry some investment risk. They are not bank deposits. Offers of interest in the Challenger Howard Mortgage Fund are contained in the current Product Disclosure Statement (PDS) which is available on our website www.challenger.com.au and should be considered (including to determine whether or not a product is appropriate for a person) before making any decision about the relevant product, including whether to acquire, dispose or continue to hold an investment. The Challenger Mortgage Plus Trust is closed to new investors. If you acquire or hold one of our products, we will receive fees and other benefits, which are disclosed in the relevant PDS. We and our employees do not receive any specific remuneration for any advice provided to you. However, financial advisers may receive fees or commissions if they provide advice to you or arrange for you to invest with us. Some or all of the Challenger Limited group of companies and their directors may benefit from fees, commissions and other benefits received by another group company.