

19 November 2008

Dear Investor

Custom Choice Portfolios

Challenger Managed Investments Limited (ABN 94 002 835 592 AFSL 234668) (**Challenger**) as Responsible Entity of the Custom Choice portfolios recently completed a review of the Custom Choice portfolios. This review was focused on the continued operation of the Portfolios in light of a range of developments including the intention of the largest investor in the Custom Choice portfolios to fully withdraw their investment.

The review confirmed that subsequent to that withdrawal and expected continued outflows from the portfolios, the Custom Choice portfolios will have insufficient funds to maintain a reasonable level of diversity of underlying assets in order to meet their investment objectives. Therefore, Challenger, after considering the review and the future prospects of the Portfolios has decided it is in the best interests of unitholders to terminate the Custom Choice portfolios (as listed in Appendix A) (**Funds**) and return the proceeds to investors.

Notice of our intention to terminate the Funds

We are therefore providing you with notice that we will be winding-up the Funds. The termination date is 18 November 2008 and that is the date at which the termination and wind up process begins.

The termination and wind-up process of the Funds will result in all assets being sold (or transferred) and any net proceeds distributed to investors according to their proportional holding in the Funds. After the sell down of each Fund's assets we will determine whether there is a requirement to pay a distribution. The distribution (if any) will comprise of any net income (including net capital gains). Investors will then receive final payments representing their share of the capital of the Funds.

Your 2008/2009 tax statement will break down this payment between the different tax components.

This final payment of capital will trigger a capital gain or a capital loss on your unitholding. Whether a capital gain or loss is triggered on this payment will depend on the cost base of the units you hold. We recommend you consult your financial planner or seek independent tax advice regarding the treatment of the payment.

What does this mean for you?

Your rights as a unitholder remain unchanged, except that each Fund's constitution does not allow us to accept any further applications, reinvestment of distributions or redemption requests.

On or around 19 November 2008, the formal asset sale process will commence. We expect the sale of each Fund's assets and payment process to take up to four weeks. Please note that until the sale of the assets is completed, your investment in the Funds will remain subject to market movements, and that we will continue to actively manage the assets of the Funds in the best interests of unitholders at all times. During the termination process the Funds will hold higher levels of cash compared to what normally would be the case.

You can expect to receive your final payment via your nominated financial institution account or by cheque if we do not have your nominated financial institution account, together with any confirmation advices on or around 12 December 2008. Your 2008/2009 tax statement will be sent after 30 June 2009.

The decision to terminate the Funds has been a difficult one, but ultimately we believe this to be in the best interests of investors.

Further information

If you have any further questions regarding the termination please speak to your financial planner or call our Investor Services team on 13 35 66, during Sydney business hours.

Yours sincerely



Rodney Greenhalgh
General Manager
Product & Marketing - Funds Management
Challenger

Appendix A

Fund name	ARSN
Custom Choice Australian Share Portfolio	092 203 202
Custom Choice International Share Portfolio	115 225 315
Custom Choice Diversified Fixed Interest Portfolio	100 477 647
Custom Choice Conservative Portfolio	099 756 260
Custom Choice Moderately Conservative Portfolio	099 756 546
Custom Choice Balanced Portfolio	099 629 795
Custom Choice Growth Portfolio	115 225 182
Custom Choice High Growth Portfolio	100 478 788
Custom Choice MTM Diversified Growth Fund	090 850 187
Custom Choice MTM International Share Fund	090 787 563
Custom Choice MTM Balanced Fund	090 850 230
Custom Choice Wholesale MTM Diversified Growth Fund	090 577 236
Custom Choice Wholesale MTM International Share Fund	090 577 996
Custom Choice Property Securities Portfolio	099 659 695