

Market Release

18 June 2026

Challenger enters agreement for merger of Fidante

Challenger Limited (ASX:CGF) today announced that it has entered into a binding agreement to merge its multi-affiliate funds management business, Fidante, with Channel Capital creating one of Australia's leading active funds management businesses.

Fidante is an active investment manager with \$86 billion in funds under management¹. Fidante offers a range of investment strategies across equities, fixed income and alternative assets within Australia and select international markets.

Under the agreement, Fidante will become part of a newly formed entity, Channel Group, to be led by current Channel Capital Managing Director, Glen Holding. Fidante will continue to operate as a standalone brand while benefiting from broader scale in the combined entity with approximately \$150 billion in assets², a global footprint, and market leading capabilities across public and private strategies.

Key transaction details:

- Channel Group established as a new entity to acquire the Channel Capital and Fidante businesses.
- Challenger to own 45% of Channel Group equity and receive up to \$172 million in cash payments subject to certain conditions. Existing Channel Capital shareholders and Channel Group management to own 55% of Channel Group equity.
- Challenger to recognise ~\$100 million pre-tax gain on sale³ in FY27.

Channel Group will have an independent Chair jointly appointed by Challenger and Channel Capital, in addition to four directors appointed by Channel Capital and two appointed by Challenger. This ownership structure ensures alignment between the key stakeholders while providing Challenger with exposure to more diversified fee earnings through its investment in the combined entity.

Challenger Managing Director and Chief Executive Officer Nick Hamilton commented:

“Our announcement today takes Fidante into its next stage of growth as part of a larger and more diversified active funds management platform. This merger ensures we can remain strategic holders of Fidante while benefiting from a more diversified multi-affiliate platform.

¹ As at 31 March 2026.

² Estimated assets of Channel Group for FY26 based on assets under partially owned affiliates, distribution agreements and assets serviced under Responsible Entity and administration services.

³ Subject to completion accounts at close.

"We have been deliberate in our decision to pursue a merger with a strategically and culturally aligned business that will deliver strong outcomes for shareholders, affiliates and our employees. The merger delivers scale and opportunities for Fidante, which will benefit our affiliates and clients.

"We're excited by the creation of Channel Group, the broader geographic reach and wider investor base it will provide to affiliates, the opportunities for our people, and the benefits for Challenger as a strategic holder and partner in a business we're building together."

Channel Capital Managing Director Glen Holding said:

"The combination of Fidante and Channel Capital creates something truly distinctive – a high-quality platform that supports boutique Australian managers along with the resources to grow, while providing global investment managers with a proven, trusted gateway into the Australian market.

"Bringing together the strength and expertise of Channel Capital and Fidante will result in a highly diversified and resilient platform with the ability to invest through market cycles.

"This transaction establishes a platform with the scale and structure to support long-term growth. We have combined complementary capabilities while maintaining the brands and relationships that sit at the centre of client engagement."

Subject to regulatory approvals and separation activities, the merger is expected to take effect in the first half of FY27. Challenger will enter into a Transitional Services Agreement for a period of up to 24 months following completion of the merger to ensure critical technology and operational services are maintained. The separation and transaction costs for Challenger are expected to be in the range of \$5 million to \$8 million in FY27.

A summary of the key transaction terms and further detail on Channel Capital is included in the attached presentation.

Analyst and investor briefing

A telephone briefing will be made by Challenger's Managing Director and Chief Executive Officer Nick Hamilton on Thursday, 18 June 2026 from 10.00am to 10.30am (Sydney time). To access the briefing, you will be required to pre-register via the [registration page](#).

Upon registration, you will then be provided with the dial-in number, the Passcode, and your unique access PIN. This information will be emailed to you as a calendar invite.

Asking a question

A Q&A session will follow the briefing and will be open to analysts and investors.

ENDS

This release has been authorised by Challenger's Continuous Disclosure Committee.

About Challenger

Challenger Limited (Challenger) is an investment management firm focused on providing customers with financial security for a better retirement.

Challenger operates a fiduciary Funds Management division and an APRA-regulated Life division.

Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

About Channel Capital

Founded in Australia in 2013, Channel Capital provides tailored investment solutions to leading investment managers and their clients and operates across multiple onshore and offshore jurisdictions. The firm delivers a broad range of non-investment services, including operations, responsible entity and trustee services, distribution and marketing, supporting 25 investment managers and servicing approximately A\$60 billion in assets.

For more information contact:

Investor Relations

Mark Chen

General Manager Investor Relations
Mob +61 423 823 209
machen@challenger.com.au

Irene Xu

Senior Manager Investor Relations
Mob +61 451 822 326
ixu@challenger.com.au

Media Relations

Felicity Goodwin

Head of Public Affairs
Mob +61 461 579 782
fgoodwin@challenger.com.au

Mark Roberts

General Manager Corporate Affairs and Sustainability
Mob +61 466 328 581
maroberts@challenger.com.au

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Fidante and Channel Capital merger



18 JUNE 2026

Merger of Fidante and Channel Capital

Unique combination of complementary capabilities

 **fidante**

Established multi-affiliate manager

Specialists in equities, fixed income, alternatives

Award winning retail and institutional distribution

Responsible Entity (RE) and full administration services

Successful partnership model



 channel capital

Australian boutique and global partnerships

Specialised in private markets and alternatives

Extensive reach across High Net Worth (HNW), wholesale, family office and adviser networks

Annuity-style RE revenues

Global partnerships across public and private strategies



Channel Group

Leading integrated investment platform that will incubate, scale, service and distribute a broad range of strategies across the risk-return spectrum

A compelling strategic rationale

Growth, scale and diversification

Growth

- Leverage Fidante and Channel networks to **step change distribution reach** across investor segments
- **Enhanced value proposition** for our affiliates and partners across retail, institutional and offshore segments
- Owner mindset: majority staff owned, and equity incentivised

Scale

- A **market-leading, pure play platform**
- Global footprint and **expanded offshore distribution**
- Delivering leading **global private markets and specialist strategies** to Australian investors

Diversification

- Diversified by **asset class, geography, channel reach, products and revenue** streams
- Leader in equities and fixed income, growth focus on alternatives
- Expansion into wholesale / HNW investor base

Value realisation

- Shareholder value creation from **growth opportunities**, without consuming capital
- Challenger to own **45% of larger and faster growing business**
- Response to evolving asset management sector themes and cyclical pressures

Shareholders

- Strategic and **cultural fit**, retaining Fidante brand, people and expertise
- **Challenger and Channel** strategic partners aligned to create long-term value
- Leverage unique and complementary capabilities of each party

Continued exposure to funds management

- Access to quality diversified revenue streams and **resilient income profile**
- **Challenger IM** to remain 100% owned by Challenger

About Channel Capital

Leading integrated solutions for fund managers and clients across the globe

Services

Incubation

Working capital | governance | operational infrastructure | technology, people, branding, distribution and capital-raising capabilities

Full Servicing

RE and non-investment services | establishment of local feeder funds | operations | compliance | distribution

Feeder Funds

Product design and structuring | Comprehensive RE and fund operations services

Diligence and Governance Service

Operational due diligence | governance | controls | systems and resources supporting investment decisions

Key management



Glen Holding, Managing Director

Managing Director of Channel Capital since inception in 2013.

Experience: Credit Suisse, Bank of Bermuda, Pinnacle, Solaris.



Katherine Youhanna, Executive Director

Founding Director of Channel Capital and leads London office.

Experience: Channel Capital (since 2013), Solaris, Suncorp.



Joshua Yeo, Chief Operating Officer

Founding COO of Channel Capital, oversees all operations, products and client service.

Experience: Channel Capital (since 2013), Solaris, White Outsourcing.



Michael Bird, Chief Financial Officer

Leads financial strategy across the Group.

Experience: Channel Capital (since 2019), Westpac / BT Financial Group, PwC.

13 years

Delivering excellence to clients and partners

140

Professionals combining experience, credibility and commitment

A\$60bn+

Assets across public and private strategies

100+

Funds serviced and supported

25

Global partner relationships

7

Global offices across Australia, UK, US, Cayman



Governance services to offshore funds



Boston-based advisory

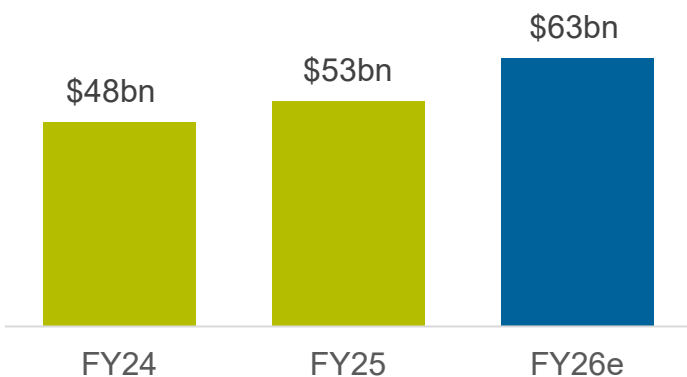
Channel Capital and Fidante

Earnings profile in evolving market conditions



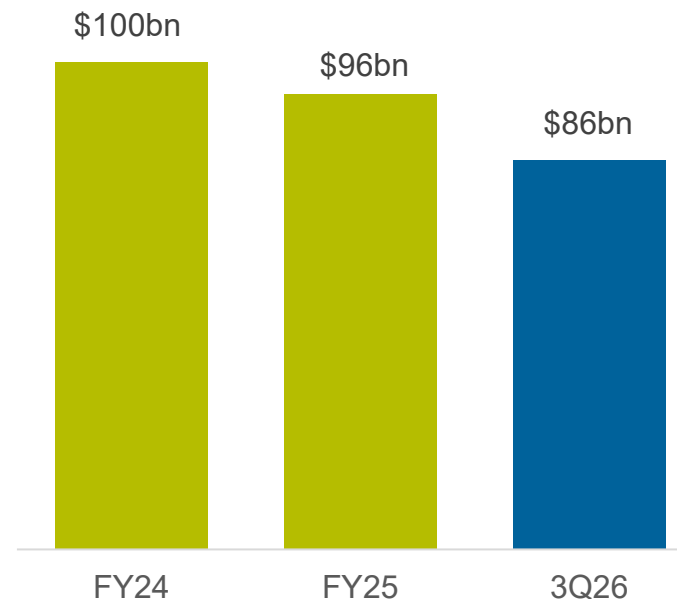
Assets: +15% 2-year CAGR¹
EBIT: +75% 2-year CAGR¹

Proven organic growth profile



Assets: -7% 2-year CAGR¹
EBIT: +7% 2-year CAGR^{1,2}

Scaled and established platform

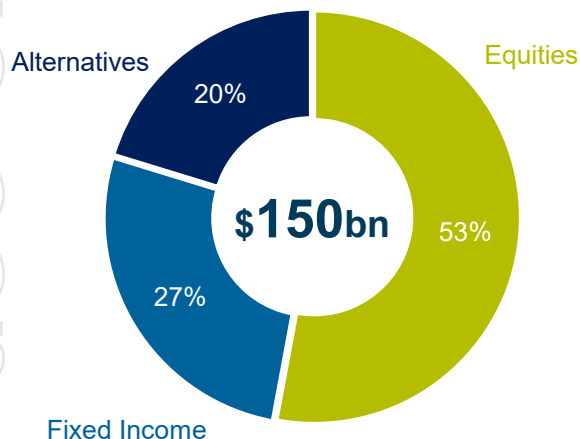


1. 2-year CAGR from FY24 to FY26e or 3Q26.
2. Includes recurring and one-off revenue, and lower costs from realised operational efficiencies.

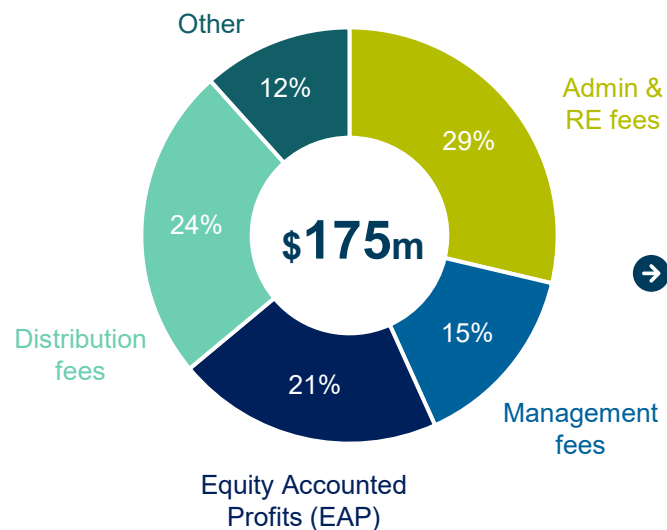
Channel Group overview

Diverse and scaled combined business

Pro forma asset class split¹



Pro forma income²



→ **85%+**
Recurring
revenue

Enhanced financial profile²

~\$60m
EBIT

35%+
EBIT margins
ex. cost synergies³



40+

Asset managers
& global partners



\$100bn+

RE platform



200+

Employees



50+

Distribution
specialists

Locations

Australia
Sydney | Melbourne
Brisbane | Perth | Adelaide

United States
Boston | New York

Europe
London | Stockholm

Cayman Islands
George Town

1. Illustrative estimated split of assets of Channel Group for FY26 based on assets under partially owned affiliates, distribution agreements and assets serviced under Responsible Entity and administration services.

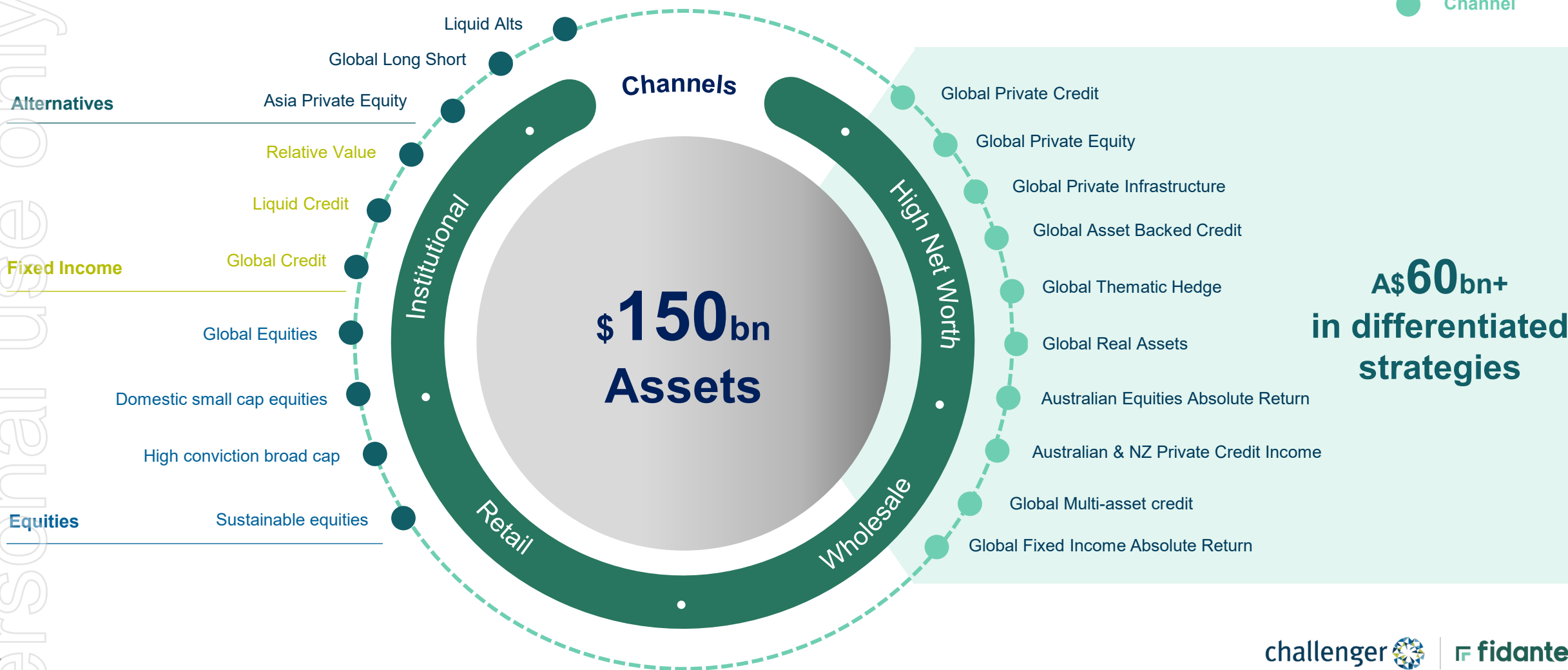
2. Illustrative estimates based on FY26. Other includes performance and transaction fees. Free cash flow conversion based on net profit after tax.

3. Relate to technology and investment administration services.

Highly complementary strategies and channels

Capitalising on high margin Alternatives and growing wholesale segment

● Fidante
● Channel



Growth opportunities unlocked by merger

Capturing opportunities neither business could win alone today

Illustrative case studies

Bringing new contemporary product and securing new client wins

Today

Constraints to product breadth and distribution capacity



Extend Channel's global partnerships model to Fidante

Tomorrow

Partner of choice for asset managers across Channel Group

Example: global asset manager signed as new client and placed in Fidante brand for Australia product distribution

Expanding existing client proposition

Today

Selective service coverage and reach (e.g. distribution only, or RE only)



Leverage full spectrum of services across Channel Group

Tomorrow

Integrated platform of choice for asset managers and investors

Example: global alternatives asset manager that is currently RE-only and well placed to expand into Australia wholesale / HNW distribution

Transaction overview

Key terms and transaction details

Transaction details

- New Channel Group entity established to acquire Channel Capital and Fidante businesses
- Existing Channel Capital shareholders and combined Channel Group staff to own 55% of Channel Group equity
- Challenger to own 45% of combined Channel Group equity and receive up to \$172 million in cash payments subject to certain conditions

Leadership & governance

- Glen Holding (Managing Director of Channel Capital) appointed Managing Director and CEO Channel Group
- Executives from Fidante and Channel Capital to serve in leadership roles
- Channel Group will have an independent Chair jointly appointed by Challenger and Channel Capital, in addition to four directors appointed by Channel Capital and two appointed by Challenger

Financial outcomes

- ~\$100 million pre-tax gain on sale¹ recognised in FY27
- \$5 million to \$8 million in separation and transaction costs in FY27

Next steps

- Completion of the transaction is subject to customary closing conditions and receipt of regulatory approvals (including FIRB, ACCC and overseas approvals)
- Completion expected in 1H FY27, subject to receipt of approvals
- Transitional Services Agreement covering up to 24 months post completion to be implemented

9 1. Subject to completion accounts at close.

Important note

This presentation was prepared for the purpose of a briefing to equity analysts and certain wholesale investors on 18 June 2026.

This presentation is not audited. Any additional financial information in this presentation which is not included in Challenger Limited 2026 Interim Financial Report was not subject to independent review by Ernst & Young.

The material in this presentation is general background information about Challenger Limited's activities and is current at the date of this presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors, potential investors or any other person and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with professional advice when deciding if an investment is appropriate.

Past performance is not an indication of future performance.

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

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