

Sydney

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29 July, 2008

Mr Wachter
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Mr Wachter,

CIF Notice of Meeting

Enclosed is a Notice of General Meeting for the Challenger Infrastructure Fund which has been sent to CIF securityholders.

Investor and media queries can be directed to:

Investor Relations
Jenny Warat-Hughes
02 9994 7663 / 0411 383 996

Media Relations
Lynn Anderson
02 9994 7008 / 0412 612 138

Yours faithfully


Suzie Koeppenkastrop
Company Secretary

Melbourne Level 10, 101 Collins Street PO Box 297, Flinders Lane, Melbourne VIC 3000 Telephone 03 8616 1800 Facsimile 03 8616 1899
Brisbane Level 19, 241 Adelaide Street GPO Box 3234, Brisbane QLD 4001 Telephone 07 3218 8000 Facsimile 07 3220 3132
Perth Level 3, 55 St Georges Terrace PO Box Z5065, St Georges Terrace, Perth WA 6831 Telephone 08 9223 7800 Facsimile 08 9221 2499
Adelaide Level 1, 212 Pirie Street Adelaide SA 5000 Telephone 08 8228 3270 Facsimile 08 8212 1661

Challenger Financial Services Group Limited ABN 85 106 842 371 Challenger Group Services Pty Limited ABN 91 085 657 307
Challenger Life No.2 Limited ABN 44 072 486 938 AFSL 234670 Challenger Commercial Lending Limited ABN 65 000 033 143
Challenger Managed Investments Limited ABN 94 002 835 592 AFSL 234668 RSE Licence No. L0002967
Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236 887 CIF Investment Trust 1 ARSN 114 139 703 CIF Investment Trust 2 ARSN 114 139 632
Challenger Wine Trust ARSN 092 960 060 Challenger Diversified Property Trust 1 ARSN 121 484 606 Challenger Diversified Property Trust 2 ARSN 121 484 713
Challenger Kenedix Japan Trust ARSN 124 068 971 Challenger Management Services Limited ABN 29 092 382 842 AFSL 234 678
Challenger Retirement Services Pty Limited ACN115 534 453 AFSL295642 RSE Licence No. L0001304

Dear Securityholder

CHALLENGER INFRASTRUCTURE FUND – NOTICE OF MEETING

The Responsible Entity of Challenger Infrastructure Fund ('CIF' or 'the Fund') has been requested by Arkmile Limited to hold a meeting of CIF securityholders to consider and vote on a resolution to wind up the Fund.

All of the Eligible Independent Directors¹ unanimously recommend that you vote NO to the resolution to wind up CIF.

Even though it is recommended that you vote NO to the resolution, the Responsible Entity is obliged under the Corporations Act to put the resolution to securityholders and has convened a meeting for Thursday, 28 August 2008 to consider the resolution.

What will happen if the resolution is passed

If the resolution is passed, the assets of CIF will be auctioned and the sale proceeds, net of transaction costs and the payment of other expenses and liabilities will be distributed to CIF securityholders.

Why a NO vote is important

In the opinion of the Responsible Entity, pursuing a winding up of CIF is unlikely to deliver optimal value to CIF securityholders for the following key reasons:

- **CIF would be a forced seller:** this type of forced sale process is most likely not to maximise price as buyers know that the assets must be sold.
- **Current market conditions:** they may have a negative impact on the price which potential buyers are able to pay for the assets.
- **Pre-emptive right provisions:** terms in the shareholders' agreements relating to the assets of CIF may limit the number of potential buyers thereby reducing competitive tension in the asset sale process.
- **Specific adverse consequences of an asset sale:** adverse tax consequences, the potential crystallisation of performance fees, significant transaction costs and the need for buyers to refinance debt potentially at higher margins are likely to result in a reduction in the price any potential buyers are able to pay.

Although CIF securities currently trade below their inherent value, the Responsible Entity believes this is the result of current market conditions rather than the underlying performance of the assets. CIF continues to deliver on its strategy to provide securityholders with strong distribution yields and growth from a quality asset portfolio. A range of strategic alternatives will continue to be considered. The Responsible Entity considers that securityholder value is enhanced when all options remain open. Limiting the Fund to a forced sale process is not a recommended approach.

For these reasons it is recommended that you vote NO to the resolution.

What you need to do

Read the enclosed document carefully.

If you agree with the independent directors and do not support the proposal to wind up CIF, you should do one of the following:

- (a) sign the enclosed BLUE proxy form and put an X in the NO voting box;
- (b) sign the enclosed BLUE proxy form and do not put an X in any of the voting boxes; or
- (c) do nothing.

Securityholders who complete and lodge a proxy form

- but do not put an X in any of the voting boxes; and
 - do not nominate someone other than the Chair to act as proxy
- will appoint the Chair as their proxy.

The Chair will direct open proxies to be voted NO to the resolution.

Once again, all the Eligible Independent Directors recommend that you vote NO to the resolution.

Find out more

If you have any questions, please call the following dedicated CIF information line with any questions on 1300 798 655 (toll free in Australia) or +61 2 8280 7757 (international).

Yours faithfully,



Brenda Shanahan
Chair
Challenger Listed Investments Limited

¹ Means each of Brenda Shanahan, Geoff McWilliam, Ian Moore and Ian Martens, being the independent directors of the Responsible Entity who have made a recommendation in connection with the resolution. Russell Hooper, who is an independent director of the Responsible Entity, has not made a recommendation as he is also a director of Challenger Financial Services Group Limited and Challenger Life No. 2 Limited. Robert Woods and Brendan O'Connor have not made a recommendation as they are executive directors.

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Challenger Infrastructure Fund

Notice of General Meeting

Responsible Entity:
Challenger Listed Investments Limited
ABN 94 055 293 644

Challenger Infrastructure Fund comprising:
CIF Investment Trust 1 (ARSN 114 139 703) and
CIF Investment Trust 2 (ARSN 114 139 632)



Contents

The Notice of Meeting and Explanatory Memorandum together form the Booklet. This Booklet contains the following information:

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A PROXY FORM IS ENCLOSED WITH THIS BOOKLET.

Capitalised terms used in this Booklet are defined in the Glossary.

This Booklet is dated 29 July 2008.

IMPORTANT

This Booklet contains information about a Resolution to wind up Challenger Infrastructure Fund ('CIF' or 'the Fund') which Arkmile Limited ('Arkmile') has requested be put to CIF securityholders.

The meeting of securityholders is to be held at 10.30am (Sydney time) on Thursday 28 August, 2008 at the Sydney offices of CIF located at Level 15, 255 Pitt Street, Sydney, NSW 2000.

If you cannot attend in person, please complete and return the enclosed proxy form to the Responsible Entity at the address stated on the proxy form so that it is received by 10.30am (Sydney time) on Tuesday 26 August 2008. Refer to section 4 for further information on voting.

This Booklet contains important information and requires your immediate attention. The Booklet should be read in its entirety. If you do not understand anything in this Booklet or are in doubt as to the course you should follow, it is recommended you consult your licensed professional advisor immediately.

**ALL OF THE ELIGIBLE INDEPENDENT DIRECTORS UNANIMOUSLY
RECOMMEND THAT YOU VOTE NO TO THE RESOLUTION**

1. Notice of meeting

This Notice of Meeting is given at the request of Arkmile, a securityholder who holds at least 5% of the votes that may be cast on the Resolution, under section 252B of the Corporations Act 2001 (Cth).

Notice is given that a meeting of securityholders of CIF Investment Trust 1 (ARSN 114 139 703) ('CIF 1') and CIF Investment Trust 2 (ARSN 114 139 632) ('CIF 2'), which together comprise CIF, will be held at:

Time: 10.30am (Sydney time)

Date: Thursday, 28 August 2008

Place: Challenger Infrastructure Fund
Level 15, 255 Pitt Street
Sydney, NSW, 2000

This notice is issued by Challenger Listed Investments Limited (ABN 94 055 293 644) ('CLIL') as responsible entity of CIF 1 and CIF 2.

In accordance with subsection 252S(1) of the Corporations Act, CLIL appoints Brenda Shanahan to act as the chairperson of the meeting ('Chair').

Business of the meeting

The business of the meeting will be to consider and, if thought fit, pass the Resolution set out below.

Resolution 1 – Extraordinary resolution to wind up CIF

'That in accordance with section 601NB of the Corporations Act 2001, Challenger Listed Investments Limited, in its capacity as responsible entity of CIF Investment Trust 1 ARSN 114 139 703 (CIF 1) and CIF Investment Trust 2 ARSN 114 139 632 (CIF 2) be and is hereby directed to wind up CIF 1 and CIF 2.'

Explanatory information

Information about the potential winding up of CIF is contained in Sections 2 and 3 of this Booklet.

Proxies

Each CIF securityholder has a right to appoint a proxy. The proxy does not need to be a securityholder. If a securityholder appoints two proxies, the securityholder may specify the proportion or number of votes the proxy is appointed to exercise.

Dated: 29 July 2008

Signed



By Christopher John Robson
Company Secretary
29 July 2008

2. Explanatory memorandum

2.1. Directors' recommendation

All of the Eligible Independent Directors unanimously recommend that you vote NO to the Resolution.

This recommendation is based on the following:

- A forced sale process is highly unlikely to achieve maximum sale proceeds
- Current market conditions do not support optimal asset prices
- Pre-emptive rights are likely to reduce competitive tension amongst buyers
- New debt is likely to be raised at higher interest costs by buyers
- A forced sale may lead to adverse tax consequences for securityholders
- Performance fees are likely to be crystallised and payable
- Significant transaction costs will be incurred

A detailed explanation of the reasons to vote NO to the Resolution to wind up CIF are set out below.

Russell Hooper, an independent director, has not given a recommendation as he is also director of CL2 and CFSG. Robert Woods and Brendan O'Connor have not given a recommendation as they are executive directors within CFSG.

Reasons for voting in favour of the Resolution to wind up CIF are given in the Arkmile statement which is contained in Section 3 of this Booklet.

2.2. Reasons to vote NO to the Resolution

2.2.1. General winding up considerations

2.2.1.1. Forced seller

If the Resolution is successful, CLIL will be required to initiate a sales process for the assets of CIF. The assets may then need to be sold to the highest bidder, regardless of price, within 12 months, assuming that sales are achievable. This type of forced sale process is likely not to maximise price as buyers know that the assets must be sold regardless of price.

In contrast to a forced asset sale program, CIF's recent successful minority asset divestment program was undertaken in a structured and orderly manner at the full discretion of CIF's board and management. Structuring the sale process to allow for a discrete, non-public marketing campaign to targeted buyers, enabled the Fund to achieve prices at or above the Responsible Entity's valuations, notwithstanding difficult market conditions. The Responsible Entity considers that it is unlikely that a similar divestment outcome could be achieved in a winding up scenario and that securityholders would not receive full value for CIF's assets.

2.2.1.2. Current market conditions

Over the past year, both credit and equity markets have deteriorated significantly, making it generally more difficult for companies to raise funds. This will directly impact the price which companies are able to pay in an asset sale.

Although it is argued in Arkmile's statement that a number of listed UK infrastructure funds are trading at close to their NAV, it should be noted that many of these funds are not directly comparable to CIF due to the nature of their asset portfolios and their size. Therefore, such comparisons do not provide evidence of robust credit and equity market conditions in which sale prices would be optimised.

2.2.1.3. Pre-emptive rights

The shareholder agreements for Southern Water, Inexus and LBC all contain pre-emptive right provisions which may be triggered as a result of the sale process involved in a winding up of CIF. Pre-emptive provisions generally provide existing shareholders with the right to acquire a pro-rata interest in the asset to be sold. This may reduce the level of competitive tension for the assets by dissuading potential bidders from participating in the process and reduce the sale proceeds ultimately achieved.

2.2.2. Adverse consequences arising from asset sales

2.2.2.1. Consequences of debt refinancing in current market conditions

Each of the assets in CIF's portfolio has outstanding debt. These debt arrangements contain change of control provisions that stipulate that the debt is immediately payable in the event specified change of control events occur in the asset holding entity. Change of control provisions are commonplace in borrowing documentation.

The debt documentation for Inexus and LBC, assets in which CIF holds a majority interest, contain change of control provisions of the kind described above. A third party purchaser would therefore be required to refinance these borrowings.

The financing for both LBC and Inexus was obtained in more favourable credit market conditions than exist at present, and it is unlikely that a third party purchaser seeking to refinance these facilities would be able to do so on equivalent terms taking into account the quantum of debt available, terms on which the debt is provided, and pricing.

In the opinion of the Responsible Entity, this refinancing requirement is likely to materially impede the capacity to achieve attractive sale prices for these assets, given current credit market conditions.

2.2.2.2. Adverse tax consequences arising from asset sales

Whilst CIF's investments have been structured in a tax-effective manner, it may not be possible to eliminate all adverse tax consequences. The quantum of adverse tax consequences that may arise will be dependent on how CIF ultimately disposes of its interests in its assets and the tax domicile of the third party buyer.

In addition, depending upon what the subject to the taxable components of the ultimate distribution of the net sale proceeds to securityholders are, further tax may be payable by securityholders. Broadly, securityholders may be liable to tax on any distributions over and above their reduced cost base (that is the original cost base of their CIF units adjusted for any tax deferred distributions received from CIF).

2.2.2.3. Performance fee obligations

In the event that the Fund is wound up, CIF may accrue a significant performance fee obligation. Although it is not possible to quantify the likely performance fee obligation in the event of a winding up, the performance fee may reduce the asset sale proceeds available for distribution to securityholders by a material amount. Further details of this performance fee can be found in CIF's product disclosure statement dated 15 July 2005.

2.2.2.4. Transaction costs

CIF will incur transaction costs in disposing of its interests in the assets that will reduce the sale proceeds that are available for distribution to securityholders. It is estimated that transaction costs are likely to amount to 0.75 – 1.25% of the transaction value for each asset.

2.2.3. Challenger Infrastructure Fund ongoing considerations

2.2.3.1. Discussion of Directors' net asset value

As at 31 December 2007, the Directors provided a net asset value ("NAV") per CIF security of \$4.05. This was calculated as the total market value of all CIF investments, net of fund level debt, working capital and the mark to market on foreign exchange hedges. This NAV was prior to the effect of management fees payable by CIF.

In determining the market value of CIF's investments, the Directors primarily consider the present value of the cash flows that CIF, as an equity holder, receives from its investments, in addition to considering relevant trading and transaction comparables.

In arriving at the 31 December 2007 valuation, the Directors employed refinancing assumptions to reflect the deterioration in credit spreads, as well as an elevated equity risk premium given heightened market uncertainty.

As part of the 2008 Financial Year results to be released on 21 August 2008, the Directors intend to provide an updated NAV to reflect the following changes:

- asset value adjustments in the period to 30 June 2008;
- the sale of minority interests in Northern Gas Networks, Wales & West Utilities and Arqiva;
- the repayment of all Fund-level senior debt; and
- foreign exchange movements.

The 31 December 2007 NAV of \$4.05 converted asset valuations in local currency to Australian dollars at A\$ = £0.441098 and A\$ = €0.60561 respectively.

In the period since 31 December 2007, the Australian dollar has strengthened against both the British Pound and the Euro. In the absence of other changes, this has the effect of reducing the Australian dollar value of the Fund's NAV, mitigated by the Fund level foreign currency distribution hedges and any sterling denominated debt. The net impact based on spot foreign exchange rates at 30 June 2008 of A\$=£0.4822 and A\$=€0.6090 is approximately \$3.90 (or 15 cents per security) lower than it was on 31 December 2007. Further, the directors note a deterioration in the UK housing market that may adversely impact the 31 December 2007 valuation of Inexus. Further details on these movements will be provided in CIF's 2008 Financial Year results release to the market.

2.2.3.2. Current strategy

The CLIL Board has pursued a strategy of seeking to maximise the value of CIF for the benefit of all securityholders over the medium to long term. Given the quality of the underlying asset portfolio and the attractiveness of the asset-level debt packages currently in place, the Directors consider that CIF represents a compelling value proposition in its current form.

Nonetheless, the Directors are conscious of the difference between CIF's trading price and the stated NAV, although this difference is consistent with the experience of other listed infrastructure funds, and have sought to address this issue through a number of initiatives.

Recently, CIF has divested three of the Fund's minority interests to realise value for CIF securityholders. This strategy has resulted in the sale of:

- Northern Gas Networks (5.8% interest);
- Wales & West Utilities (8.6% interest); and
- Arqiva (6.5% interest).

These interests collectively have been sold at a combined premium to the 31 December 2007 Director's valuations. Significant to the success of these transactions is the fact that CIF has been able to divest these interests on a timeframe best suited to maximise proceeds to the Fund. In disposing of these minority interests, CIF has emerged as a Fund with a portfolio of three high quality, growth infrastructure assets that provide attractive and predictable cash yields.

The financial position of the Fund has also been considerably strengthened. Proceeds from the asset sales have been utilised to reduce gearing at the Fund level from 23.4% in December 2007 to nil in September 2008 (based on assets under management). CIF's gearing (using the 31 December 2007 values) on a proportionately consolidated basis will be 63% (excluding Redeemable Preference Securities). Post repayment of outstanding Fund level senior debt, CIF is well positioned with three high quality assets.

The implementation of CIF's value-maximisation strategy has also enhanced the quality of CIF's distribution profile:

- Distribution guidance of 34 cents per stapled security for the 2008 full year (with an estimated tax deferral status of 25% for this distribution) has been provided previously.
- Distribution guidance for the 2009 full year is 35.7 cents per stapled security. This distribution will no longer be partially debt funded. More than 90% of the distribution will be funded from operating cashflow, with the balance funded from retained cash balances held by the Fund and its assets.

This distribution guidance reflects the strong underlying cash generation of the existing CIF asset portfolio.

In addition to the above, the Responsible Entity is also considering further strategies to maximise value. The Directors consider that securityholder value is enhanced when all options remain open to it, rather than limiting the Fund to a forced sale.

2.3. Background to the Resolution

On 8 July 2008, CLIL, in its capacity as responsible entity of the Fund, announced the receipt of a request from Arkmile to convene a meeting of CIF securityholders to consider and vote on the Resolution.

In accordance with Corporations Act 2001 (Cth), CLIL has convened a meeting of CIF securityholders to be held on Thursday, 28 August 2008 to consider the Resolution.

Arkmile initially invested in CIF in November 2006, acquiring 16.3% issued ordinary units. As a result of on-market trading, Arkmile currently holds 18.4% of CIF's issued ordinary units. Arkmile has additional interests of 7.7%¹ through contracts for differences.

In March 2008, Arkmile approached the CLIL Board with a

- highly conditional;
- non-binding; and
- indicative proposal

to acquire all of the units in CIF.

The Board decided not to continue discussions with Arkmile because, despite extensive discussions and correspondence, CLIL had not, and did not expect, to receive a formal approach from Arkmile in a form that was able to be put to securityholders.

As recently as 22 May 2008, Arkmile indicated that it was a supporter of the Fund and a committed investor in CIF.

Arkmile's arguments for voting in favour of the Resolution are contained in the following section 3.

¹ As disclosed in a letter sent to CLIL dated 26 June 2008 and released to market on 30 June 2008

**ALL OF THE ELIGIBLE INDEPENDENT DIRECTORS UNANIMOUSLY
RECOMMEND THAT YOU VOTE NO TO THE RESOLUTION**

Vote
NO
to the Resolution

The following section 3 is a statement from Arkmile and does not reflect the views of the Eligible Independent Directors

Statement by Arkmile Limited ("Arkmile") in relation to the resolutions to wind up CIF Investment Trust No. 1 and CIF Investment Trust No. 2, the two schemes that make up Challenger Infrastructure Fund ("CIF").

Unlock the Value

► **Unlock the value of your CIF stapled securities** ◀

► **Support the winding up resolutions and realise full value for your CIF security holding** ◀

Arkmile, together with its associates, is currently the second largest security holder in CIF with an interest of approximately 18.5%. We are deeply concerned with the continuing underperformance of CIF and we have lost confidence in the management of CIF. We believe security holders are being denied the benefit of the true value locked up in CIF. It is time to realise this value for all security holders. We call on you to join us and **Unlock the Value**.

As you will be aware, CIF has three valuable assets, as is reflected in the NAV¹ of \$4.05 per CIF unit² in December 2007. Yet, despite this valuation, CIF units continue to trade at a depressed price – in fact they have traded at a three month VWAP³ of \$2.86 for the period ending 18 July 2008 – a 29.3% discount to their December NAV.

We strongly support the Resolutions⁴. If the Resolutions are passed, CIF's responsible entity CLIL⁵ would be obliged to liquidate CIF's assets and distribute the proceeds to security holders, in accordance with CIF's constitution. CLIL was required by the Corporations Act to call this meeting at Arkmile's request, and Arkmile and its associates intend to vote for the Resolutions. **We strongly urge you to vote for the Resolutions too.**

Close the value gap – UNLOCK THE VALUE

Robust demand for infrastructure assets in the UK

The appetite for listed infrastructure investments in Australia is depressed – with market commentators forecasting the situation will continue for the foreseeable future. Indeed, many are questioning even the long-term viability of the Australian listed infrastructure model. Without action being taken, there is every chance that CIF units will continue to trade at a deep discount to NAV.

In contrast, the demand for infrastructure assets in the UK, such as those held by CIF, remains buoyant, as demonstrated by the fact that:

- there have been several recent transactions for UK infrastructure assets which have successfully completed in the last 24 months; and
- most listed UK infrastructure funds were trading close to their NAVs as at the last trading date before this statement was provided to CLIL.

CIF itself has recently sold a number of its assets, achieving prices at a *premium* to NAV:

- the March 2008 sale of the Northern Gas Networks stake was approximately 19.9% above NAV;
- the May 2008 sale of the Arqiva stake was approximately 0.4% above NAV;
- the March 2008 sale of Wales & West Water Utilities was approximately 28% above NAV.

This suggests that realisation of the December 2007 NAV per CIF unit is achievable.

Furthermore, substantial funds have been raised internationally for investment in infrastructure assets. We are aware of strategic investors who have expressed an interest in acquiring some of CIF's assets.

Capitalise on the strong UK demand – UNLOCK THE VALUE

A real opportunity to capture value

CIF security holders have a real opportunity to take advantage of the current strong demand for these types of assets outside Australia. In our view an auction of CIF's assets, based on its own recent experience selling assets, would be able to achieve prices reflecting a NAV of \$4.05 per unit, and potentially more. Against this, the \$2.86 three month VWAP for the period ending 18 July 2008 fails to recognise the intrinsic value of CIF's underlying assets and requires urgent action.

The resilience of international demand for infrastructure assets cannot be relied upon to last indefinitely.

Maximise the opportunity – UNLOCK THE VALUE

What's the alternative?

We urge you to support the Resolutions and unlock the \$4.05 value. Based on CIF's recent asset sales and the demand for these assets in the UK, we believe a wind up and auction process could capture the value that we as security holders are currently being denied.

The alternative is, of course, to reject the Resolutions and continue with the status quo. To do so could:

- prolong CIF's underperformance with its units continuing to trade at a substantial discount to NAV
- continue to deny security holders the value that is locked up in an irrational market discount

The alternative has failed – UNLOCK THE VALUE

Challenger's response

Challenger⁶ and its related entities are the largest security holders in CIF, with approximately 33% of the units in issue. We call on Challenger and its related entities to support the Resolutions. If they choose not to do so, we consider CLIL must:

- advise on its strategy to close the current gap between CIF's NAV and market price
- provide specific details of how they will implement that strategy
- set a timetable and strict performance targets for this process
- cease all asset purchases
- disclose all the terms of the management contract in place

A "more-of-the-same" approach is simply not good enough. That's what led to the existing value gap.

We believe a wind up is the best strategy – Unlock the Value

Your vote is crucial

Your vote will be absolutely critical to the success of the Resolutions. The Resolutions are a real opportunity for all CIF security holders to achieve value for their CIF units.

We have set up a website www.unlockthevalue.com.au with additional information. Alternatively please email us at vincent@unlockthevalue.com.au or call our security holder information line on 1300-652-884.

Join with us – UNLOCK THE VALUE

¹ Net Asset Valuation

² CIF stapled security

³ Volume Weighted Average Price

⁴ The resolutions to wind up CIF

⁵ Challenger Listed Investments Limited

⁶ Challenger Financial Services Group Ltd

4. Voting procedures and eligibility

4.1. Poll

The Resolution will be decided by way of poll. Each securityholder present in person or by proxy has one vote for each security held.

4.2. Majority required

The Resolution is an extraordinary resolution.

An extraordinary resolution will be passed if at least 50% of the total votes that may be cast by securityholders entitled to vote are voted in favour of the resolution (including securityholders who are not present in person or by proxy or authorised representative). If you are entitled to vote but will not be attending the meeting, please ensure you send back your proxy form otherwise your security holding will effectively count as a 'no' vote for the Resolution.

4.3. Eligibility to vote

Securityholders appearing on CIF's register by 10.30am (Sydney time) on 26 August 2008 will be entitled to attend and vote at the meeting.

4.4. How to exercise the right to vote

4.4.1. In person

To vote in person, attend the meeting on 28 August 2008 at the offices of CIF, Level 15, 255 Pitt Street, Sydney, NSW. The meeting will commence at 10.30am (Sydney time).

You should arrive at the meeting venue at least 15 minutes prior to the time designated for the meeting so that the number of your securities in CIF may be checked and your attendance may be noted.

Please bring the personalised proxy form enclosed with this Notice of Meeting with you. The bar code at the top of the proxy form will facilitate registration. If you do not bring the proxy form with you, you will still be able to attend the meeting, but at registration, representatives from Link Market Services will need to verify your identity. Registration will be available from 9:30am Sydney time on the day of the meeting.

4.4.2. Corporate securityholders

Corporate securityholders wishing to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed authorisation confirming that they are permitted to act as the corporate's representative. The appointment must comply with section 253B of the Corporations Act and must be brought to the meeting if it has not previously been produced to the Responsible Entity or Link Market Services. Such authorisation may be for this meeting only or for all meetings of the Fund.

4.4.3. Jointly held securityholders

In the case of joint holders, any one of such joint holders may vote either personally or by proxy but if more than one joint holder votes, only the vote of the joint holder whose name first appears on the register of securityholders will be counted.

4.4.4. Voting by proxy

If you do not plan to attend the meeting in person, you may complete and return the proxy form accompanying this document.

A securityholder is entitled to attend and vote at the meeting and may appoint not more than two people as the securityholder's proxy to attend and vote for the securityholder at the meeting. A proxy need not be a securityholder of the Fund, and can be either an individual or a body corporate.

A proxy form is included with this Notice of Meeting. If the securityholder appoints two proxies, the proxy form must specify the proportion of voting rights each proxy is appointed to exercise. If no proportions are specified, each proxy may exercise half the available votes. If you require a second proxy form, please contact Link Market Services on 1800 114 027.

For an appointment of a proxy to be effective, Link Market Services must receive the proxy form duly completed and signed by no later than 10:30am on 26 August 2008, and if signed by the appointer's attorney, the authority under which the appointment was signed or a certified copy of the authority.

You can send your proxy form to Link Market Services by doing one of the following:

- lodging it online at Link Market Services website www.linkmarketservices.com.au as instructed there (you will have been taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website); or
- faxing it to 02 9287 0309;
- posting it by using the reply paid envelope; or
- delivering it to:

Link Market Services Pty Limited,
Level 12,
680 George Street,
Sydney NSW 2000.

Appointing a proxy does not mean you cannot attend the meeting, however, under the CIF constitutions your proxy is not entitled to vote, and must not vote, as your proxy on any resolution at a meeting at which you are in attendance.

4.5. Undirected proxies

Securityholders who complete and lodge a proxy form:

- but do not put an X in any of the voting boxes; and
- do not nominate someone other than the Chair to act as proxy

will appoint the Chair as their proxy.

The Chair will direct open proxies to be voted NO to the Resolution.

4.6. Enquiries

If you have any questions about the Resolution, please call the CIF information line on 1300 798 655 (toll free in Australia) or +61 2 8280 7757 (international) or consult your financial or other professional adviser.

Further information is available at www.challenger.com.au/cif

Dated this 29 July 2008
Challenger Listed Investments Limited

**ALL OF THE ELIGIBLE INDEPENDENT DIRECTORS UNANIMOUSLY
RECOMMEND THAT YOU VOTE NO TO THE RESOLUTION**

Glossary

Arkmile	Arkmile Limited a subsidiary of Consensus Business Group.
Access Group	Access Capital Advisers and its subsidiaries.
Booklet	This document dated 29 July 2008.
CBG	Consensus Business Group.
CFSG	Challenger Financial Services Group Limited (ABN 85 106 842 371).
Chair	The chairperson of the meeting.
Challenger Group	CFSG and its subsidiaries.
CIF	Challenger Infrastructure Fund, which comprises two stapled managed investment schemes, CIF 1 and CIF 2, or, where relevant, CLIL as responsible entity of each of those managed investment schemes.
CIF 1	CIF Investment Trust 1 (ARSN 114 139 703).
CIF 2	CIF Investment Trust 2 (ARSN 114 139 632).
CL2	Challenger Life No. 2 Limited (ACN 072 486 938).
CLIL	Challenger Listed Investments Limited (ABN 94 055 293 644 AFSL 236887).
CMSL	Challenger Management Services Limited (ABN 29 092 382 842 AFSL 234678), the manager of CIF.
Corporations Act	Corporations Act 2001 (Cth).
Eligible Independent Directors	Means each of Brenda Shanahan, Geoff McWilliam, Ian Moore and Ian Martens, being the independent directors of the Responsible Entity who have made a recommendation in connection with the Resolution. Russell Hooper, who is an independent director of the Responsible Entity, has not made a recommendation as he is also a director of CFSG and CL2. Robert Woods and Brendan O'Connor have not made a recommendation as they are executive directors.
Inexus	Inexus Group (Holdings) Limited, in which CIF has a 80.4% interest.
LBC	Challenger LBC Terminals Jersey Limited, in which CIF has a 66.2% interest.
NAV	Net asset value.
Registry	Link Market Services Limited.
Resolution	The resolution concerning the winding up of CIF set out in the Notice of Meeting contained in this Booklet.
Responsible Entity	CLIL, as responsible entity of CIF.
Southern Water	Greensands Holding Limited, in which CIF has a 23.4% interest.

For personal use only

Level 15
255 Pitt Street
Sydney NSW 2000
telephone 02 9994 7000
facsimile 02 9994 7777

Level 10
101 Collins Street
Melbourne VIC 3000
telephone 03 8616 1000
facsimile 03 8616 1111

Level 19
241 Adelaide Street
Brisbane QLD 4000
telephone 07 3218 8000
facsimile 07 3220 3132

Level 3
55 St Georges Terrace
Perth WA 6000
telephone 08 9223 7800
facsimile 08 9221 2499

Level 1
212 Pirie Street
Adelaide SA 5000
telephone 08 8228 3270
facsimile 08 8212 1661

Investor Services
13 35 66
Adviser Services
1800 621 009
www.challenger.com.au





APPOINTMENT OF PROXY

If you would like to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.

You can also lodge your vote on-line at
www.linkmarketservices.com.au



X99999999999

I/We being a member(s) of Challenger Infrastructure Fund ("CIF" or "Fund") and entitled to attend and vote hereby appoint

A the **Chair of the Meeting (mark box)** **OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Fund to be held at 10:30am on Thursday, 28 August 2008, at Level 15, 255 Pitt Street, Sydney, and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the security registry. Proxies will only be valid and accepted by the Fund if they are signed and received no later than 48 hours before the meeting. The Chair of the Meeting intends to vote "No" to the resolution below.

B To direct your proxy how to vote on the resolution please insert in the appropriate box below.

	No	Yes	Abstain*
Resolution 1 Extraordinary resolution to wind up CIF	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in determining whether the resolution is passed.

C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, all of the joint holders must sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the *Corporations Act 2001* (Cwlth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).



How to complete this Proxy Form

1 Your name and address

This is your name and address as it appears on the Fund's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

2 Appointment of a proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the Fund. A proxy may be an individual or a body corporate.

3 Votes on item of business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite the item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on the item of business, your proxy may vote as he or she chooses. If you mark more than one box on the item your vote on that item will be invalid.

4 Appointment of a second proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Fund's security registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint holding: where the holding is in more than one name, all of the joint holders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Fund's security registry.

Lodgement of a proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:30am on Tuesday, 26 August 2008, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting, delivery or facsimile to Challenger Infrastructure Fund's security registry as follows:
Challenger Infrastructure Fund
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309
- lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website);
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.