

Notice of Meetings of Securityholders

and Explanatory Memorandum



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Notice of Meetings and Explanatory Memorandum should be read in its entirety. If you are in any doubt about the information provided or the action you should take, you should consult your financial, taxation or other professional adviser. Should you wish to discuss the matters in this Notice of Meetings and Explanatory Memorandum, please contact the Elanor Securityholder Information Line on 1300 855 080 for callers within Australia or +61 3 9415 4000 for callers outside of Australia between 8:30am and 5:30pm Sydney time Monday to Friday.

Notice of Meetings of Securityholders

Notice is hereby given that meetings of shareholders of Elanor Investors Limited (“**EIL**” or “**the Company**”) and unitholders of Elanor Investment Fund (“**EIF**” and together with EIL, “**ENN**”, “**Elanor**” or “**the Group**”) (“**Securityholders**”) will be held:

on Friday, 30 June 2023
at 10.00am Sydney time
at The Boyd Room, Level 2
Amora Hotel Jamison Sydney
11 Jamison Street, Sydney NSW 2000

for the purpose of transacting the items of business set out in this Notice of Meetings, being the approval of:

- (i) the issue of 24,754,165 ordinary stapled securities in ENN (“**ENN Securities**”) to Fidante Partners Holdco 1 Pty Limited, a wholly owned subsidiary of Challenger Limited, (“**Seller**”) as consideration for the acquisition of Challenger Limited’s real estate funds management business;
- (ii) the proposed amendments to the constitutions of EIL and EIF (“**Constitutions**”) to enable a selective buy-back of EIF units (“**Selective Buy-Back**”) to occur in conjunction with a selective reduction of the corresponding stapled EIL shares (“**Selective Reduction**”) and to align the securityholders meeting quorum requirements under the EIF and EIL constitutions; and
- (iii) EFML as the responsible entity of EIF to undertake a selective buy-back of units in EIF, and EIL to undertake a selective reduction of shares in EIL, to clawback a portion of the Consideration Securities as required by way of adjustment to the value of consideration paid by Elanor if, and when, certain agreed financial milestones are not met over a three-year period.

Any amendments to the date, location or items of business of the meetings will be communicated to Securityholders by email to their email addresses recorded with Computershare and by ASX announcement.

If you wish to vote by proxy, please complete and return the Proxy Form provided to you by following the instructions set out in the Notice of Meetings in sufficient time so that it is received by Computershare no later than 10.00am Sydney time, Wednesday 28 June 2023.

This Notice is issued jointly by Elanor Investors Limited (ACN 169 308 187) and Elanor Funds Management Limited (ACN 125 903 031) (“**EFML**”) in its capacity as responsible entity for Elanor Investment Fund (ARSN 169 450 926).

The attached Explanatory Memorandum is provided to supply Securityholders with information to enable Securityholders to make an informed decision regarding the Resolutions set out in this Notice of Meetings. The Explanatory Memorandum is to be read in conjunction with this Notice of Meetings.

Terms and abbreviations are defined in the Glossary at the end of this Notice of Meetings and Explanatory Memorandum.

The Directors of Elanor unanimously recommend that you vote in favour of all the Resolutions.

**The Directors unanimously recommend that Securityholders vote
IN FAVOUR of all Resolutions.**

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Letter from the Chair

29 May 2023

Dear Securityholder,

On 6 April 2023, Elanor announced the proposed acquisition of the Australian real estate funds management business owned by Challenger Limited (ASX:CGF) (“**Challenger**”) (the “**Transaction**”). Securityholders are being asked to consider and vote on three resolutions to execute the Transaction in the proposed form.

Transaction

EIL and Challenger have entered into agreements for EIL to acquire 100% of Challenger’s \$3.4 billion assets under management (“**AUM**”) Australian real estate funds management business (“**CRE**”) for a maximum consideration of \$41.8 million¹ and establish a broader strategic partnership between Elanor and Challenger.

Subsequent to the announcement of the Transaction, and as at the date of this document, Elanor has been advised by Challenger that one third party institutional mandate will not transfer and as such, the Purchase Price for CRE has been reduced to \$37.7 million.

EIL will issue up to 24,754,165 EIL shares and procure EFML to issue up to 24,754,165 EIF units to Fidante Partners Holdco 1 Pty Limited, a wholly owned subsidiary of Challenger Limited, as consideration for the acquisition of CRE, representing up to 16.7% of ENN Securities on issue (“**Consideration Securities**”).²

The Consideration Securities are subject to clawback provisions (of up to approximately 63% over three years) based on certain milestones, including minimum base funds management fee targets. A Purchase Price top-up may be payable after a clawback has occurred, but this will only be in circumstances where the CRE business is performing at a level which justifies this top-up.

Elanor and Challenger have also entered into a strategic partnership whereby Elanor will be Challenger’s real estate funds management partner in Australia and New Zealand and Fidante (Challenger’s multi-affiliate funds management business) will exclusively distribute Elanor’s real estate managed funds.

Elanor will become Challenger Life Company Limited’s commercial real estate partner in Australia and New Zealand, managing a \$2.7 billion portfolio of real estate assets.

The acquisition delivers a step-change in size and scale for Elanor, increasing AUM from \$3.0 billion to \$6.4 billion,³ with the strategic partnership positioning Elanor for further strong growth.

¹ \$41.8m maximum consideration:

- based on certain financial milestones being achieved; and
- assumes all CRE AUM, including institutional mandates from third parties, is transferred to Elanor. In the event no third party institutional mandates are transferred a reduction in forecasted AUM may occur, and the Purchase Price will reduce as outlined in section 1.7.

² Assumes a Purchase Price of \$37.7 million at Completion.

³ Assumes all CRE AUM, including institutional mandates from third parties (other than the one notified by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

Transaction benefits

The acquisition and strategic partnership delivers substantial value to Elanor, including:

- Material FY24 earnings accretion. CRE has been acquired on an attractive forward EBITDA multiple (after expected synergies);⁴
- Strengthened recurring funds management income with base management fee income increasing by approximately 57%. Pro-forma base management fees, post-Transaction, represent approximately 74% of total funds management income;⁵
- Step-change in size and scale with AUM growing to \$6.4 billion;⁶
- Exclusive distribution agreement combines Elanor's leading real estate funds management platform with Fidante's award-winning capital raising capability, positioning Elanor for continued strong growth; and
- Alignment of interests with Challenger becoming Elanor's largest securityholder (with a representative appointed to the Elanor Board), with Challenger intending to be a long-term Elanor Securityholder and will work with management to support growth of the business.

Potential disadvantages

The acquisition and strategic partnership, like any corporate transaction, may present certain risks and disadvantages for Securityholders. These are set out in the frequently asked questions and section 2.5 of the attached Explanatory Memorandum, and include CRE not performing as well as expected, Challenger as a large securityholder potentially exerting influence over matters relating to Elanor and dilution of existing Securityholders' voting power in the Group.

Resolutions

There are three resolutions that must be passed by Securityholders in the Meetings to approve the issue and potential clawback of Consideration Securities to execute the Transaction in its proposed form ("**Resolutions**"). The Resolutions are set out in the Notice of Meetings and described in further detail in section 2 of the Explanatory Memorandum.

Reasons to vote in favour of the Resolutions

The Directors are of the view that the advantages of the Transaction (as listed above), and other matters which may be relevant to an Elanor Securityholder's decision to vote in favour of the Resolutions, include the following:

- **Alignment of Challenger and Elanor interests:** via Resolution 1 whereby Challenger will become Elanor's largest Securityholder with up to a 16.7% interest.⁷ This aligns Challenger's interests with Elanor's; and

⁴ EBITDA represents CRE funds management EBITDA normalised for corporate overheads and other synergies and assumes all current CRE AUM, including third party institutional mandates (other than the one notified by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected, a reduction in forecasted EBITDA will occur, and the Purchase Price will be reduced as outlined in section 1.7.

⁵ Pro-forma adjusted for the impact of annualised base management fees of the acquisition on Elanor's FY22 total funds management revenue and assumes all current CRE AUM, including third party institutional mandates (other than the one notified to Elanor which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor a reduction in forecasted base management fees will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

⁶ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one notified to Elanor which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor's AUM will only increase by \$2.7 billion to \$5.7 billion (see section 1.7).

⁷ Assumes a Purchase Price of \$37.7 million at Completion.

- **Protection against downside risk:** the Transaction includes a consideration clawback mechanism, via Resolution 2 and Resolution 3 whereby Elanor can buy-back / reduce a portion of the Consideration Securities if and when certain agreed milestones are not met over a three-year period which protects Securityholders from downside risk. As noted in section 1.7.4 of the Explanatory Memorandum it is possible that a Purchase Price top-up will be payable after a clawback has occurred, but this will only be in circumstances where the CRE business is performing at a level which justifies this top-up.

Reasons you may choose to vote against the Resolutions

The potential risks and disadvantages associated with approval of the Resolutions and other matters which may be relevant to a Securityholder's decision to vote against the Resolutions are set out in the frequently asked questions and section 2.5 of the attached Explanatory Memorandum.

Unanimous support of all Directors

After careful consideration, the Directors have all concluded that the proposed Resolutions are in the best interests of Securityholders and unanimously recommend that you vote in favour of all of the Resolutions for the reasons outlined above.

How to Vote

The Meetings will be held on Friday, 30 June 2023 at 10.00am at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 (subject to any update to that timing or venue before the Meetings which would be communicated by email and announced on ASX) for the purpose of voting on the Resolutions.

Securityholders are strongly encouraged to lodge a directed Proxy Form prior to the Meetings in accordance with the instructions in the Notice of Meetings.

Your vote is important

Full details of the Resolutions, including matters which you should consider, are included in the Notice of Meetings and Explanatory Memorandum and I encourage you to read these carefully. If you have any questions, please contact the toll-free Information Line on 1300 855 080 (within Australia) and +61 3 9415 4000 (outside Australia) between 8:30 am and 5:00 pm AEST Monday to Friday.

Your Directors would like to take this opportunity to thank you for your support and are unanimously recommending that you vote in favour of all of the Resolutions. The various ways you can cast your vote are set out in the Notice of Meetings and accompanying Explanatory Memorandum.

Yours sincerely,



Paul Bedbrook
Chair

Items of Business

Resolution 1 – Issue of ENN Securities to the Seller

To consider and, if thought fit, pass the following Resolution as an **ordinary resolution**:

“For the purpose of Listing Rule 7.1 and for all other purposes, and subject to Resolutions 2 and 3 in the Notice of Meetings being passed, approval is given for EIL and EFML as the responsible entity of EIF to issue 24,754,165 ENN Securities to the Seller.”

Short explanation: the proposed issue of Consideration Securities to the Seller requires approval from Securityholders under Listing Rule 7.1 because:

- it exceeds the 15% limit in Listing Rule 7.1 (as it represents approximately 16.7% of ENN Securities on issue)⁸; and
- it does not fall within any of the exceptions in Listing Rule 7.2.

Note: the additional 10% placement capacity approved by Securityholders at the 2022 Annual General Meeting under Listing Rule 7.1A will not be available as the Consideration Securities are not being issued for cash consideration.

Resolution 2 – Amendment to the Constitutions

To consider and, if thought fit, pass the following Resolution as a **special resolution**:

“For the purposes of sections 136(2) and 601GC(1)(a) of the Corporations Act 2001 (Cth) and all other purposes, and subject to Resolutions 1 and 3 in the Notice of Meetings being passed, the constitutions of EIL and EIF each be amended in the manner set out in the constitutions tabled by the Chair and initialled for the purpose of identification, with effect from the date when the Constitution amendments are lodged with ASIC.”

Short explanation: the purposes of the proposed technical amendments to the Constitutions are to enable a Selective Buy-Back of EIF units to occur in conjunction with a Selective Reduction of the corresponding stapled EIL shares and to align the Securityholders meeting quorum requirements under the EIF and EIL constitutions.

Resolution 3 – Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares

To consider and, if thought fit, pass the following Resolution as a **special resolution**:

“For the purposes of section 256C(2) of the Corporations Act 2001 (Cth) and the ASIC Relief, and for all other purposes, and subject to Resolutions 1 and 2 in the Notice of Meetings being passed, approval is given to EFML as the responsible entity of EIF to undertake a selective buy-back of units in EIF, and to EIL to undertake a selective reduction of shares in EIL, as described in and in accordance with the terms detailed in the Explanatory Memorandum accompanying this Notice of Meetings.”

Short explanation: the Selective Buy-Back and Selective Reduction are mechanisms designed to clawback a portion of the Consideration Securities, if required, by way of adjustment to the value of consideration paid by Elanor if, and when, certain agreed milestones are not met over a three-year period.

⁸ Assumes a Purchase Price of \$37.7 million at Completion.

How to Vote

These Voting Notes should be read together with, and form part of, the Notice of Meetings.

Securityholders are strongly encouraged to lodge a directed Proxy Form prior to the Meetings in accordance with the instructions in the Notice of Meetings.

Securityholders eligible to Vote

In accordance with sections 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, Elanor has determined that for the purposes of the Meetings, all ENN Securities will be taken to be held by the registered holders at 7.00pm Sydney time on Wednesday, 28 June 2023.

Accordingly, ENN Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meetings.

Admission to Meetings

If you will be attending the Meetings and you will not appoint a proxy, please bring your Proxy Form (accompanying this Notice of Meetings) to the meetings to help speed admission. Your Proxy Form contains identification details that can be scanned upon entry. You will be able to register from 9.00am on the day of the Meetings. If you do not bring your Proxy Form with you, you will still be able to attend and vote at the Meetings, but representatives from Computershare will need to verify your identity.

Voting on all Resolutions will be conducted by a poll.

Proxies

If you are eligible to vote but do not plan to attend the Meetings, you are encouraged to complete and return a Proxy Form. You are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes.

A proxy need not be a Securityholder. If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the Proxy Form. If you sign and return a Proxy Form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

Securityholders are strongly encouraged to lodge a directed Proxy Form prior to the meetings in accordance with the instructions in this Notice of Meetings.

Where to Lodge Your Proxy

You may lodge a proxy by following the instructions set out on the Proxy Form accompanying this Notice of Meetings. To be effective the proxy must be received by Computershare in accordance with the instructions on the Proxy Form at the postal address, fax number or website below, not later than 10.00am (Sydney time) on Wednesday, 28 June 2023:

Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001, Australia

Or to: Fax 1800 783 447
if overseas to: +61 (3) 9473 2555

Or: Online at www.investorvote.com.au
Instructions on how to lodge online can be found on the Proxy Form
For Intermediary Online subscribers (custodians) go to: www.intermediaryonline.com

Attorney and Corporate Representatives

Where the appointment of a proxy is signed by the appointer's attorney, the original (or certified copy) of the instrument appointing an attorney should be provided to the Registry by no later than 10.00am (Sydney time) on Wednesday, 28 June 2023 (unless a copy has already been provided to the Registry).

A corporate Securityholder wishing to appoint a person to act as its representative at the Meetings may do so by providing that person with:

- a letter, certificate or form authorising him or her as the corporate Securityholder's representative, executed in accordance with the corporate Securityholder's Constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or Director of the corporate Securityholder.

A form may be obtained from the Computershare website at www.investorcentre.com/au and by selecting "Printable Forms".

Appointment of the Chair or Other Associate as Your Proxy

Due to the voting exclusions and requirements referred to in the Notice of Meetings, if you intend to appoint any person who is excluded from voting under the "Voting Exclusions" section, other than the Chair, as your proxy, you should direct your proxy on how to vote on Resolution 1 – Issue of ENN Securities to the Seller, Resolution 2 – Amendment to the Constitutions and Resolution 3 – Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares by marking either "For", "Against" or "Abstain" on the Proxy Form for the relevant item of business.

If you do not direct such a proxy on how to vote on that Resolution, they will not be able to vote an undirected proxy and your vote will not be counted on that Resolution. This does not apply to the Chair, who is able to vote undirected proxies on all Resolutions.

How the Chair will Vote Undirected Proxies

The Chair intends to vote any undirected proxies in favour of all Resolutions.

You should note that if you appoint the Chair as your proxy, or the Chair is appointed your proxy by default, you will be taken to authorise the Chair to exercise the proxy. If you wish, you can appoint the Chair as your proxy and direct the Chair to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the Proxy Form before you return it.

Voting Exclusions

Section 253E of the *Corporations Act 2001 (Cth)* (**Corporations Act**) provides that a responsible entity of a managed investment scheme and its associates are not entitled to vote their interest on any resolution if they have an interest in the resolution other than as a member, unless the vote is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

In accordance with section 253E, no votes may be cast in respect of the Resolutions by the Responsible Entity or any of its associates, unless the vote is cast as a proxy for a person who is entitled to vote and in accordance with the directions on the Proxy Form.

Further, in accordance with the Listing Rules, Elanor will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a member) and their associates. As such, Elanor will disregard any votes cast in favour of any Resolution by or on behalf of:

- EFML (being the Responsible Entity of EIF) or any of its associates; or
- Challenger, the Seller, or any of their associates.

However, this does not apply to a vote cast in favour of a Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the meetings as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important Notes

Concurrent Meetings

Each ENN Security consists of a share in Elanor Investors Limited (“**EIL**”) and a unit in Elanor Investment Fund (“**EIF**”). The responsible entity of EIF is EFML. The shares and units are “stapled” together and quoted jointly on the ASX. As EIL and EIF are separate entities, each is required to conduct a separate meeting. The Chair of the Meetings has determined that because the Resolutions to be proposed at the two meetings

and the persons eligible to vote on the Resolutions are the same, both meetings will be conducted concurrently so that, from an administrative and attendee point of view, the conduct of the Meetings will be as if they were one single meeting.

Quorum

The constitution of EIL provides that three EIL shareholders present in person or by proxy, attorney or representative who are entitled to vote shall be a quorum for the Meeting and the constitution of EIF provides that two EIF unitholders present in person or by proxy, attorney or representative who are entitled to vote shall be a quorum for the Meeting.

Required voting thresholds

The vote on the Resolutions will be conducted by way of a poll.

On a poll, each Securityholder has one vote for each ENN Security held at 7.00pm Sydney time on Wednesday, 28 June 2023 (subject to any update to that timing before the Meetings which would be communicated by email and announced on ASX).

- If a Resolution is an ordinary resolution, it will be passed if more than 50% of the votes cast by members entitled to vote on the Resolution are in favour.
- If a Resolution is a special resolution, it will be passed if 75% or more of the votes cast by members entitled to vote on the Resolution are in favour.

Attendance

If you plan to attend the Meetings, we ask that you arrive at the venue at least 30 minutes prior to the time designated for the Meetings so that we may check the number of your ENN Securities and register your attendance.

Joint holdings

If your ENN Securities are jointly held, only one of the joint holders is entitled to vote. If more than one Securityholder votes in respect of that interest, only the vote of the Securityholder whose name appears first in the register of members counts.

Appointment of Chair

Pursuant to the authority of EIL under clause 18.6 of its Constitution and in accordance with section 252S of the Corporations Act and clause 22.7 of EIF's Constitution, the Chair of the Board, Mr. Paul Bedbrook, has been appointed as the Chair of the Meeting by EIL and EFML. Failing him, another person appointed by EIL and EFML will act as Chair of the Meetings.

By order of the Board



Symon Simmons
Company Secretary

Monday, 29 May 2023

Explanatory Memorandum

Important Notices

Purpose of this Explanatory Memorandum

This Explanatory Memorandum is issued by EIL and EFML in its capacity as Responsible Entity of EIF of which the Securities are stapled and Listed on ASX as Elanor Investors Group (ASX: ENN).

This Explanatory Memorandum has been prepared by the Company and the Responsible Entity and explains the business to be conducted at the Meetings. The purpose of the Explanatory Memorandum is to provide information to Securityholders which is known to the Company and the Responsible Entity, and which they believe is material to the decision on how to vote on the Resolutions in the Notice of Meetings. The Explanatory Memorandum forms part of and should be read in conjunction with the Notice of Meetings.

The purpose of this Explanatory Memorandum and the Notice of Meetings is to:

- provide information about the acquisition of Challenger Real Estate (“**CRE**”), as described further in this Explanatory Memorandum and the Notice of Meetings; and
- provide such other information that may be considered material to Securityholders in determining how to vote on the issue of Consideration Securities and the other Resolutions set out in the Notice of Meetings.

All information in this document forms part of the Notice of Meetings.

This Explanatory Memorandum and the Notice of Meetings:

- is not a prospectus under Chapter 6D of the Corporations Act or a product disclosure statement under Chapter 7 of the Corporations Act; and
- does not contain all information which would be required to be included in a prospectus under Chapter 6D of the Corporations Act or a product disclosure statement under Chapter 7 of the Corporations Act.

It is therefore important that you read previously disclosed publicly available information about Elanor (for example on the Elanor website at <https://www.elanorinvestors.com> or on ASX’s website at <https://www2.asx.com.au/markets/company/enn>) before deciding how to vote on the Resolutions.

If you have any queries or are uncertain about any aspect of this document, you should consult your financial, legal, tax or other professional adviser.

None of the Company and the Responsible Entity, their advisors nor any other person guarantees:

- any specific rate of return in respect of ENN Securities;
- the performance of Elanor; and
- any particular tax treatment.

How to participate in the Meetings

The Meetings will be held on Friday, 30 June 2023 at 10.00am at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 (subject to any update to that timing or venue before the Meetings which would be communicated by email and announced on ASX) for the purpose of voting on the Resolutions.

Securityholders are strongly encouraged to lodge a directed Proxy Form prior to the Meetings in accordance with the instructions in the Notice of Meetings.

No investment advice

The information contained in this Explanatory Memorandum and the Notice of Meetings does not constitute financial product advice and has been prepared without reference to your particular investment objectives, financial situation, taxation position and needs.

It is important that you read the Explanatory Memorandum and the Notice of Meetings in its entirety before making any investment decision and any decision on how to vote on the Resolutions. If you are in any doubt on how to vote on the Resolutions, in relation to the issue of ENN Securities to Challenger, the changes to the Constitutions, the potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares, or any action to be taken, you should contact your financial, legal, tax or other professional adviser.

Preparation and responsibility

This Explanatory Memorandum and the Notice of Meetings have been prepared by the Company and the Responsible Entity. Subject to law, the Company, the Responsible Entity and their Directors and officers do not assume any responsibility for the fairness, accuracy, correctness or completeness of any information contained in the Explanatory Memorandum and the Notice of Meetings.

To the maximum extent permitted by law, neither of the Company and the Responsible Entity nor any of their respective directors, officers, employees, agents or associates accepts any liability for any loss arising from the use of this Explanatory Memorandum and the Notice of Meetings.

The information in this Explanatory Memorandum and the Notice of Meetings remains subject to change without notice. The Company and the Responsible Entity reserves the right to withdraw or vary the timetable for implementing the Resolutions without notice.

Forward looking statements

This Explanatory Memorandum and the Notice of Meetings may contain statements which are considered to be forward-looking.

Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'predict', 'plan', 'will', 'believe', 'forecast', 'estimate', 'target', and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome of the Transaction.

Forward looking statements may involve significant elements of subjective judgment, assumptions as to future events, and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Company and the Responsible Entity (and their Directors, officers, employees, agents or associates).

Unforeseen or unpredictable events and various risks could affect the future results of Elanor following the implementation of the Resolutions, causing results to differ from those which are expressed, implied or projected in any forward-looking statements. Given these uncertainties, it is prudent not to place undue reliance on any forward-looking statements. Refer to section 2.5 (*Risks associated with approval of Resolutions*) of this Explanatory Memorandum for a summary of certain general and Elanor specific risk factors that may affect Elanor. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance

to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Explanatory Memorandum in light of these disclosures.

The forward-looking statements are based on information available to the Company and the Responsible Entity as at the date of this Explanatory Memorandum and the Notice of Meetings. Except as required by law or regulation (including the Listing Rules), the Company and the Responsible Entity undertake no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance

Investors should note that past performance, including past security price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Elanor performance including future security price performance.

Defined terms

Capitalised terms used in this Explanatory Memorandum and the Notice of Meetings are defined in the Glossary.

Time

Unless stated otherwise, all times expressed in this Explanatory Memorandum and the Notice of Meetings refer to Sydney time.

Times and dates in this Explanatory Memorandum and the Notice of Meetings are (except where historical) indicative only and subject to change. Refer to the “Key dates” section for more details.

Currency and financial data

Unless stated otherwise, all references to dollars, \$, cents or ¢ are to Australian dollars and financial data is presented as at the date stated. Any discrepancies between totals and the sum of components in the tables contained in this Explanatory Memorandum are due to rounding.

Updated information

Elanor may update the information contained in this Explanatory Memorandum and the Notice of Meetings via the ASX announcements platform and on its website at <https://www.elanorinvestors.com/enn/>.

Privacy

The Company and the Responsible Entity may collect personal information in the process of conducting the Meetings and implementing the Resolutions, if approved.

Such information may include the Securityholder’s name, contact details and securityholding, and the name of persons they have appointed to act as a proxy, corporate representative or attorney at the Meetings. The primary purpose of collecting personal information is to assist the Company and the Responsible Entity to conduct the Meetings and implement the Resolutions if approved. Personal information collected will not be used for any other purpose.

Personal information of the type described above may be disclosed to print, mail and other service providers and related bodies corporate of the Company or the Responsible Entity. Securityholders and persons appointed to act as a proxy, corporate representative or attorney at the Meetings have certain rights to access their personal information that has been collected and may contact the Company and the Responsible Entity in the first instance if they wish to access their personal information.

Key information

Key dates

The following are the key dates in relation to the Transaction:

Event	Date
Dispatch of the Notice of Meetings and the Explanatory Statement	Monday, 29 May 2023
Last time and date for receipt of Proxy Forms (including proxies lodged online) or powers of attorney by the Registry for the Meetings	Wednesday, 28 June 2023 at 10.00am (Sydney time)
Time and date for determining eligibility to vote at the Meeting	Wednesday, 28 June 2023 at 7.00pm (Sydney time)
Securityholder Meetings	Friday, 30 June 2023 at 10.00am (Sydney time)
Announcement of Meetings results	Friday, 30 June 2023
Lodgment with ASIC of Notification of resolutions regarding shares	Tuesday, 04 July 2023
Lodge ASX Appendix 2A Application for quotation of Consideration Securities	Thursday, 06 July 2023
Completion of the Transaction and issue and quotation of Consideration Securities	Friday, 07 July 2023

All times and dates in the above timetable are references to the time and date in Sydney, New South Wales, Australia and all such times and dates are subject to change. The Company and the Responsible Entity may vary any or all of these dates and times and will provide notice of any such variation to the ASX. Certain times and dates are conditional on the approval of the Resolutions by Securityholders and the ASX. Any changes will be announced by the Company and the Responsible Entity to the ASX.

Frequently asked questions

Question	Answer	More information
Overview		
What is the Transaction?	<ul style="list-style-type: none">• EIL and Challenger have entered into agreements for EIL to acquire 100% of Challenger's \$3.4 billion AUM Australian real estate funds management business for a maximum consideration of \$41.8 million⁹ and establish a broader strategic partnership between Elanor and Challenger.• Subsequent to the announcement of the Transaction, and as at the date of this document, Challenger has advised that one third party institutional mandate will not transfer and as such, the Purchase Price has been reduced to \$37.7 million.• EIL will issue 24,754,165 EIL shares and procure EFML to issue 24,754,165 EIF units to the Seller, a wholly owned subsidiary of Challenger Limited, as consideration for the acquisition of CRE, representing up to 16.7% of ENN Securities on issue.¹⁰• The Consideration Securities are subject to clawback provisions (of up to approximately 63% over three years) based on certain milestones, including minimum base funds management fee targets.• Elanor and Challenger have also entered into a strategic partnership whereby Elanor will be Challenger's real estate funds management partner in Australia and New Zealand and Fidante (Challenger's multi-affiliate funds management business) will exclusively distribute Elanor's real estate managed funds.• Elanor will become Challenger Life Company Limited's commercial real estate partner in Australia and New Zealand, managing a \$2.7 billion portfolio of real estate assets.	<i>Section 1.1</i>

⁹ \$41.8m maximum consideration:

- based on certain financial milestones being achieved; and
- assumes all CRE AUM, including institutional mandates from third parties, is transferred to Elanor. In the event no third party institutional mandates are transferred a reduction in forecasted AUM may occur, and the Purchase Price will reduce as outlined in section 1.7.

¹⁰ Assumes a Purchase Price of \$37.7 million at Completion.

Question	Answer	More information
	<ul style="list-style-type: none"> The acquisition delivers a step-change in size and scale for Elanor, increasing AUM from \$3.0 billion to \$6.4 billion,¹¹ with the strategic partnership positioning Elanor for further strong growth. 	
What are the advantages of the Transaction?	<p>The acquisition of CRE and strategic partnership with Fidante delivers substantial value, including:</p> <ul style="list-style-type: none"> Material FY24 earnings accretion. CRE has been acquired on an attractive forward EBITDA multiple (after expected synergies);¹² Strengthened recurring funds management income with base management fee income increasing by approximately 57%. Pro-forma base management fees, post-Transaction, represent approximately 74% of total funds management income;¹³ Step-change in size and scale with AUM growing to \$6.4 billion;¹⁴ Exclusive distribution agreement combines Elanor’s leading real estate funds management platform with Fidante’s award-winning capital raising capability positioning Elanor for continued strong growth; and Alignment of interests with Challenger becoming Elanor’s largest securityholder (with a representative on the Elanor Board). 	<i>Section 1.4</i>

¹¹ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

¹² EBITDA represents CRE funds management EBITDA normalised for corporate overheads and other synergies and assumes all CRE AUM, including third party institutional mandates (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected a reduction in forecasted EBITDA will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

¹³ Pro-forma adjusted for the impact of annualised base management fees of the acquisition on Elanor’s FY22 total funds management revenue and assumes all current CRE AUM, including third party institutional mandates (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor a reduction in forecasted base management fees will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

¹⁴ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

Question	Answer	More information
What are the potential disadvantages of the Transaction?	<p>Matters which may be relevant to a Securityholder's decision to not support the proposed resolutions, include the following:</p> <ul style="list-style-type: none">• Challenger becoming a major securityholder in Elanor (up to 16.7%)¹⁵ as a part of the Transaction and may be in a position to exert influence over matters relating to Elanor, including through its nominee to the Elanor Board. Although the interests of Challenger and other Elanor Securityholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. Conflict of interest protocols exist to manage this scenario, as noted in the summary of key terms of the Subscription Deed in section 6.2;• CRE may not perform as well as expected and there are other risk factors involved in the acquisition of this nature, some of which are set out in section 2.5;• Securityholders who are not in favour of the Transaction may seek to sell their ENN Securities. Depending on the supply and demand for ENN Securities following the Transaction, selling may place downward pressure on the price of ENN Securities; and• Existing Securityholders' voting power in the Group will be diluted.	<i>Section 1.5</i>
What risk mitigants are in place for the Transaction?	<p>The key transaction risk mitigants for Securityholders comprise:</p> <ul style="list-style-type: none">• Purchase Price reduction with reference to certain key investment management agreements not transferring or otherwise being terminated prior to Completion;• clawback of Consideration Securities issued at Completion with reference to certain key investment management agreements not transferring or otherwise being terminated within nine months of Completion; and	<i>Section 1.7</i>

¹⁵ Assumes a Purchase Price of \$37.7 million at Completion.

Question	Answer	More information
	<ul style="list-style-type: none"> • clawback of Consideration Securities issued at Completion with reference to: <ul style="list-style-type: none"> – certain financial metrics in respect of the CRE business not being achieved for the three financial years ending 30 June 2026; or – notice terminating the CLC IMA is given, or the CLC IMA is terminated, prior to 30 June 2026 (subject to certain exceptions). <p>EIL will not amend the agreed milestones underpinning the Selective Buy-Back, Selective Reduction, Purchase Price reduction and Purchase Price top-up in any material respect without notice to all holders of ENN Securities (which may be by an announcement on the market announcements platform operated by ASX).</p>	
<p>What is the Purchase Price reduction?</p>	<p>In order to ensure that ENN pays an appropriate amount of consideration for the Transaction, the maximum consideration of \$41.8 million¹⁶ is subject to reduction by an amount of up to approximately \$14.1 million if certain key investment management agreements which form part of the CRE business are terminated, are not transferred or a termination notice in respect of any such investment management agreement has otherwise been received prior to Completion.</p> <p>Subsequent to announcement of the Transaction, and as at the date of this document, Elanor has been advised by Challenger that one third party institutional mandate will not transfer and as such, the Purchase Price has been reduced to \$37.7 million.</p> <p>In the event no third party institutional mandates transfer:</p> <ul style="list-style-type: none"> • the Purchase Price will be reduced to \$27.7 million¹⁷; and 	<p><i>Section 1.7.1</i></p>

¹⁶ \$41.8m maximum consideration:

- based on certain financial milestones being achieved; and
- assumes all CRE AUM, including institutional mandates from third parties, is transferred to Elanor. In the event no third party institutional mandates are transferred a reduction in forecasted AUM may occur, and the Purchase Price will reduce as outlined in section 1.7.

¹⁷ In this scenario, forecast EBITDA will reduce substantially on a proportionate basis and Elanor's AUM will only increase by \$2.7 billion to \$5.7 billion (see section 1.7).

Question	Answer	More information
How does the clawback mechanism work and when will it occur?	<ul style="list-style-type: none">• EIL will only issue 18,148,284 EIL shares and procure EFML to only issue 18,148,284 EIF units to the Seller as consideration for the acquisition of CRE, representing up to 12.8% of ENN Securities on issue. <p>The clawback mechanism ensures that the Purchase Price can be reduced after Completion. The clawback mechanism is designed to protect against downside risk for Securityholders, including that posed by the uncertainty of exactly when certain key investment management agreements which form part of the CRE business are to transfer.</p> <p>EIL may reduce (by cancellation) the number of EIL shares and procure EFML to buy-back the number of EIF units, which together comprise the number of ENN Securities held by the Seller, for a nominal amount of \$1, up to an amount of approximately 63% of the Consideration Securities issued to the Seller at Completion if:</p> <ul style="list-style-type: none">• certain key investment management agreements which form part of the CRE business are terminated, are not transferred or a termination notice in respect of any such investment management agreement has otherwise been received within nine months after Completion;• certain financial metrics in respect of the CRE business are not achieved post Completion for the three financial years ending 30 June 2026; and/or• subject to certain exceptions, notice terminating the CLC IMA is given, or the CLC IMA is terminated, prior to 30 June 2026.	<i>Section 1.7.3</i>
What is the purchase price top-up?	<p>If certain events occurred which resulted in a reduction in the Purchase Price payable by the Buyer for the CRE business being reduced but the annual recurring base revenue for the CRE business, as at 30 June 2026, still exceeds a specified threshold amount, then a further 'top up' amount (subject to a</p>	<i>Section 1.7.4</i>

Question	Answer	More information
	<p>cap of up to \$14.1 million¹⁸ reflecting an overall maximum consideration of \$41.8 million) will be payable by the Buyer, in cash, to the Seller.</p> <p>The relevant events which must have occurred for such amount to be payable by the Buyer are:</p> <ul style="list-style-type: none"> • the Purchase Price payable on Completion having been reduced; or • any of the Consideration Securities having been cancelled and bought back, <p>because, in either event, prior to Completion or within nine months after Completion, a key investment management agreement:</p> <ul style="list-style-type: none"> – was terminated; – was not transferred; or – a termination notice in respect of any such investment management agreement was received. <p>The Purchase Price top-up, to the extent such is payable, will be:</p> <ul style="list-style-type: none"> • paid by the Buyer 20 Business Days after 30 June 2026; and • funded by the Buyer from working capital or available facilities. 	
<p>When is the purchase price top-up payable?</p>	<p>20 Business Days after 30 June 2026.</p>	<p><i>Section 1.7.4</i></p>

¹⁸ Being the aggregate of Purchase Price reductions prior to Completion and all amounts clawed back by the Buyer as a result of certain key investment management agreements (which form part of the CRE business) being terminated, not transferring, or for which a termination notice was otherwise received within nine months after Completion.

Question	Answer	More information
Resolutions		
What are the Resolutions?	<p>At the Meetings, Securityholders will be asked to consider, and if thought fit, to pass:</p> <ul style="list-style-type: none"> • the Issue of ENN Securities to the Seller Resolution; • the Amendment to the Constitutions Resolution to approve proposed amendments to the Constitutions, which enable a Selective Buy-Back of EIF units to occur in conjunction with a Selective Reduction of the corresponding stapled EIL shares and align the securityholders meeting quorum requirements under the EIF and EIL constitutions; and • the Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares Resolution, which are mechanisms designed to clawback a portion of the Consideration Securities if, and when, certain agreed milestones are not met over a three-year period. 	<i>Section 2</i>
What does the Board recommend?	<p>The Directors unanimously recommend that Securityholders vote in favour of all the Resolutions.</p> <p>If they are entitled to do so, the Directors intend to vote in favour of all of the Resolutions in relation to their own ENN Securities (if any).</p>	<i>Sections 3 and 5.4</i>
What will happen if the Resolutions are not approved?	<p>The consequences if the Resolutions are not approved are that:</p> <ul style="list-style-type: none"> • Elanor will not be able to proceed with the Transaction in accordance with the terms agreed with Challenger and the Seller; and • Elanor will be liable to pay a break fee amount of \$460,000 and will be required to pay sunk transaction costs estimated at approximately \$900,000. 	<i>Section 2.4</i>

Question	Answer	More information
Meeting details and voting		
When and where will the meetings be held?	<p>Subject to any update to timing or venue before the Meetings which would be communicated by email and announced on the ASX, the Meetings will be held at:</p> <ul style="list-style-type: none"> • 10.00am (Sydney time) on Friday, 30 June 2023; and • The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000, <p>for the purpose of voting on the Resolutions.</p>	<i>Section 4.2.1</i>
Can I attend the Meetings, and vote, online or in person?	<p>The Meetings will be held in person at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 for the purpose of voting on the Resolutions. Further information about attending the Meetings can be found in the Notice of Meetings.</p>	<i>Section 4.2.2</i>
Who is entitled to vote on the Resolutions?	<p>You will be entitled to vote on the Resolutions if you are registered as a Securityholder on the Register as at 7.00pm Wednesday, 28 June 2023.</p>	<i>Section 4.2.2</i>
What are the Securityholder approval thresholds for the Resolutions?	<p>In relation to Resolution 1 – Issue of ENN Securities to the Seller, the Requisite Majority of votes in favour required for the Resolution to pass is more than 50% of the total number of votes cast by Securityholders entitled to vote on the Resolution.</p> <p>In relation to each of Resolution 2 – Amendment to the Constitutions and Resolution 3 – Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares, the Requisite Majority of votes in favour required for the Resolution to pass is 75% or more of the total number of votes cast by Securityholders entitled to vote on the Resolutions.</p>	

Question	Answer	More information
How can I vote?	<p>Subject to any update to timing or venue before the Meetings which would be communicated by email and announced on ASX, the Meetings will be held on Friday, 30 June 2023 at 10.00am at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 for the purpose of voting on the Resolutions.</p> <p>If you would like to vote but cannot attend the Meetings, you can vote by appointing a proxy, attorney or corporate representative (if applicable) to vote on your behalf, including by lodging your Proxy Form online at www.investorvote.com.au and following the instructions on your Proxy Form.</p>	<i>Section 4.2.2</i>
Other questions		
Where can I get further information?	<p>If, after reading this Explanatory Memorandum, you have any questions regarding the Resolutions, please call 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia), or consult your legal, investment or other professional adviser.</p>	<i>N/A</i>

1. Summary of the Transaction

1.1 What is the Transaction

EIL and Challenger have entered into agreements for EIL to acquire 100% of CRE for a maximum consideration of \$41.8 million¹⁹ and establish a broader strategic partnership between Elanor and Challenger.

Subsequent to announcement of the Transaction, and as at the date of this document, Elanor has been advised by Challenger that one third party institutional mandate will not transfer and as such, the Purchase Price has been reduced to \$37.7 million.

EIL will issue 24,754,165 EIL shares and procure EFML to issue 24,754,165 EIF units to the Seller as consideration for the acquisition of CRE, representing up to 16.7% of ENN Securities on issue (“**Consideration Securities**”).²⁰ The Consideration Securities are subject to clawback provisions (of up to approximately 63% over three years) based on certain milestones, including minimum base funds management fee targets. A summary of the key terms of the Share Sale Agreement (including the clawback mechanism) is set out in section 6.1.

Elanor and Challenger have also entered into a strategic partnership whereby Elanor will be Challenger’s real estate funds management partner in Australia and New Zealand and Fidante (Challenger’s multi-affiliate funds management business) will exclusively distribute Elanor’s real estate managed funds. A summary of the key terms of the Distribution Agreement is set out in section 6.4.

Elanor will become Challenger Life Company Limited’s commercial real estate partner in Australia and New Zealand, managing a \$2.7 billion portfolio of real estate assets on behalf of Challenger Life Company Limited. A summary of the key terms of the CLC Investment Management Agreement is set out in section 6.5.

The acquisition delivers a step-change in size and scale for Elanor, increasing AUM from \$3.0 billion to \$6.4 billion,²¹ with the strategic partnership positioning Elanor for further strong growth.

1.2 How was the Purchase Price determined

The Purchase Price was determined with reference to comparable historical transactions and is based on CRE business’ FY23 EBITDA forecast. The Purchase Price implies a 4.2x EBITDA multiple (in relation to forecast incremental EBITDA of \$9.0 million), which represents a discount to the average of the EBITDA multiples used in recent comparable transactions in the last three years.

¹⁹ \$41.8m maximum consideration:

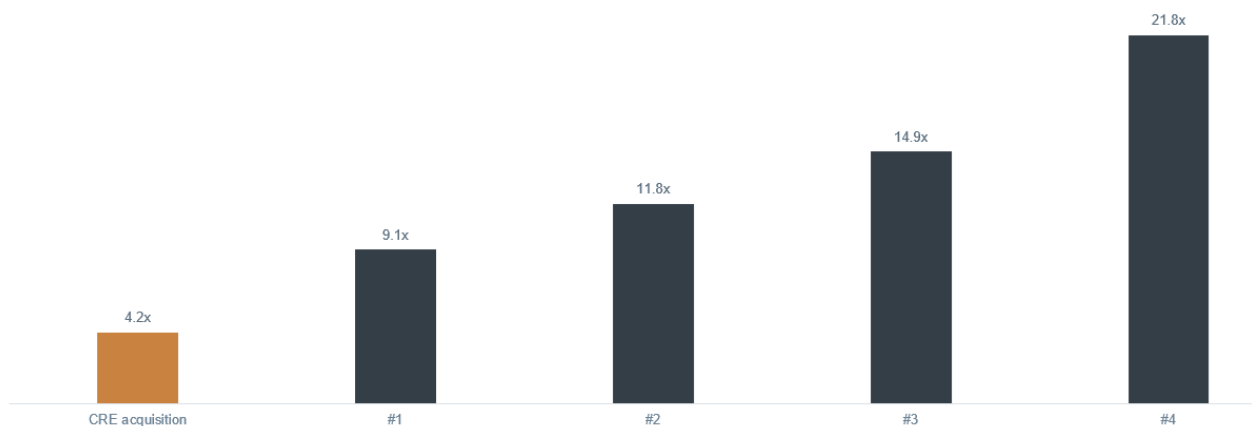
- based on certain financial milestones being achieved; and
- assumes all CRE AUM, including institutional mandates from third parties, is transferred to Elanor. In the event no third party institutional mandates are transferred a reduction in forecasted AUM may occur, and the Purchase Price will reduce as outlined in section 1.7.

²⁰ Assumes a Purchase Price of \$37.7 million at Completion.

²¹ Assumes all CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

The table below sets out how the agreed EBITDA multiple compares to the trading multiple of comparable investment management funds.

FY22 Annualised funds management EBITDA multiple (recurring)^{1,2}



Source: FactSet and IRESS as at 05 April 2023

1. Compared with select ASX listed real estate fund management peers at respective close prices and 31 December NTA

2. Acquisition EBITDA represents CRE FY22 fund management EBITDA normalised for corporate overheads and other synergies

1.3 Issue price of Consideration Securities

The Consideration Securities will be issued at a price of \$1.525 per ENN Security, which is equal to 100% of the one-month VWAP on the close of business on 5 April 2023, being the date prior to execution of the Share Sale Agreement and the Announcement Date, less a forecast accrued distribution entitlement (noting that Challenger will not be entitled to a distribution in relation to the six months ending 30 June 2023).

1.4 Advantages of the Transaction

The acquisition and strategic partnership delivers substantial value to Elanor, including:

- Material FY24 earnings accretion. CRE has been acquired on an attractive forward EBITDA multiple (after expected synergies);²²
- Strengthened recurring funds management income with base management fee income increasing by approximately 57%. Pro-forma base management fees, post-Transaction, represent approximately 74% of total funds management income;²³

²² EBITDA represents CRE funds management EBITDA normalised for corporate overheads and other synergies and assumes all CRE AUM, including third party institutional mandates (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected a reduction in forecasted EBITDA will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

²³ Pro-forma adjusted for the impact of annualised base management fees of the acquisition on Elanor's FY22 total funds management revenue and assumes all current CRE AUM, including third party institutional mandates (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor a reduction in forecasted base management fees will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

- Step-change in size and scale with AUM growing to \$6.4 billion;²⁴
- Exclusive distribution agreement combines Elanor’s leading real estate funds management platform with Fidante’s award-winning capital raising capability positioning Elanor for continued strong growth; and
- Alignment of interests with Challenger becoming Elanor’s largest securityholder (with a representative appointed to the Elanor Board), with Challenger intending to be a long-term Elanor Securityholder and will work with management to support growth of the business.

1.4.1 Strengthened funds management income

In FY22, Elanor’s funds management EBITDA was \$15 million. The pro-forma annualised FY22 funds management EBITDA is \$24 million. The incremental increase in EBITDA of \$9 million represents CRE’s FY23 funds management EBITDA normalised for corporate overheads and other synergies.²⁵

Additionally, in FY22, Elanor’s base management fees represented approximately 65% of total funds management income. Pro-forma base management fees, post-Transaction, will represent approximately 74% of total funds management income.²⁶

FY22 pro-forma funds management EBITDA (\$m)

The increase from FY22 Elanor standalone EBITDA to FY22 annualised pro-forma EBITDA (post-Transaction) is set out in the chart below (figures in \$ million).



²⁴ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

²⁵ EBITDA represents CRE funds management EBITDA normalised for corporate overheads and other synergies and assumes all current CRE AUM, including third party institutional mandates (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor a reduction in forecasted EBITDA will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

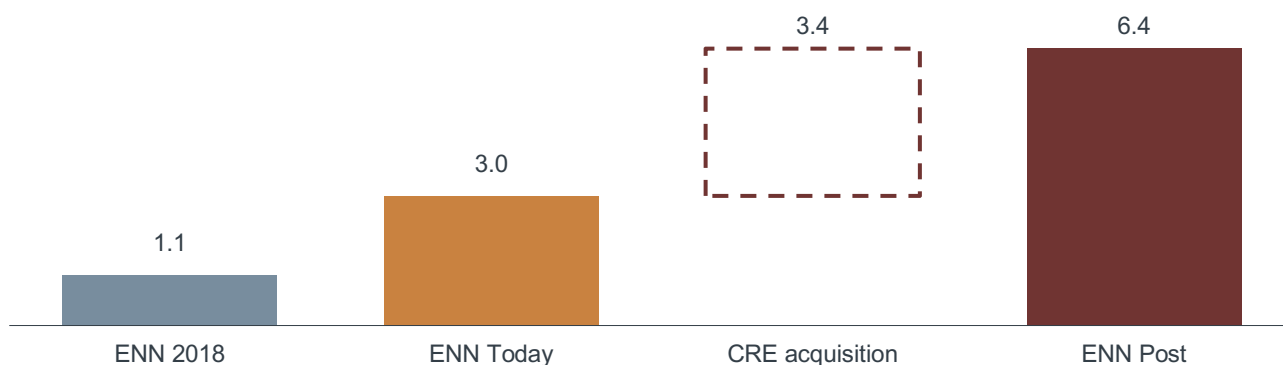
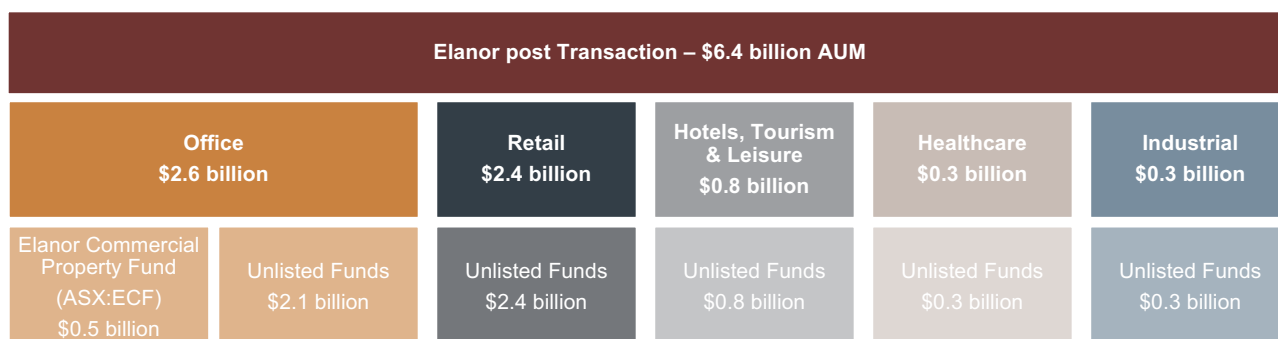
²⁶ Pro-forma adjusted for the impact of annualised base management fees of the acquisition on Elanor’s FY22 total funds management revenue and assumes all current CRE AUM, including third party institutional mandates (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor a reduction in forecasted base management fees will occur, and the Purchase Price will be reduced further as outlined in section 1.7.

1.4.2 Step-change in AUM to \$6.4 billion

The acquisition of CRE will increase Elanor’s AUM from \$3.0 billion to \$6.4 billion.²⁷

Funds management platform AUM growth (\$bn)

Elanor’s AUM will more than double to \$6.4bn²⁸ across its multi-sector real estate platform. Challenger’s funds under management are diversified across sectors such as office, retail and industrial. The value of assets that will be managed by Elanor under each sector post-Transaction are set out in the chart below (figures in \$ billion).



Elanor’s increase in AUM of \$3.4 billion²⁹ as a result of CRE’s acquisition and pro-forma AUM post-Transaction is set out in the chart above.

²⁷ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

²⁸ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

²⁹ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor’s AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

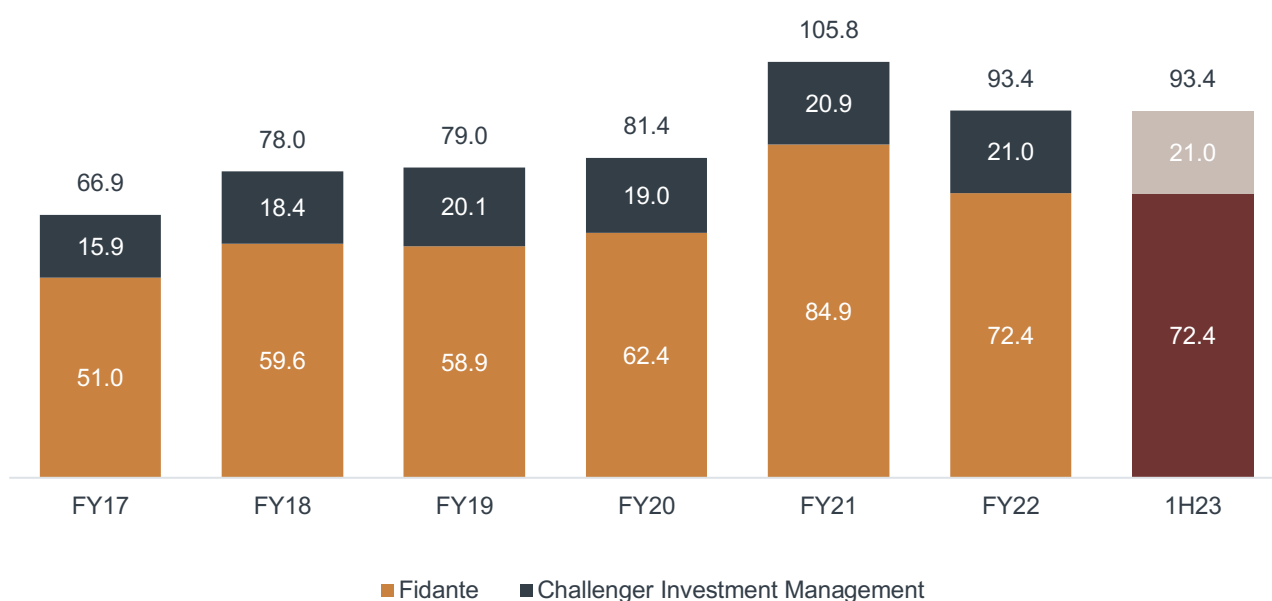
1.4.3 Elanor and Fidante’s strategic partnership

Fidante is Challenger’s multi-affiliate funds management business, and in connection with the Transaction, it has entered into a distribution and strategic services agreement and will exclusively distribute Elanor’s real estate managed funds. Fidante’s capital raising platform is focused on retail and institutional investors. This is complementary to Elanor, whose current capital raising capability is focused substantially on wholesale and private capital investors. Elanor’s capital raising team will transfer to Challenger and be dedicated to the distribution of Elanor’s real estate investment offerings. Elanor will also become Fidante’s real estate funds management partner in Australia and New Zealand, bringing significant capital raising capability.

Fidante’s business model involves taking minority equity interests in separately branded affiliate funds management firms and has been successful in attracting capital across a broad range of asset classes, including fixed income, Australian and global equities, and alternative investments.

Challenger’s FUM composition (\$bn)

Challenger’s funds management business comprising Fidante has increased by ~42% from FY17 onwards. Fidante and Challenger Investment Management’s contribution to Challenger’s funds under management (“FUM”) over the years is set out in the chart below (figures in \$ billion).



1.4.4 Alignment of Challenger and Elanor interests

EIL will issue 24,754,165 EIL shares and procure EFML to issue 24,754,165 EIF units to the Seller as consideration for the acquisition of CRE. Through this issuance, Challenger will become Elanor’s largest securityholder with up to a 16.7% interest.³⁰ Additionally, Challenger will appoint a representative to the Elanor Board further aligning interests between the groups. Key terms of these arrangements are in the Subscription Deed summarised in section 6.2.

³⁰ Assumes a Purchase Price of \$37.7 million at Completion.

1.5 Potential disadvantages of the Transaction

Matters which may be relevant to a Securityholder's decision to not support the proposed resolutions, include the following:

- Challenger becoming a major securityholder in Elanor (up to 16.7%)³¹ as a part of the Transaction and may be in a position to exert influence over matters relating to Elanor, including through its nominee to the Elanor Board. Although the interests of Challenger and other Elanor Securityholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. Conflict of interest protocols exist to manage this scenario, as noted in the summary of key terms of the Subscription Deed in section 6.2;
- CRE may not perform as well as expected and there are other risk factors involved in the acquisition of this nature, some of which are set out in section 2.5;
- Securityholders who are not in favour of the Transaction may seek to sell their ENN Securities. Depending on the supply and demand for ENN Securities following the Transaction, selling may place downward pressure on the price of ENN Securities; and
- Existing Securityholders' voting power in the Group will be diluted.

1.6 Challenger nominee to the Elanor Board

Challenger have nominated Victor Rodriguez to the Elanor Board under the terms of the Subscription Deed. Victor was appointed Chief Executive, Funds Management of Challenger in August 2022 following five years as Head of Fixed Income within the Challenger Investment Management business. Prior to Challenger, Victor held investment leadership roles at Aberdeen Asset Management in Singapore and Australia, and Credit Suisse Asset Management.

1.7 Key Transaction risk mitigants

1.7.1 Purchase Price reduction

The maximum consideration of \$41.8 million is subject to reduction by an amount of up to approximately \$14.1 million if certain third party investment management agreements which form part of the CRE business are terminated, are not transferred or a termination notice in respect of any such investment management agreement has otherwise been received prior to Completion.

Subsequent to the announcement of the Transaction and as at the date of this document, Elanor has been advised by Challenger that one third party institutional mandate will not transfer and as such, the Purchase Price has been reduced to \$37.7 million.

1.7.2 Minimum consideration

Where none of the third party institutional management agreements are transferred a minimum consideration amount of \$27.7 million will be paid for \$2.7 billion of CLC AUM, increasing Elanor AUM from \$3.0 billion to \$5.7 billion.

³¹ Assumes a Purchase Price of \$37.7 million at Completion.

EIL will issue 18,148,284 EIL shares and procure EFML to issue 18,148,284 EIF units to the Seller as consideration for the acquisition of CRE, representing up to 12.8% of ENN Securities on issue. The Minimum Consideration Securities are still subject to clawback provisions (of up to approximately 50% over three years) based on certain milestones, including minimum base funds management fee targets. A summary of key terms of the Share Sale Agreement (including the clawback mechanism) is set out in section 6.1.

In the minimum consideration scenario, recurring funds management income is still strengthened, with base management fee income increasing by approximately 46%. Pro-forma base management fees, post-Transaction, are expected to represent approximately 73% of total funds management income.

1.7.3 Clawback mechanism

EIL may reduce the number of EIL shares and procure EFML to buy-back the number of EIF units, which together comprise the number of ENN Securities held by the Seller, for a nominal amount of \$1, up to an amount of approximately 63% of the Consideration Securities issued to the Seller at Completion if:

- certain third party investment management agreements which form part of the CRE business are terminated, are not transferred or a termination notice in respect of any such investment management agreement has otherwise been received prior to Completion or within nine months after Completion;
- certain financial metrics in respect of the CRE business are not achieved post Completion for the three financial years ending 30 June 2026; and/or
- subject to certain exceptions, notice terminating the CLC IMA is given, or the CLC IMA is terminated, prior to 30 June 2026.

The clawback mechanism is designed to protect against downside risk for Securityholders, including that posed by the uncertainty of exactly when certain key investment management agreements which form part of the CRE business are to transfer.

1.7.4 Purchase Price top-up

In certain circumstances where the Purchase Price payable by the Buyer for the CRE business has been reduced but the annual recurring base revenue for the CRE business, as at 30 June 2026, still exceeds a specified threshold amount, then a further 'top up' amount (subject to a cap of up to \$14.1 million³² reflecting an overall maximum consideration of \$41.8 million) will be payable by the Buyer, in cash, to the Seller.

The relevant events which must have occurred for such amount to be payable by the Buyer are:

- the Purchase Price payable on Completion having been reduced; or
- any of the Consideration Securities having been cancelled and bought back,

because, in either event, prior to Completion or within nine months after Completion, a key investment management agreement:

- was terminated;
- was not transferred; or

³² Being the aggregate of Purchase Price reductions prior to Completion and all amounts clawed back by the Buyer as a result of certain key investment management agreements (which form part of the CRE business) being terminated, not transferring or for which a termination notice was otherwise received within nine months after Completion.

- a termination notice in respect of any such investment management agreement was received.

The Purchase Price top-up, to the extent such is payable, will be:

- paid by the Buyer 20 Business Days after 30 June 2026; and
- funded by the Buyer from working capital or available facilities.

1.8 Notice to Securityholders

- EIL will not amend the agreed milestones underpinning the Selective Buy-Back, Selective Reduction, Purchase Price reduction and Purchase Price top-up in any material respect without notice to all holders of ENN Securities (which may be by an announcement on the market announcements platform operated by ASX).
- EIL will not undertake the Selective Buy-Back and Selective Reduction without notice to all holders of ENN Securities (which may be by an announcement on the market announcements platform operated by ASX).

1.9 Transition arrangements

Elanor and Challenger are currently negotiating and finalising certain transitional arrangements in relation to the transfer of the CRE business, including provision of essential services between the parties during the period before and post Completion (for up to six months), transfer of relevant management systems and general assistance with transitional arrangements. It is anticipated that a customary transitional services agreement will be agreed and exchanged prior to Completion.

1.10 CRE

1.10.1 Overview

CRE manages \$2.7 billion of real estate assets on behalf of the Challenger Life Company Limited (“CLC”) and a further \$0.6 billion for other institutions (as at 31 December 2022).

CRE is part of Challenger Investment Management (within Challenger’s Funds Management business) and is an institutional manager with a strong track record of managing both domestic and international real estate portfolios.

(a) About Challenger

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

Challenger operates a fiduciary Funds Management division, an APRA-regulated Life division and an APRA-regulated authorised deposit-taking institution. CLC is Australia’s largest provider of annuities.

(b) About Fidante

Fidante is Challenger's multi-affiliate funds management business and, as described in section 1.4.3 above, will exclusively distribute Elanor's real estate managed funds. Fidante has a market-leading retail capital raising capability. Fidante offers investors access to a range of active investment strategies that span traditional and alternative asset classes – both liquid and illiquid.

Fidante has a track record of developing specialist investment managers, who are selected for the quality of their investment processes, their investment expertise, and ability to deliver compelling outcomes for clients. Fidante investment managers have a long track record of exceeding their respective investment benchmarks.

Fidante was also named Distributor of the Year at the annual Zenith Fund Awards for three years (2020, 2021 and 2022). The quality of Fidante's investment managers and their ratings across the product suite, strong FUM flows, and the quality of adviser support were highlighted as key drivers for this award.

2. Summary of the Resolutions

Securityholder approval is required for the following resolutions to issue the Consideration Securities and provide protection mechanisms for the Transaction as announced on 6 April 2023:

2.1 Resolution 1 – Issue of ENN Securities to the Seller

“For the purpose of Listing Rule 7.1 and for all other purposes, and subject to Resolutions 2 and 3 in the Notice of Meetings being passed, approval is given for EIL and EFML as the responsible entity of EIF to issue 24,754,165 ENN Securities to the Seller.”

2.2 Resolution 2 – Amendment to the Constitutions

“For the purposes of sections 136(2) and 601GC(1)(a) of the Corporations Act 2001 (Cth) and all other purposes, and subject to Resolutions 1 and 3 in the Notice of Meetings being passed, the constitutions of each of EIL and EIF be amended in the manner set out in the constitutions tabled by the Chair and initialled for the purpose of identification, with effect from the date when the Constitution amendments are lodged with ASIC.”

2.3 Resolution 3 – Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares

“For the purposes of section 256C(2) of the Corporations Act 2001 (Cth) and the ASIC Relief, and for all other purposes, and subject to Resolutions 1 and 2 in the Notice of Meetings being passed, approval is given to EFML as the responsible entity of EIF to undertake a selective buy-back of units in EIF, and to EIL to undertake a selective reduction of shares in EIL, as described in and in accordance with the terms detailed in the Explanatory Memorandum accompanying this Notice of Meetings.”

2.3.1 Reasons to vote for the Resolutions

The Directors are of the view that the advantages of the Resolutions and other matters which may be relevant to a Securityholder's decision to vote in favour of the Resolutions, include the following:

- Allows the Transaction to proceed in its agreed form resulting in material FY24 earnings accretion, strengthened funds management income, step-change in size and scale with AUM growing to \$6.4 billion³³ and facilitation of an exclusive distribution agreement with Fidante's award-winning capital raising capability;
- 100% of the acquisition of CRE will be equity funded which is expected to reduce gearing and expand Elanor's equity and securityholder base;
- Enables issuance of ENN Securities to Challenger as consideration for the acquisition through which Challenger will become Elanor's largest securityholder aligning Challenger's interests with Elanor's;
- Enables the Selective Buy-Back and Selective Reduction mechanism designed to clawback a portion of the Consideration Securities if, and when, certain agreed milestones are not met over a three-year period. As noted in section 1.7.4 it is possible that a Purchase Price top-up will be payable after a clawback has occurred, but this will only be in circumstances where the CRE business is performing at a level which justifies this top-up;
- Provides protection to Securityholders and minimises downside exposure in the Transaction; and
- Aligns the Securityholder meeting quorum requirements under the Constitutions.

2.3.2 Reasons you may choose not to support the Resolutions

The Directors are of the view that the disadvantages of the Resolutions and other matters which may be relevant to a Securityholder's decision to vote against the Resolutions, include the following:

- Challenger becoming a major securityholder in Elanor (up to 16.7%)³⁴ as a part of the Transaction and may be in a position to exert influence over matters relating to Elanor, including through its nominee to the Elanor Board. Although the interests of Challenger and other Elanor Securityholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. Conflict of interest protocols exist to manage this scenario, as noted in the summary of key terms of the Subscription Deed in section 6.2;
- CRE may not perform as well as expected and there are other risk factors involved in the acquisition of this nature, some of which are set out in section 2.5;
- Securityholders who are not in favour of the Transaction may seek to sell their ENN Securities. Depending on the supply and demand for ENN Securities following the Transaction, selling may place downward pressure on the price of ENN Securities; and
- Existing Securityholders' voting power in the Group will be diluted.

³³ Assumes all current CRE AUM, including institutional mandates from third parties (other than the one advised by Challenger which is not transferring), is transferred to Elanor. In the event third party institutional mandates do not transfer as expected by Elanor, Elanor's AUM will increase by \$2.7 billion to \$5.7 billion (see section 1.7).

³⁴ Assumes a Purchase Price of \$37.7 million at Completion.

2.4 Consequences if the Resolutions are not passed

In the case that the Resolutions are not passed, Elanor will not be able to proceed with the Transaction in accordance with the terms agreed with Challenger. In this circumstance, Elanor will be liable to pay a break fee amount of \$460,000 and pay sunk transaction costs estimated at approximately \$900,000.

2.5 Risks associated with approval of Resolutions

2.5.1 Securityholder concentration

As a part of the Transaction, Challenger will become a major securityholder in Elanor and may be in a position to exert influence over matters relating to Elanor. Although the interests of Challenger and other Elanor Securityholders are likely to be aligned in most cases, there may be instances where their respective interests diverge. Conflict of interest protocols exist to manage this scenario, as noted in the summary of key terms of the Subscription Deed in section 6.2.

2.5.2 Dilution

If the Resolutions are passed and the Group issues Consideration Securities, existing Securityholders' voting power in the Group will be diluted. There is a risk that the agreed issue price of the Consideration Securities may be at a discount to the prevailing market price of the ENN Securities on the issue date. If this risk materialises, there will be a value dilution to existing Securityholders.

2.5.3 Termination of the CLC IMA

- The CLC IMA may be terminated for a number of reasons, including by either party for convenience at any time after the second anniversary of the Commencement Date by giving to the other not less than 12 months written notice. If this were to occur, Elanor would not retain the rights to continue to manage the CLC portfolio resulting in a loss of associated AUM and related earnings moving forward. In a scenario where the CLC IMA is terminated by CLC for convenience Elanor has the corresponding right to terminate the distribution agreement "for cause".
- Where all minimum base funds management fee targets have been met during the relevant measurement period (being the three years ending 30 June 2026), Elanor would not be entitled to a clawback of Consideration Securities. However:
 - where CLC gives a notice terminating the CLC IMA at any time prior to 30 June 2026; or
 - minimum base funds management fee targets have not been met,Elanor would be entitled to a clawback as outlined in section 5.3.3.

2.5.4 Clawback mechanism and Purchase Price top-up

- The clawback mechanism provides downside protection only to the extent that EIL may only reduce the number of EIL shares and may only procure EFML to buy-back the number of EIF units, which together comprise the number of ENN Securities held by the Seller, for a nominal amount of \$1, up to an amount of approximately 63% of the Consideration Securities issued to the Seller at Completion.
- A Purchase Price top-up will be payable after a clawback has occurred, but this will only be in circumstances where the CRE business is performing at a level which justifies this top-up.

2.5.5 Management Agreements do not transfer

The timing of when third party institutional management agreements are to transfer, and whether or not they will all transfer to Elanor is uncertain. In the event third party institutional mandates do not transfer as expected by Elanor:

- the Purchase Price will be reduced further as outlined in section 1.7;
- Elanor's AUM may only increase by \$2.7 billion to \$5.7 billion;
- a reduction in forecast base management fees will occur; and
- a reduction in forecasted EBITDA will occur.

2.5.6 Transitional agreement is not implemented

The parties will use all reasonable endeavours to agree the transition arrangements referred to in section 1.8 on or before Completion. If the parties cannot agree the transition arrangements before the Completion Date, integration of the CRE business and achieving anticipated synergies may be delayed.

2.5.7 Synergy risks

While the Directors of Elanor expect certain synergies to be realised in the acquisition of CRE, achievement of these synergies is not certain. Synergies may not be realised to their full extent or may be realised over a longer period of time than expected by the Directors. This could have an impact on the expected financial benefits of the transaction for Elanor.

2.5.8 Impact of the clawback and purchase price top-up

The full impact of the clawback and purchase price top up will not be known until a future point in time, making the exact impact of those mechanisms on the transaction uncertain.

2.5.9 Management attention

The proposed Transaction may present certain managerial and operational risks (including diversion of management's attention from existing core business), difficulties when integrating CRE with existing operations and challenges presented by CRE not achieving anticipated financial metrics. While Elanor has conducted due diligence on CRE prior to Completion, certain risks in the CRE business may not have been identified.

3. Board Intentions

3.1 Current Directors' Interests

The Directors' current interests as Securityholders are set out below:

Name	Securityholding	Voting Power
Glenn Willis	5,527,613	4.48%
Paul Bedbrook	306,137	0.25%
Nigel Ampherlaw	200,000	0.16%
Anthony Fehon	50,612	0.04%

Name	Securityholding	Voting Power
Karyn Baylis	35,000	0.03%
Lim Su Kiat	0	0%

The Directors will be voting their holdings in favour of the Resolutions (to the extent they are not excluded from voting on the Resolutions).

4. What should you do in relation to the Resolutions

4.1 Read the Notice of Meetings and Explanatory Memorandum in its entirety

This Explanatory Memorandum contains information that is material to your decision whether or not to approve the Resolutions. Accordingly, you should read this Explanatory Memorandum in its entirety before making a decision on how to vote on the Resolutions.

If you are in any doubt about the information provided or the action you should take, you should consult your financial, taxation or other professional adviser.

Answers to some common questions are contained in the section of this Explanatory Memorandum titled 'Frequently Asked Questions'. If you have any questions about the Resolutions, please call the Elanor Securityholder Information Line on 1300 855 080 for callers within Australia or +61 3 9415 4000 for callers outside of Australia between 8:30am and 5:30pm Sydney time Monday to Friday.

4.2 Vote on the Resolutions

4.2.2 Overview

If you are a Securityholder on Wednesday, 28 June 2023 at 7.00pm (Sydney time) (subject to any update to that timing before the Meetings which would be communicated by email and announced on ASX), you are entitled to vote on the Resolutions at the Meetings.

Subject to any update to timing or venue before the Meetings which would be communicated by email and announced on ASX, the Meetings will be held on Friday, 30 June 2023 at 10.00am at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 for the purpose of voting on the Resolutions.

Further information about attending the Meetings can be found in the Notice of Meetings.

The Resolutions must be passed by the Requisite Majorities of Securityholders.

Please see 'Frequently asked questions' section of this Explanatory Memorandum for further details on the approvals required for the Resolutions.

If you have any questions about the Resolutions, please call the Elanor Securityholder Information Line on 1300 855 080 for callers within Australia or +61 3 9415 4000 for callers outside of Australia between 8:30am and 5:30pm Sydney time Monday to Friday.

If you are in any doubt on how to vote on the Resolutions or the action to be taken, you should contact your financial, legal, tax or other professional adviser without delay.

4.2.3 How to vote

Proxy Forms, powers of attorney and certificates of appointment of corporate representatives must be lodged no later than 48 hours before the Meetings. As at the date of this Explanatory Memorandum, the Proxy Form deadline is 10.00am (Sydney time) on Wednesday, 28 June 2023.

As a Securityholder, it is your right to vote on whether the Resolutions are approved. Your vote is important and you are strongly encouraged to vote on the Resolutions.

A Securityholder can vote by doing one of the following:

Voting in person

The Meetings will be held on Friday, 30 June 2023 at 10:00am at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney NSW 2000 (subject to any update to timing or venue before the Meetings which would be communicated by email and announced on ASX) for the purpose of voting on the Resolutions. Further information about attending the Meetings can be found in the Notice of Meeting; OR

Voting by attorney

By providing the Registry the original (or certified copy) of the instrument appointing an attorney by no later than 10.00am (Sydney time) on Wednesday, 28 June 2023 (subject to any update to that timing before the Meetings which would be communicated by email and announced on ASX), unless a copy has already been provided to the Registry; OR

Voting by corporate representative (in the case of a body corporate)

By appointing a corporate representative to act as its representative. The appointment must comply with sections 250D and 253B of the Corporations Act. A corporate Securityholder or corporate proxy should obtain a certificate of appointment of body corporate form from the Registry, and complete and sign the form in accordance with the instructions on it; OR

Voting by proxy

By completing and returning to the Registry the enclosed Proxy Form for the Meetings, which must be received by the Registry by no later than 48 hours before the Meetings, the Proxy Form deadline is currently 10.00am (Sydney time) on Wednesday, 28 June 2023 (subject to any update to that timing before the Meetings which would be communicated by email and announced on ASX) at:

Mailing Address

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001 Australia

Fax

1800 783 447 or
+61 (3) 9473 2555 (if overseas)

Alternatively, you can lodge your Proxy Form online at www.investorvote.com.au (see the Proxy Form for online lodgement instructions) (for Intermediary Online subscribers (custodians) go to www.intermediaryonline.com), and following the instructions on the Proxy Form.

Please refer to the voting instructions (including the voting exclusion statement) in the Notice of Meetings where these voting options are set out in full.

5. Further Information regarding the Resolutions

5.1 Information regarding Resolution 1 – Issue of ENN Securities to the Seller

This section summarises the Listing Rule specific content requirements relevant to Resolution 1.

EIL has entered into an agreement with the Seller and Challenger for the acquisition of CRE in consideration of the issue of 24,754,165 new EIL shares and procuring EFML to issue 24,754,165 EIF units to the Seller (“Issue”).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed entity can issue without the approval of its securityholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Issue does not fall within any Listing Rule 7.1 exceptions and exceeds the 15% limit in Listing Rule 7.1. The Issue therefore requires the approval of Securityholders under Listing Rule 7.1.

Resolution 1 seeks Securityholder approval to the issue of Consideration Securities for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, Elanor will be able to proceed with the Issue and acquire CRE from the Seller in the proposed form and on the terms agreed with Challenger. In addition, the Issue will be excluded from the calculation of the number of equity securities that Elanor can issue without securityholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, Elanor will not be able to proceed with the Issue and the Transaction in the proposed form and on the terms agreed with Challenger.

The information set out below is required to be provided to Securityholders under Listing Rule 7.1.

- The Consideration Securities will be issued to Fidante Partners Holdco 1 Pty Limited, a wholly owned subsidiary of Challenger Limited, being the Seller who accepts ENN Securities as consideration under the Share Sale Agreement.
- Subsequent to announcement of the Transaction, and as at the date of this document, the maximum number of Consideration Securities that will be issued as consideration under the Share Sale Agreement is 24,754,165 fully paid ordinary stapled securities in Elanor, which represents 16.7% of ENN Securities on issue.³⁵
- The Consideration Securities will be issued to the Seller on or around 30 June 2023.

³⁵ Assumes a Purchase Price of \$37.7 million at Completion.

- The Consideration Securities will be issued at a price of \$1.525 per ENN Security, which is equal to 100% of the one-month VWAP on the close of business on 5 April 2023, being the date prior to execution of the Share Sale Agreement and the Announcement Date, less a forecast accrued distribution entitlement (noting that Challenger will not be entitled to a distribution in relation to the six months ending 30 June 2023).
- The Consideration Securities are the consideration for the acquisition of 100% of CRE at a purchase price as at the date of this document of \$37,745,455 (“**Purchase Price**”), having been reduced from \$41,818,182 as a result of a third party institutional management agreement having been terminated prior to Completion.
- A summary of the material terms of the Share Sale Agreement under which the Consideration Securities will be issued is set out in section 6.1.
- A voting exclusion statement in respect of Resolution 1 is set out on page 10.

5.2 Information regarding Resolution 2 – Amendment to the Constitutions

The following technical amendments to the EIL and EIF Constitutions are proposed:

- Changes to the stapling provisions of the Constitutions to enable a Selective Buyback of EIF units to occur in conjunction with a Selective Reduction of the corresponding stapled EIL shares;
- Changes to the securityholders meeting quorum requirement under the EIL Constitution from three members to two members to align with that under the EIF Constitution.

If Resolution 2 is passed, the EIL and EIF Constitutions will be amended in the manner set out in the proposed form of the amended Constitutions which can be accessed at <https://www.elanorinvestors.com/constitutionamendments>. In accordance with section 601GC(2) of the Corporations Act, the amendments to the EIF Constitution will take effect when the EIF Constitution amendments are lodged with ASIC. In accordance with section 137(a)(ii) of the Corporations Act, the amendments to EIL Constitution will take effect at the same time.

5.3 Information regarding Resolution 3 – Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares

This section summarises the Corporations Act and ASIC Relief specific content requirements relevant to Resolution 3.

5.3.1 Objective of the Selective Buy-Back and Selective Reduction

The Selective Buyback and Selective Reduction are mechanisms designed to clawback a portion of the Consideration Securities as required by way of adjustment to the value of consideration if, and when, certain agreed milestones are not met over a three-year period.

EIL may reduce the number of EIL shares and procure EFML to buy-back the same number of EIF units, which together comprise the number of ENN Securities held by the Seller, calculated in accordance with the clawback approach agreed under the Share Sale Agreement. Summary of key terms of the purchase price adjustment are set out in section 6.1.

The maximum total number of Consideration Securities subject to clawback is equivalent to approximately 63% of the ENN Securities proposed to be issued to the Seller in connection with the Transaction.

5.3.2 Alternatives considered

The Company and the Responsible Entity considered a number of alternatives for providing consideration for the acquisition of CRE. The Company and the Responsible Entity concluded that the Transaction in its currently proposed form was in the best interests of Securityholders because it is the most efficient and effective way to achieve the commercial objectives of both Elanor and Challenger, including the establishment of a strategic partnership between the two groups, alignment of interests and protection against downside risk.

The options considered by the Directors included:

- acquiring CRE for cash (including utilising bank facilities and/or carrying out a rights issue). Both Challenger and the Directors were of the view that the issuance of the Consideration Securities was preferred given the resulting alignment of interests;
- issuing securities upon certain milestones being achieved for purposes of the proposed Transaction. This did not meet Challenger's objectives of obtaining a significant securityholding in Elanor at Completion; and
- a cash clawback. This did not meet the parties' objectives of undertaking a 'scrip based' transaction.

5.3.3 Key terms of the Selective Buy-Back and Selective Reduction

Consideration Securities subject to each clawback will be clawed back for nominal consideration, being \$1 in total. Accordingly, the Selective Buy-Back will not materially prejudice the Responsible Entity's ability to pay its creditors in relation to liabilities incurred by it as responsible entity of the scheme and the Selective Reduction will not materially prejudice the Company's ability to pay its creditors in relation to liabilities incurred by it. The Company and the Responsible Entity consider the Selective Buy-Back and the Selective Reduction respectively are fair and reasonable to Securityholders as a whole.

EIF units which are bought back by the Responsible Entity will be cancelled once transferred to the Responsible Entity.

EIL shares which are subject to the Selective Reduction will be cancelled once the share reduction is registered on the Elanor register.

5.3.4 Control effect of the Selective Buy-Back and Selective Reduction

The dilution effect of the Selective Buy-Back and Selective Reduction to the Seller will vary depending on the number of Consideration Securities actually clawed back and a particular Securityholder's holding and trading of ENN Securities at the relevant point in time. The Selective Buy-Back and Selective Reduction will increase other Securityholders' voting power.

No Securityholder is currently in a control position and, based on the current ENN register, the Selective Buy-Back and Selective Reduction will not in of itself place any Securityholder in a control position. The actual impact on control will vary over time and is dependent on the ENN register at the relevant time.

The tables below³⁶ illustrates the control effect of the Selective Buy-Back and Selective Reduction to the Seller and other Securityholders based on Elanor's securityholding structure upon Completion of the Transaction for both the Purchase Price as at the date of this document and for the minimum consideration, in either event, assuming (i) different numbers of Consideration Securities are clawed back and (ii) no additional securities are issued on a non-pro rata basis following Completion.

Consideration control effect of Buy- Back and Selective Reduction on Purchase Price³⁷					
		Example 1	Example 2	Example 3	Example 4
Clawback	(%)	0³⁸	22%³⁹	45%⁴⁰	63%⁴¹
Consideration	(\$m)	37.7	37.7	37.7	37.7
Clawback	(\$m)	-	(8.4)	(16.9)	(23.9)
Consideration post clawback	(\$m)	37.7	29.3	20.9	13.8
% ENN SOI					
Challenger	(%)	16.7%	13.5%	10.0%	6.9%
Other securityholders	(%)	83.3%	86.5%	90.0%	93.1%

Minimum consideration control effect of Buy- Back and Selective Reduction⁴²					
		Example 1	Example 2	Example 3	Example 4
Clawback	(%)	0⁴³	17%⁴⁴	33%⁴⁵	50%⁴⁶
Consideration	(\$m)	27.7	27.7	27.7	27.7
Clawback	(\$m)	-	(4.6)	(9.2)	(13.8)
Consideration post clawback	(\$m)	27.7	23.1	18.4	13.8
% ENN SOI					
Challenger	(%)	12.8%	10.9%	8.9%	6.9%
Other securityholders	(%)	87.2%	89.1%	91.1%	93.1%

³⁶ The tables below are illustrative only and are based on the current ENN register.

³⁷ Assumes the Purchase Price payable at Completion is \$37.7 million – see section 1.7.

³⁸ Assumes no Consideration Securities were clawed back.

³⁹ Assumes 22% of the Consideration Securities were clawed back.

⁴⁰ Assumes 44% of the Consideration Securities were clawed back.

⁴¹ Assumes the maximum number of Consideration Securities were clawed back.

⁴² Assumes the Purchase Price was fully reduced prior to Completion to an amount of \$27.7 million – section 1.7.

⁴³ Assumes no Consideration Securities were clawed back.

⁴⁴ Assumes 17% of the Consideration Securities were clawed back.

⁴⁵ Assumes 33% of the Consideration Securities were clawed back.

⁴⁶ Assumes the maximum number of Consideration Securities were clawed back.

5.4 Recommendation

The Directors unanimously recommend that Securityholders vote in favour of all of the Resolutions. The Chair of the Meetings intends to vote all undirected proxies in favour of the Resolutions.

6. Material contracts

6.1 Share Sale Agreement

EIL (as the Buyer), the Seller and Challenger (as the seller guarantor) have entered into the Share Sale Agreement on 6 April 2023 for the acquisition of CRE. The table below sets out the summary of its key terms.

#	Key terms	Summary	Comments
1	Conditions Precedent	Completion cannot take place unless and until all conditions precedent are either satisfied or waived.	<p>The conditions precedent are as follows:</p> <ol style="list-style-type: none"> 1 (CLC IMA) The Challenger Life Company Investment Management Agreement is duly executed and exchanged. 2 (Key Implementation Steps) All Key Implementation Steps have been completed. 3 (Buyer Securityholders Approval) Elanor Securityholders have approved the Resolutions. 4 (ASX confirmations) ASX has provided necessary confirmations. 5 (ASIC Relief) EFML has obtained, and ASIC has not withdrawn the ASIC Relief. 6 (FIRB Approval) The Seller has obtained a written no objections notification from FIRB to the proposed acquisition of the Consideration Securities.
2	Purchase of Sale Shares	The Seller must sell the Sale Shares and the Buyer must buy the Sale Shares free from all encumbrances and together with all rights attaching or accruing to the Sale Shares after the date of the Share Sale Agreement.	<ul style="list-style-type: none"> • The maximum Purchase Price agreed is A\$41,818,182. • The consideration for the purchase of the Sale Shares is the Consideration Shares and the Residual Purchase Price. • The Consideration Shares are the ordinary shares in the Buyer that are stapled with the corresponding Consideration Units and constitute Consideration Securities.

#	Key terms	Summary	Comments
3	Consideration Shares and procurement of issuance by EFML	The consideration for the purchase of the Sale Shares is the Consideration Shares and the Residual Purchase Price.	The Buyer agrees to issue the Consideration Shares and in satisfaction of the Residual Purchase Price (Purchase Price less the Consideration Shares) procure EFML to issue the corresponding stapled Consideration Units, to the Seller, and the Seller agrees to subscribe for the Consideration Shares and the corresponding stapled Consideration Units, on the terms and conditions of the Share Sale Agreement and the Subscription Deed.
4	Purchase Price Adjustments	Buyer is entitled to reduce the Purchase Price and/or clawback Consideration Securities issued to the Seller upon the occurrence of certain events.	<p>EIL may reduce the number of EIL shares and procure EFML to buy-back the number of EIF units, which together comprise the number of ENN Securities held by the Seller, for a nominal amount of \$1, up to a maximum amount of approximately 67% of the Consideration Securities issued to the Seller at Completion if:</p> <ul style="list-style-type: none"> • certain key investment management agreements which form part of the CRE business are terminated, are not transferred or a termination notice in respect of any such investment management agreement has otherwise been received prior to Completion or within nine months after Completion; • certain financial metrics in respect of the CRE business are not achieved post Completion for FY2026; and/or • subject to certain exceptions, notice terminating the CLC IMA is given, or the CLC IMA is terminated, prior to 30 June 2026.
5	Purchase Price Top-Up	In certain circumstances where an annual recurring base revenue threshold for the CRE Business is exceeded, a top-up amount will be payable by the Buyer to the Seller.	<p>If certain events have occurred resulting in a reduction in the amount of the consideration payable by the Buyer for the CRE business but the annual recurring base revenue for the CRE business, as at 30 June 2026, still exceeds a specified threshold amount, then a further 'top up' amount (subject to an agreed cap) will be payable by the Buyer, in cash, to the Seller.</p> <p>The relevant events which must have occurred for such amount to be payable by the Buyer are:</p> <ul style="list-style-type: none"> • the Purchase Price payable on Completion having been reduced; or • any of the Consideration Securities having been cancelled and bought back, because, prior to Completion or within nine months after Completion, a key investment management agreement: <ul style="list-style-type: none"> – was terminated; – was not transferred; or – a termination notice in respect of any such investment management agreement was received.

#	Key terms	Summary	Comments
6	Consideration Securities subject to escrow arrangements	The Consideration Securities will be held in escrow in accordance with the Escrow Deed.	<ul style="list-style-type: none"> The Consideration Securities will, subject to certain customary exceptions, be held in escrow until 30 June 2026. The Buyer has the right to cancel a number of shares (and procure the Responsible Entity to cancel a number of units) which are being held in escrow if certain financial metrics in respect of the CRE business are not achieved post Completion for FY2026.
7	Break Fee	A break fee of \$460,000 is payable by the responsible party if certain requirements are not met.	<ul style="list-style-type: none"> If: <ul style="list-style-type: none"> the Buyer fails to obtain Elanor Securityholder approval of the Resolutions by 25 September 2023 or such later date as agreed; or at any time before Completion there is a breach of certain Buyer Warranty other than as a result of a force majeure event, and such breach has a material adverse effect on the Buyer, the Buyer must pay the Break Fee Amount to the Seller within 10 Business Days of receiving a written demand, unless the failure was a direct result of the Seller's breach of the Share Sale Agreement. If either the CLC IMA condition or the Key Implementation Steps condition is not satisfied by 25 September 2023, the Seller must pay the Break Fee Amount to the Buyer within 10 Business Days of receiving a written demand, unless the failure was a result of the Buyer's actions or inactions or if the step was within the Seller's control and they failed to satisfy it.
8	Buyers Undertakings	Subject to certain exceptions, the Buyer must not, and must procure that the NewCo and each of its related entities do not, in each case without the prior written consent of the Seller, undertake any action or do or not do anything which is likely to materially decrease base management fees or have a materially detrimental impact on the Value At Risk, including the amount of such payment or the ability of the NewCo to make such payments.	
9	Warranties	The Seller and the Buyer have provided warranties under the Share Sale Agreement that are market for a transaction document of this nature.	
10	Seller Guarantee	The Seller Guarantor, Challenger, has guaranteed the performance of the Seller under the Share Sale Agreement.	

6.2 Subscription Deed

The final and agreed form of the Subscription Deed was annexed to the Implementation Deed exchanged on 6 April 2023 and is to be executed between EIL, EFML as responsible entity of EIF and the Seller in accordance with its terms. The table below sets out the summary of its key terms.

#	Key terms	Summary	Comments
1	Completion	Completion under the Subscription Deed is interdependent with completion of the Share Sale Agreement.	<p>Additional pre-Completion and Completion deliverables include (among other things):</p> <ul style="list-style-type: none"> the Company and the Responsible Entity issuing a release to the ASX disclosing the material terms of the transaction on or before Completion; and release of an Appendix 3B to the ASX detailing the proposed issuance of the Consideration Securities on or before Completion.
2	Board representation	The Subscriber may appoint a nominee to the boards of the Company and Responsible Entity.	<p>The nominee appointed must be an employee of Challenger Group Services and hold a title including 'chief executive' of Challenger (or a Related Entity), and must be appointed on similar terms as other directors of the Company and the Responsible Entity.</p> <p>The right to appoint a nominee falls away on the earlier of the date on which:</p> <ul style="list-style-type: none"> the Subscriber ceases to hold a Relevant Interest in the Consideration Securities which represents: <ul style="list-style-type: none"> where the Subscriber has sold any of the Consideration Securities, 10% or more of the Stapled Securities on issue; or where the Subscriber has not sold any of the Consideration Securities, 5% or more of the Stapled Securities on issue; the date on which the CLC IMA has been terminated; or the date on which the Distribution Agreement has been terminated.

#	Key terms	Summary	Comments
3	Information rights	The Company and the Responsible Entity must provide certain Reports to the Subscriber.	<p>Subject to certain restrictions (including as to confidentiality), and for so long as the Subscriber owns no less than 10% of all Stapled Securities issued by the Company and the Fund:</p> <ul style="list-style-type: none"> the Company and the Responsible Entity must provide certain reports to the Subscriber to enable it to discharge its own reporting obligations in respect of its holding of the Consideration Securities; and the Subscriber's nominee director will be entitled to receive such information as it reasonably requests in accordance with the information protocols agreed between the Issuer and the Subscriber (each acting reasonably).
4	Participation Right	The Subscriber is entitled to participate in any offer of Stapled Securities to other subscribers.	Subject at all times to the ASX Listing Rules and any policy or guidance published or notified by ASX from time to time, on and from Completion, the Company and the Responsible Entity agree that they will not make any offers of Stapled Securities (Equity Offers) to other subscribers unless the Subscriber is first given a reasonable opportunity to participate in the Equity Offer on equivalent terms to other subscribers in the Equity Offer.
5	Conflict of interest protocols	Customary conflict of interest protocols that govern the withholding or selective disclosure of information have been agreed in the Subscription Deed.	
6	Warranties	The Company, the Responsible Entity and the Subscriber have provided warranties that are market for a transaction document of this nature.	

6.3 Escrow Deed

The final and agreed form of the Escrow Deed was annexed to the Implementation Deed exchanged on 6 April 2023 and is to be executed between EIL, EFML as responsible entity of EIF, the Seller (as the Holder) and Challenger (as the Controller of the Seller/Holder) in accordance with its terms. The table below sets out the summary of its key terms.

#	Key terms	Summary	Comments
1	Escrow Period	From the date of Completion to the Release Date.	<p>The Release Date is the earlier of the date on which:</p> <ul style="list-style-type: none"> • a customary takeover event occurs in relation to EIL and EIF; • the Distribution Agreement is terminated as a result of certain breaches on the part of Elanor; • certain Buyer Warranty is breached other than as a result of a force majeure event, and such breach has a material adverse effect on the Buyer; and • three years after the date of Completion.
2	Clawback	Clawback under the Share Sale Agreement.	<p>The Company has the right to cancel a number of shares (and procure the Responsible Entity to buyback a number of units) which are being held on escrow in accordance with the price adjustment under the Share Sale Agreement.</p>
3	Escrow restrictions and Holding Lock	The Holder and the Controller agree not to dispose, agree to or offer to dispose of the Voluntary Escrow Securities or Controller Interests.	<p>During the escrow period, subject to certain exceptions:</p> <ul style="list-style-type: none"> • the Holder must not Dispose of, or agree or offer to dispose of, the Consideration Securities held by it; and • the Controller agrees that it will not dispose of, or agree or offer to Dispose of, any or all of the Controller Interests or do anything else which effectively circumvents the substantive terms of the escrow contemplated by the Escrow Deed. <p>The Company and the Responsible Entity will apply a holding lock on the Consideration Securities as soon as practicable after registration of the Consideration Securities on Elanor's issuer sponsored subregister and the Holder agrees to the application of the holding lock.</p> <p>This restriction does not generally apply to the extent necessary to allow:</p> <ul style="list-style-type: none"> • the Holder to participate in any equal access buyback, equal capital return or equal capital reduction; or • a disposal required by law or other customary disposals not resulting in a loss of control over the securities.
4	Breach	Consequences of breach by the Holder or the Controller.	<p>The Company or the Responsible Entity may take any steps it considers necessary to prevent a breach of the Escrow Deed or rectify a breach and may refuse to transfer the Consideration Securities upon breach.</p>

6.4 Distribution Agreement

The final and agreed form of the Distribution Agreement was annexed to the Implementation Deed exchanged on 6 April 2023 and is to be executed between EIL and Fidante in accordance with its terms. The table below sets out the summary of its key terms.

#	Key terms	Summary
1	Services	<p>Fidante is required to (among other things):</p> <ul style="list-style-type: none"> take all reasonable steps to achieve the “purpose” of the agreement (which is defined as leveraging the distribution platform and capability of Fidante to promote ongoing, successful capital raisings for EFML’s real estate investment opportunities from retail, wholesale and institutional investors); and provide a range of distribution and capital raising services to Elanor (“Services”).
2	Exclusivity	<ul style="list-style-type: none"> Fidante is exclusively appointed to provide distribution services for Elanor and its funds worldwide. In jurisdictions outside of Australia, this exclusivity right is subject to Fidante having the capability to deliver the Services in the relevant jurisdictions.
3	Elanor obligations	<p>Elanor is subject to a range of obligations to assist Fidante in performing the Services. These include (among others) to:</p> <ul style="list-style-type: none"> provide reasonable support and assistance in respect of Fidante’s distribution services; provide all information Fidante reasonably requires to provide the Services; and provide (on request) key, material information to Fidante in relation to the performance of the Elanor’s obligations under the agreement.
4	Restraint	<p>Fidante is prevented from providing distribution services to competitor products, being real estate equity investment products or strategies in Australia or New Zealand (or both) that have an allocation of greater than 20% (either individually or in aggregate) across the following commercial real estate sectors:</p> <ul style="list-style-type: none"> healthcare; hotel and accommodation; industrial; office; and retail.
5	Term	Agreement continues until terminated.

#	Key terms	Summary
6	Elanor termination for convenience right	<ul style="list-style-type: none"> Elanor may terminate with 12 months' notice. If Elanor exercises this termination for convenience right, Elanor would be required to pay Fidante a termination fee equal to six times the average of the total annual fees for the prior 24-month period.
7	Elanor termination for failure to meet "milestone hurdles"	Elanor may terminate the agreement where Fidante fails to meet certain capital raising targets for each three-year Cycle Period.
8	Elanor "for cause" termination rights	Elanor has the right to terminate "for cause" under certain circumstances, including where the CLC IMA is terminated by CLC for convenience, by the Company as a result of a breach by CLC or in certain circumstances described in the Share Sale Agreement.
9	Fidante "for cause" termination rights	<p>Fidante has a "for cause" right to terminate the agreement with written notice where:</p> <ul style="list-style-type: none"> Elanor ceases to operate its business; Elanor fails to pay fees due under the agreement; Elanor ceases to be the holder of an AFSL; Elanor is the subject of a materially adverse finding by a regulator which would have a material negative impact on its business or Fidante's reputation.

6.5 CLC Investment Management Agreement

CLC (and other appointers related to CLC) (as the Appointers) and NewCo (as the Manager) will enter into the CLC IMA prior to Completion, in accordance with the relevant pre-completion restructure steps, for the appointment of NewCo as the manager to manage the Appointers' respective interests in certain CLC portfolio. The table below sets out the summary of its key terms.

#	Key terms	Summary	Comments
1	Preferred provider	Manager will be designated as a preferred provider of investment management services (" Services ") to CLC for its direct real estate investment strategies in	<p>The preferred provider status will operate in respect of commercial real estate assets classified as:</p> <ul style="list-style-type: none"> Retail; Hotel and accommodation; Healthcare;

#	Key terms	Summary	Comments
		Australia and New Zealand (“Portfolio”).	<ul style="list-style-type: none"> • Office; • Industrial; • Logistics; or • any other class of Australian property that may be agreed between the Appointor and Manager from time to time.
		Exclusivity in relation to the Manager	The Manager is not obliged to provide any services exclusively to the Appointors and may provide services of a similar type to the Services to other related parties of the Manager and to third parties, including competitors of the Appointors at its sole discretion.
2	Term	10-year term	The IMA terminates on the date that is the 10 th anniversary of the Commencement Date unless otherwise agreed between the parties.
3	Termination	Termination without cause:	
		Termination by either party	The IMA may be terminated by either party for convenience at any time after the second anniversary of the Commencement Date by giving to the other not less than 12 months written notice.
		Termination for cause:	
		Termination by Appointors	The Appointor may terminate the IMA at any time by written notice to the Manager upon certain customary circumstances occurring.
		Termination by Manager	The Manager may terminate the IMA at any time by written notice to the Appointor upon certain customary circumstances occurring.
4	Indemnities and warranties	Indemnity and warranties from the Appointor and the Manager	The Appointor and the Manager provide customary mutual indemnities and customary warranties under the IMA.

7. Additional information

7.1 Regulatory relief

7.1.1 ASX confirmations

The Company and the Responsible Entity have applied for and received confirmations from ASX that:

- Listing Rule 11.1.2 and 11.1.3 do not apply to the Transaction; and
- For the purposes of Listing Rule 2.4, the Consideration Securities will not be classified as restricted securities.

7.1.2 ASIC Relief

The Responsible Entity has applied for and received relief from ASIC which allows the Responsible Entity to conduct the Selective Buy-Back of EIF units in the manner described in this document.

At least 21 days before any ENN Securities held by Challenger are acquired by the Group under the Share Sale Agreement, Elanor must give notice to all holders of ENN Securities (which may be an announcement on the market announcements platform operated by ASX) of the following matters:

- the number of ENN Securities on issue as at the date of the notice;
- the actual number and percentage of ENN Securities held by Challenger as at the date of the notice;
- the actual number and percentage of interests in EIF held by Challenger that will be bought back by EFML under the Selective EIF Buy-Back Offer to which the notice relates and reasons why this amount will be bought back (including, how this compares to the maximum 63% of ENN Securities that may be acquired under the Share Sale Agreement);
- the actual number and percentage of shares in EIL held by Challenger that will be cancelled by EIL concurrently with the interests in EIF held by Challenger that will be bought back by EFML under the Selective EIF Buy-Back Offer to which the notice relates and reasons why this amount will be cancelled (including, how this compares to the maximum 63% of ENN Securities that may be acquired under the Share Sale Agreement);
- the effect of the acquisition of the ENN Securities held by Challenger on EIF and EIL, including, how it will affect control of ENN Securities;
- the date on which the interests in EIF and shares in EIL held by Challenger will be acquired; and
- all of the interests in EIF acquired under the Selective EIF Buy-Back Offers are cancelled by EFML as soon as reasonably practicable after they are acquired.

Glossary

In this Notice of Meetings and accompanying Explanatory Memorandum, unless the context otherwise provides, defined terms have the meaning shown below:

Term	Meaning
Announcement Date	The date when the Transaction was announced, being 6 April 2023
ASIC	Australian Securities and Investments Commission
ASIC Relief	The relief described in section 7.1.2
ASX	Australian Securities Exchange
Board	The Board of Directors of the Company or the Responsible Entity, as the context may require
Challenger	Challenger Limited (ASX:CGF)
CRE	Challenger Real Estate or Challenger's Australian real estate funds management business
CLC IMA	Challenger Investment Management Agreement
Computershare or Registry	Computershare Investor Services Pty Limited
Consideration Securities	24,754,165 ENN Securities that will be issued by Elanor to the Seller, as consideration for the acquisition of CRE, subject to Securityholders' approval of the Resolutions
Constitutions	The constitution of EIL, as amended from time to time, and the constitution of EIF, as amended from time to time
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Corporations Regulations	The <i>Corporations Regulations 2001</i> (Cth)

Term	Meaning
Directors	The directors of the Responsible Entity or the Company, as the context may require
ENN, Elanor or Elanor Investors Group	Elanor Investors Group comprises Elanor Investors Limited (ACN 169 308 187) and Elanor Funds Management Limited (ACN 125 903 031) in its capacity as responsible entity for Elanor Investment Fund (ARSN 169 450 926) (whose securities are stapled and Listed on the ASX) (ASX:ENN)
ENN Security	A stapled security in ENN, comprising an ordinary share in EIL stapled to an ordinary unit in EIF
Explanatory Memorandum	The Explanatory Memorandum in this document, including any attachments or revisions to it
FIRB	Foreign Investment Review Board
FUM	Funds under management
Key Implementation Steps	Certain pre-completion restructure steps within the control of the Seller, namely the incorporation of NewCo, NewCo entering Challenger's tax consolidated group, entry into by NewCo of a services agreement ⁴⁷ with Challenger, and NewCo subsequently exiting Challenger's tax consolidated group.
Listed	Admitted to the Official List
Listing Rules	The listing rules of the ASX
Meeting or Meetings	The meetings of Securityholders of EIL and EIF to consider the Resolutions, scheduled to be held on Friday, 30 June 2023 at 10.00am
NewCo	Target company created for the purpose of consolidating certain assets of CRE for the purpose of the Transaction
Notice of Meetings	The notice of meetings set out on page 2 in this document, and which is taken to contain all information in this document
Official List	Has the same meaning given in the Listing Rules

⁴⁷ Which seeks to ensure NewCo has access to relevant services pre-Completion to enable NewCo to perform obligations imposed on it under relevant Management Agreements transferred to it.

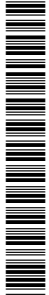
Term	Meaning
Proxy Form	The proxy form for the Meetings to be held on Friday, 30 June 2023 which accompanies this Notice of Meetings
Purchase Price	\$41,818,182 (being the maximum purchase price payable in terms of the Share Sale Agreement) or \$37,745,455 (being the purchase price as reduced as at the date of this document in terms of the Share Sale Agreement), as the context may require
Register	The register of Securityholders
Requisite Majorities	<ol style="list-style-type: none"> 1. In relation to Resolution 1, the Requisite Majority is an ordinary resolution passed by more than 50% of the total number of votes cast by Securityholders entitled to vote on the Resolution 2. In relation to each of Resolution 2 and Resolution 3, the Requisite Majority is a special resolution passed by 75% or more of the total number of votes cast by Securityholders entitled to vote on the Resolution
Residual Purchase Price	Purchase Price less the Consideration Shares
Resolutions	The resolutions set out in the Notice of Meetings, being the Issue of ENN Securities to the Seller Resolution, the Amendment to the Constitutions Resolution and the Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares Resolution
Resolution 1	Issue of ENN Securities to the Seller Resolution
Resolution 2	Amendment to the Constitutions Resolution
Resolution 3	Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares Resolution
Responsible Entity	Elanor Funds Management Limited (ACN 125 903 031) in its capacity as responsible entity for Elanor Investment Fund (ARSN 169 450 926)
Sale Shares	All issued shares in the capital of NewCo
Securityholder	A registered holder of ENN Securities
Selective Reduction	Selective Reduction of stapled shares in EIL is a mechanism designed to clawback a portion of the Consideration Securities for nominal consideration as required by way of adjustment to the value of consideration paid by Elanor if and when certain agreed milestones are not met over a three-year period

Term	Meaning
Selective Buy-Back	Selective Buy-Back of units in EIF is a mechanism designed to clawback a portion of the Consideration Securities for nominal consideration as required by way of adjustment to the value of consideration paid by Elanor if and when certain agreed milestones are not met over a three-year period
Seller	Fidante Partners Holdco 1 Pty Limited, a wholly owned subsidiary of Challenger Limited
Share Sale Agreement	The share sale agreement between EIL, the Seller and Challenger dated 6 April 2023, a summary of which is included in section 6.1
SOI	Shares on issue
Subsidiaries	Has the meaning given in the Corporations Act, but so that: <ul style="list-style-type: none">• an entity will also be considered to be a Subsidiary of a trustee, responsible entity or other entity if it is controlled by that trustee, responsible entity or other entity (expressions used in this paragraph have the meanings given for the purposes of Division 6 of Part 1.2 of the Corporations Act);• a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and• a corporation or trust may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.
Transaction	Acquisition of CRE as described in this Notice of Meetings and accompanying Explanatory Memorandum
VWAP	Volume weighted average price of ENN Securities



Elanor Investors Group


Elanor Investors Limited ABN 33 169 308 187
Elanor Funds Management Limited ABN 39 125 903 031
AFS Licence 398196 as responsible entity of
Elanor Investment Fund ABN 35 737 969 657 ARSN 169 450 926




ENN

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Sydney time) on Wednesday, 28 June 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999 I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Elanor Investors Group hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the Meetings of Securityholders of Elanor Investors Group to be held at The Boyd Room, Level 2, Amora Hotel Jamison Sydney, 11 Jamison Street, Sydney, NSW 2000 on Friday, 30 June 2023 at 10:00am (Sydney time) and at any adjournment or postponement of that meeting.

Step 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Issue of ENN Securities to the Seller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Amendment to the Constitutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Potential Selective Buy-Back of EIF units and Selective Reduction of EIL shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

<input style="width: 95%; height: 25px;" type="text"/>	<input style="width: 95%; height: 25px;" type="text"/>	<input style="width: 95%; height: 25px;" type="text"/>	/ /
Individual or Securityholder 1	Securityholder 2	Securityholder 3	Date
<small>Sole Director & Sole Company Secretary</small>	<small>Director</small>	<small>Director/Company Secretary</small>	

Update your communication details *(Optional)* By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

Mobile Number Email Address

Corporate Directory

Elanor Investors Group (ASX Code: ENN)

Elanor Investors Limited (ACN 169 308 187)
Elanor Investment Fund (ARSN 169 450 926)
(Elanor Funds Management Limited (ACN 125 903 031)
is the Responsible Entity)

Registered Office
Level 38
259 George Street
Sydney NSW 2000
T: +61 2 9239 8400

Directors of the Responsible Entity

Paul Bedbrook (Chair)
Glenn Willis (Managing Director and CEO)
Nigel Ampherlaw
Anthony (Tony) Fehon
Karyn Baylis
Lim Su Kiat

Financial Advisor

MA Moelis Australia
Level 27
Brookfield Place
Sydney NSW 2000

Legal Advisor

King & Wood Mallesons
Level 61
Governor Phillip Tower
Sydney NSW 2000

Tax Advisor

Deloitte Australia
Quay Quarter Tower
Level 46, 50 Bridge St
Sydney NSW 2000

Registry

Computershare Investor Services
Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Website

www.elanorinvestors.com/

Company Secretary of the Responsible Entity

Symon Simmons



Level 38, 259 George Street

Sydney NSW 2000

T: +61 2 9239 8400

elanorinvestors.com