

## MEDIA RELEASE

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### **Challenger launches innovative annuity product**

Challenger has today launched the Challenger Guaranteed Income Fund (GIF), an innovative annuity-style product specially developed for use on platforms.

The Challenger GIF will invest in annuities issued by APRA-regulated Challenger Life, which was named Annuity Provider of the Year 2008 by Plan For Life Actuaries and Researchers.

Chief Executive of Challenger Life, Richard Howes, said: "The OECD says Australians should invest more of their super in annuities to reduce portfolio risk. A key factor in promoting such investment is product availability, so this initiative is very significant for the development of the annuities market.

"The creation of an annuity investment option required significant product development because unlike most other platform products, annuities are flexible and bespoke policies sold to individuals. However the high level of demand from financial advisers and their clients warranted the investment and we're very pleased with the end result.

"We now expect to see the original and authentic retirement product feature more heavily in portfolio construction. Advisers are becoming more familiar with their attributes of zero volatility, capital and income guarantees and no management fees".

Challenger GIF will provide unitholders with set monthly distributions and a return of capital at maturity. Different classes of units in the funds will reflect 3, 5 and 7 year terms. The investment is structured to be held to maturity, however the Fund provides for early withdrawals where an investor's circumstances have changed.