

Financial Services Guide

Preparation Date: 1 July 2019

What is the purpose of this financial services guide?

This financial services guide (FSG) is an important document. It is designed to assist you in deciding whether to use any of the financial services offered by us, as described in this FSG. We are required to give you an FSG if we provide certain financial services to you and you are a retail client. This FSG contains important information about:

- who we are;
- the financial services we offer;
- the financial products to which those services relate;
- how we and others are paid in connection with those services;
- your privacy;
- how we deal with complaints; and
- how we can be contacted.

This FSG is not intended for 'wholesale clients' as defined by the Corporations Act 2001 (ie professional investors). References to 'you' and 'your' refer to potential investors who are not 'wholesale clients'. This FSG is provided by:

- Challenger Life Company Limited (ABN 44 072 486 938, AFSL 234670).
- Challenger Retirement and Investment Services Limited (ABN 80 115 534 453, AFSL 295642, RSE License No. L0001304).

Each of the above entities are members of Challenger Limited (**Challenger Limited**). References to 'Challenger', 'we', 'us' and 'our' refer to each of these entities.

Are there any other documents that you will receive?

Will you receive a statement of advice?

A person who provides a retail client with personal advice (that is advice that takes into account the client's objectives, financial situation and needs) must give the client a statement of advice (SOA). We do not provide personal advice to retail clients. Accordingly, you should not expect to receive an SOA from us.

Will you receive a product disclosure statement?

Before acquiring one of our products, you should be provided with a product disclosure statement (PDS), which is designed to assist you to make an informed decision about the product. The statement will contain information about the product and will usually include the costs and details of other fees and charges which may apply, including (if applicable) any fees, commission or other benefits (collectively referred to as **Adviser Remuneration**) payable to financial advisers.

Will you receive a general advice warning?

A person who gives retail clients general advice (that is, advice that is not personal advice) must generally warn the client that the advice does not take into account the client's objectives, financial situation or needs. Where we provide you with general advice, we will also generally provide you with a general advice warning. The general advice warning will be given in the same manner as the advice is provided (ie in writing or verbally).

How do you obtain further information?

This FSG contains general information about the financial services that we provide. When providing these financial services, we act on our own behalf. If you require more information, please contact us.

The financial services we are authorised to provide

We are authorised to:	Challenger Life Company Limited ¹	Challenger Retirement and Investment Services Limited ¹
Operate certain kinds of registered managed investment schemes		Yes
Operate custodial or depository services		Yes ³
Provide financial product advice about:		
Basic deposit products	Yes	Yes
Deposit products other than basic deposit products	Yes	
Non-cash payment products		Yes
Derivatives	Yes	Yes
Foreign exchange contracts	Yes	Yes
Debentures, stocks or bonds issued or proposed to be issued by a government	Yes	Yes
Interests in managed investment schemes	Yes ³	Yes ²
Securities	Yes	Yes
Superannuation	Yes	Yes
Investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds	Yes	
Life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds	Yes	
Deal in a financial product by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:		
Non-cash payment products		Yes
Derivatives	Yes	Yes
Foreign exchange contracts	Yes	Yes
Interests in managed investment schemes		Yes ³
Securities		Yes
Superannuation		Yes
Investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds	Yes	
Life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds	Yes	
Deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:		
Basic deposit products	Yes	Yes
Deposit products other than basic deposit products	Yes	
Non-cash payment products		Yes
Derivatives	Yes	Yes
Foreign exchange contracts	Yes	Yes
Debentures, stocks or bonds issued or proposed to be issued by a government	Yes	Yes
Life products including investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds		Yes
Life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds		Yes
Interests in managed investment schemes	Yes ³	Yes ³
Securities	Yes	Yes
Superannuation		Yes

¹ This entity is able to offer these financial products and services to both retail and wholesale clients.

² Including investor directed portfolio service (IDPS) like schemes.

³ Excluding investor directed portfolio services.

Any advice provided by Challenger is limited to general financial product advice which we provide, for example, in our PDSs, investment newsletters, investor reports and website material. This information generally relates to product features, managing risk and return, investment market commentaries and economic overviews.

We do not provide personal financial product advice to retail clients. Before you make any investment decision, we recommend that you obtain advice tailored to address your individual objectives, financial situation and needs from a licensed financial adviser.

We are responsible for the financial services provided to you under our Australian Financial Services Licences (AFSL). We do not act as a representative for any other AFSL holder.

Why we do not give personal advice to retail clients

We believe investors should obtain financial product advice from qualified financial advisers who fully understand the investors' individual objectives, financial situation and needs.

How we and others are paid for the financial services we provide

If you acquire one of our products or services, we will receive fees and other benefits. These are generally set out in the PDS for the product or in an individual contract for services. Where permitted by law, this remuneration may include contribution fees, withdrawal fees and management fees applicable to the particular product or service. Financial advisers may receive (in accordance with applicable legal requirements) Adviser Remuneration if they provide advice to you or arrange for you to acquire our products. Only costs associated with advice that relates to your superannuation may be deducted from your superannuation account.

Any Adviser Remuneration, if paid by us, is set out in the PDS under which you acquired the product. The amount (or method of calculating the amount) of Adviser Remuneration should be disclosed in the SOA you should receive from the adviser. Other Challenger Limited companies may receive fees and other benefits for products or services provided to us in connection with any of our products. Some or all Challenger Limited companies and their directors may benefit from fees and other benefits received by us or another Challenger Limited company.

Our staff are paid a salary and may be entitled to receive bonuses and non-monetary benefits. These bonus payments are not an additional cost to you.

You may receive advice about our products from financial advisers. These advisers may receive remuneration from us if you buy our product. Your adviser is required to set out their Adviser Remuneration in the FSG and/or SOA they must give to you. If you have an ongoing fee arrangement with your financial adviser they must also provide you with a fee disclosure statement on an annual basis.

We do not pay fees or other benefits to third parties for solely referring customers to us. However, we may pay a third party to be our administrator.

We may provide benefits to financial services intermediaries where the law permits us to do so. If we do, we will provide these benefits from our own resources. We maintain a register of these benefits. If you would like to review our register, please contact us.

Related parties and service providers

We or any investment manager may enter into transactions with, and use the services of, any related parties. It is our policy to ensure that such arrangements are on arm's length commercial terms. We or any related parties or any director or officer of any of them may invest in any financial product we issue or manage.

We may receive fees or derive a profit as issuer of financial products and, where applicable, fees as the investment manager. Directors, being employees or independent directors receive a salary (from employment) or director fees. From time to time the directors may hold interests in shares of Challenger Limited or financial products issued by us.

Conflicts of interest

Potential conflicts may occasionally arise between the interests of investors, ourselves and our related parties and other parties (including service providers appointed by us). We have statutory and common law fiduciary duties to manage conflicts of interest, act in the interests of investors and, if there is a conflict, give priority to investors' interests and/or duties (as applicable).

We have policies, procedures and organisational arrangements in place to manage conflicts of interest. Our Board is responsible for the management and resolution of conflicts of interest arising in relation to the operation of the financial products we issue.

Privacy

We respect your privacy and have developed a Privacy Policy which embodies our legal obligations in respect of your privacy. Our Privacy Policy can be obtained by contacting us directly or by visiting our website www.challenger.com.au

Compensation arrangements

Challenger is insured under the terms of a current professional indemnity insurance policy, in satisfaction of the requirement under section 912B of the Corporations Act that Challenger has in place this type of insurance. These insurances provide cover even if one of our employees has ceased to work for us.

How we deal with complaints

As part of our commitment to providing quality services to our clients, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint within five business days of receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 days (or 30 days in relation to privacy complaints).

If you have a particular complaint regarding your financial product or investment, please do not hesitate to contact us by calling our Investor Services team on 13 35 66 or by writing to:

Complaints Resolution Officer
Challenger
GPO Box 3698
Sydney NSW 2001

If you are not happy with our response or how the complaint has been handled (of if we have not responded within 45 days), you may contact the following external dispute resolution scheme:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Tel: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

AFCA provides fair and independent financial services complaint resolution that is free to consumers. There are some time limits for lodging certain complaints including those related to a death benefit. Please consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

How can you contact us and provide us with instructions?

To change your investment or personal details or conduct transactions, you need to instruct us in writing. Some products and services may have their own rules on how to provide instructions or carry out certain instructions. Please refer to the relevant PDS for details.

You can contact us by:

- calling our Investor Services team on 13 35 66
- visiting www.challenger.com.au
- writing to us at GPO Box 3698, SYDNEY NSW 2001