

Challenger Guaranteed Annuity (Fixed Term)

Providing your
clients with
regular and secure
income for a fixed
term that they
choose



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About Challenger Guaranteed Annuity (Fixed Term)

A Challenger Guaranteed Annuity (Fixed Term) (Challenger term annuity) is a secure investment that provides a guaranteed, regular income for a fixed term that your clients choose.

When your clients are relying on their retirement savings to provide cash flow, having reliable and regular income payments can make all the difference. With a Challenger term annuity your client invests a lump sum, which is repaid to them at the end of the term or during the term as part of their regular payments.

Here's what your client will receive:

- flexibility to choose a fixed term between 1 year and 50 years¹;
- the option to receive payments monthly, quarterly, half-yearly or yearly² payments;
- repayment of their investment at the end of the fixed term unless they choose to have some or all of it repaid throughout the fixed term as part of their regular payments;
- guaranteed payments regardless of how investment markets perform; and
- tax-free payments if the client uses their super to invest.

A competitive rate from a low risk investment

While retirement can be the most enjoyable part of your client's life, it can also involve a lot of financial decisions. No matter how well prepared your client may be for their retirement, unexpected events such as market falls can have a major impact on their retirement savings and investments.

With a Challenger term annuity you can secure a competitive rate for your clients, from a low-risk investment. The return on investment is guaranteed, giving your clients confidence they can meet their spending goals.

Control over estate planning

Your clients can nominate one or more beneficiaries to receive the remaining benefit of their investment if they die during the investment term.

If they invested jointly, the benefits will pass on to the surviving owner.

Protect against inflation

Your clients can have their regular payments increased annually in line with inflation, or by a fixed whole percentage rate (of up to 5%).³

What happens if my clients' circumstances change?

A Challenger term annuity is designed to be held until the end of the investment term. In general, this means being comfortable that your client won't need access to their money until the end of their nominated term.

Of course, life doesn't always go to plan and your client may need to access their money for an emergency, unplanned expenses or another reason. If their circumstances change, they can withdraw from their annuity before the end of the investment term in part or in full.

It is important to carefully consider their decision to withdraw their money early, because they may end up losing some of their initial investment.

¹ If your client uses their super to invest and asks for all of their initial investment to be repaid as part of their regular payments, super rules restrict the maximum term they can select – it cannot be greater than the number of whole years until they turn age 100.

² One year terms have a minimum payment frequency of half-yearly.

³ This is only available if your client has chosen a term of at least two years and has also chosen to have all of their initial investment repaid as part of their regular payments (RCVO).

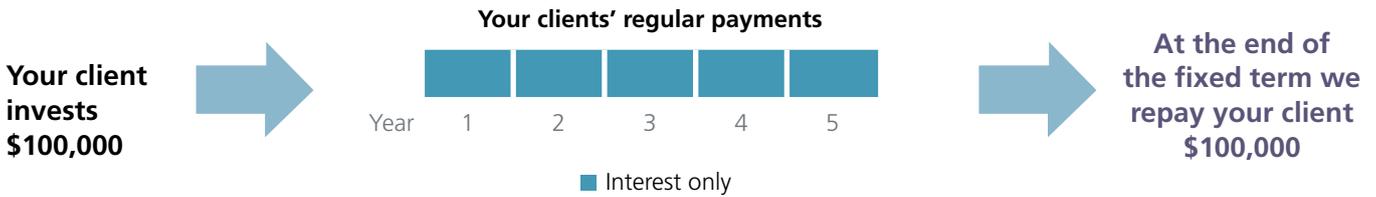
Payment flexibility

As well as your clients being able to choose how often they want to receive payments, they also have the flexibility to choose how we pay the original amount invested back to them. It can all be repaid at the end of their chosen fixed term, or all or part of it can be repaid as part of their regular payments.

The amount of your clients' original investment to be repaid at the end of the fixed term is called the 'residual capital value' (RCV). The following examples show the different capital repayment structures that may be suitable for your client.

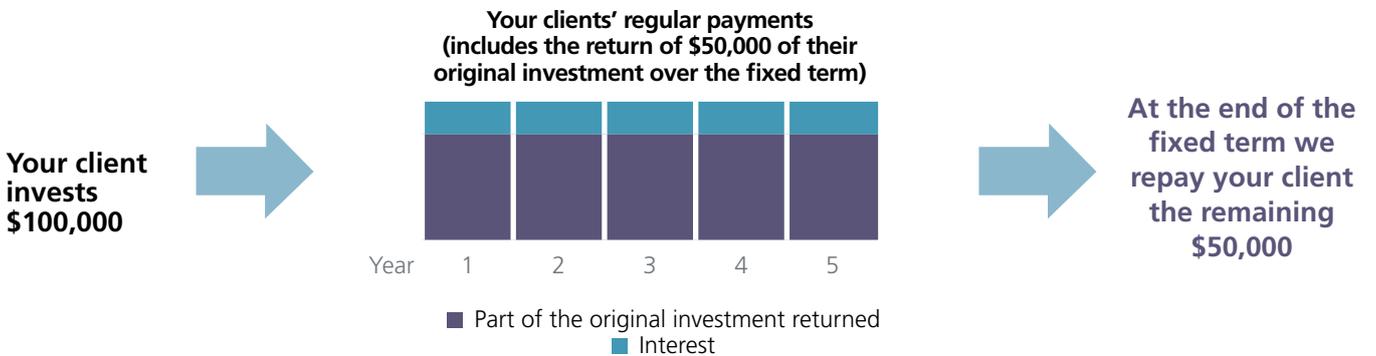
5-year fixed term example: The entire amount invested is returned at the end of the fixed term

This is called an 'RCV100' investment – meaning 100% of the amount invested is repaid at the end of the fixed term.



5-year fixed term example: 50% of the amount invested is repaid to your client with their regular payments

This is called an 'RCV50' investment – meaning 50% of the amount invested is repaid at the end of the fixed term and the remaining 50% is repaid with your clients' regular payments.



5-year fixed term example: The full investment amount is repaid with regular payments

This is called an 'RCV0' investment – meaning there is nothing left to be repaid at the end of the fixed term because the entire amount invested is repaid with your clients' regular payments.



Why Challenger term annuity?



A competitive rate for a chosen term

The rate for a Challenger term annuity is fixed when your clients invest, giving them the confidence of knowing the return they'll get.



Certainty of guaranteed regular payments

Your clients can enjoy the certainty that their payments won't be impacted by the performance of share markets.



The peace of mind of guaranteed income

Your clients you can rest easy knowing that their regular payments and the repayment of their investment amount is guaranteed over the term.

We're always ready to support you and your clients

Challenger has a range of tools to help you and your clients plan for their retirement, including calculators, videos and case studies. To access them or find out more:

📍 Log in, or register for AdviserOnline at adviseronlineportal.com.au

👤 Speak to your Challenger BDM

☎ Call **1800 621 009**

As with all investments, a Challenger term annuity carries some risks. The key risks and how they are managed are described in the Product Disclosure Statement (PDS). You should read the PDS (including the information about risks) and consider the suitability of the product for your client's circumstances before a decision to invest is made. A copy of the PDS is available at challenger.com.au or by contacting our Adviser Services Team on **1800 621 009**.

The information in this document is dated 23 June, 2020 and is provided by Challenger Life Company Limited ABN 44 072 486 938 AFSL 234670 (referred to as Challenger), the issuer of the Challenger Guaranteed Annuity and Challenger Guaranteed Annuity (Complying). Please note that some of the features listed in this flyer don't apply to the Challenger Guaranteed Annuity (Complying). See the Target Market Determination (TMD) and Product Disclosure Statement (PDS) for more detail. The information is meant for adviser use only. It should be regarded as general information only rather than advice. It has been prepared without taking account of any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs. A prospective investor should obtain a Target Market Determination (TMD) and Product Disclosure Statement (PDS) relating to Challenger Guaranteed Annuity or the Challenger Guaranteed Annuity (Complying), as applicable and consider the information in the TMD and PDS before making any decision about the product. A copy of the TMD and PDS is available at challenger.com.au or by contacting our Adviser Services Team on 1800 621 009. All references to guaranteed payments refer to the payments Challenger promises to pay under the relevant policy documents. Neither the Challenger group of companies nor any company within the Challenger group Guarantees the performance of Challenger's obligations or assumes any obligations in respect of products issued, or guarantees given, by Challenger. Neither Challenger, nor its related bodies corporate nor any of their employees, receives any specific remuneration for any advice provided in respect of a Challenger Guaranteed Annuity. However, financial advisers may receive fees if they provide advice or arrange for a person to invest in a Challenger Guaranteed Annuity or the Challenger Guaranteed Annuity (Complying), as applicable. Some or all of Challenger Group companies and their directors may benefit from fees and other benefits received by another group company. Challenger is not licensed or authorised to provide tax or social security advice. We strongly recommend investors seek professional financial product, taxation and social security advice for their individual circumstances.

Challenger Life is not an authorised deposit-taking institution for the purpose of the *Banking Act 1959 (Cth)*, and its obligations do not represent deposits or liabilities of an authorised deposit-taking institution in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Challenger Life. **Accordingly, unless specified otherwise, the performance, the repayment of capital and any particular rate of return on your investments are not guaranteed by any Challenger ADI.**