

# Fixed term annuities

Get guaranteed regular income  
for a fixed term that you choose

Earn a competitive rate on your  
savings from a secure investment



# Benefits at a glance

A Challenger fixed term annuity is a secure investment that provides a guaranteed regular income for a fixed term you choose. They operate in a similar way to a term deposit\* and they're not affected by the ups and downs of the share market.



## Earn a competitive rate for a term you choose

The rate for a Challenger fixed term annuity is fixed when you invest, giving you confidence of knowing the return you get.



## Enjoy the peace of mind that can be offered by guaranteed income

When you invest with Challenger, you can rest easy knowing that your regular payments are guaranteed for the chosen investment term.



## Keep control over your estate planning

You can nominate one or more beneficiaries<sup>1</sup> to receive the remaining benefits of your investment if you die during the investment term. If you invested jointly, the benefits will pass on to the surviving owner.



## Access your money early, if you need to

If your circumstances change, you can access a lump sum amount. However, fixed term annuities are designed to be held until the end of the term, so there will be a penalty if you decide to withdraw early.



## No ongoing product fees or charges payable to us

With a Challenger fixed term annuity, you don't need to worry about any ongoing product fees.

\* Annuities are not covered by the Australian Government's Financial Claims Scheme, which protects certain types of deposits in the event that a bank, building society or credit union fails.

<sup>1</sup> Beneficiary nomination rules differ based on whether you invest with your super or non-super money. Full details are available in the PDS.

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# Choice of product options

## Challenger offers two types of fixed term annuities:

Guaranteed Annuity (Fixed Term Direct), and Guaranteed Annuity (Fixed Term).

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### Fixed Term Direct

This is a streamlined fixed term annuity which offers a simple online application and has a smaller set of features. Find out how this product works [here](#).



### Fixed Term

This fixed term annuity is available to suit a wider set of customers and offers a broader set of features. Find out how this product works [here](#).



# How does Fixed Term Direct work?

You invest a lump sum and get a fixed return on your investment for a term you choose.

## 1. Invest for a term that suits you

Choose from a term of one year up to five years, with a minimum investment of \$10,000.

You must be aged 18 years or over.

## 2. Choose how often you receive payments

Match the frequency of your payments to suit your income needs. You decide whether to receive your payments monthly, quarterly, half-yearly or for terms greater than one year, yearly.

## 3. Have your investment amount repaid at the end of the term

Have all of your original investment amount returned at the end of the fixed term.



# How does Fixed Term work?

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Fixed Term provides you with regular income payments for a term you choose with a wider range of features than Fixed Term Direct. You invest a lump sum, which is repaid to you at the end of the term or during the term as part of your regular payments, if that's what you choose.

## 1. Invest for a term that suits you

Choose from a term of one year up to 50 years<sup>1</sup>, with a minimum investment of \$10,000. You must be aged 18 years or over.

## 2. Choose how often you receive payments

Match the frequency of your payments to suit your income needs. You decide whether to receive your payments monthly, quarterly, half-yearly or for terms greater than one year, yearly.

## 3. Have your investment amount repaid when it suits you

Choose to receive some (or all) of your original investment amount returned as part of your regular payments, or at the end of the fixed term. Either way, if held until the end of the term, you'll get 100% of your original investment back.

## 4. Enjoy tax-free income for the full term if you invest with super

By using your super money to invest, your regular payments are tax-free if you are age 60 and over. If you invest with non-super money your regular payments may be subject to tax<sup>2</sup>.

## 5. Protect the value of your regular payments from inflation

You can have your regular payments increased annually in line with inflation, or by a fixed whole percentage rate (of up to 5%<sup>3</sup>).

<sup>1</sup> If you use your super to invest and ask for all of your initial investment to be repaid as part of your regular payments, super rules restrict the maximum term you can select – it cannot be greater than the number of whole years until you turn age 100.

<sup>2</sup> Please refer to the Challenger Guaranteed Annuity (Fixed Term) PDS and TMD for more information.

<sup>3</sup> You can only choose to have your regular payments increased annually in line with increases in the CPI, or by a fixed whole percentage rate (of up to 5%) if you have chosen a term of at least two years and have also chosen to have all your capital returned to you as part of your regular payments (RCV0).



# How Challenger guarantees payments

Challenger annuities are provided by Challenger Life, a Life Company regulated by the Australian Prudential Regulation Authority (APRA). APRA is the authority that regulates the banking, insurance and superannuation industries.

When you invest in a Challenger annuity your capital investment goes into a fund along with the capital received from other annuity customers. This fund is known as the statutory fund, and all regular payments to our annuity customers are paid from this fund. We are also required by APRA to invest our own money into the fund. This statutory fund is required to hold enough capital to withstand a significant share market shock event.

Challenger Life is subject to extensive legislative and regulatory requirements designed to ensure that your investment is kept safe. APRA actively monitor our investments with the aim of ensuring that we can meet the promises that we have made to you both now and into the future.

If at any time we do not achieve investment returns that are sufficient to cover all the promises that we have made to our annuity customers, we must cover the shortfall from the money we have invested in the fund.

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# About Challenger

Challenger Life is Australia's largest annuity provider and a life company registered under the Life Insurance Act 1995.

We're focused on providing customers with financial security for retirement. We provide guaranteed regular payments to thousands of customers and have \$23 billion in assets\*.

\* As at 31 December 2022.

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## For more information

▶ Visit [challenger.com.au](https://challenger.com.au)

▶ Speak to your financial adviser

▶ Call 13 35 66

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