

## COLONIAL FIRST STATE LAUNCHES CHALLENGER'S CAREPLUS TO MEET INCREASING AGED CARE NEEDS

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**Sydney, 29 August 2016** - Challenger's successful aged care solution, CarePlus, has been launched by Colonial First State (CFS) FirstChoice, making it more readily available to thousands of financial advisers across Australia.

The addition of CarePlus expands Challenger's partnership with CFS which already provides Challenger lifetime and term annuities. It will be available via CFS's FirstChoice investment platform which is used by about half of financial advice firms in the country.

"CarePlus addresses a clear need in the aged care sector. Financial advisers face growing demand to help their clients deal with the complexity and cost of going into aged care at what is often a challenging time for families," said Paul Rogan, Challenger's Chief Executive, Distribution, Research and Marketing.

"This is an emotionally charged issue, particularly for the 'sandwich generation' – people in their 50s and 60s who now need to manage not only their own retirement planning but, increasingly, the needs of ageing parents as well."

An emerging concern for Australians over-50 is the possibility that they will have to care for or financially support elderly parents at some later stage, while they continue to provide some support for their own children.

A National Seniors Australia survey showed that while only a small percentage currently provide financial support for elderly parents, 28% of those with surviving parents are concerned they may need to do so in future. At the same time, 45% of over-50s are saving for their own unknown aged care costs.

CarePlus is a new generation of solution that combines the benefits of a lifetime annuity providing regular income for aged care costs with life risk insurance providing estate planning certainty. It provides an income stream to help meet the costs of aged care facilities.

Increased longevity has led to a rapid increase in the number of Australians over 85, which has increased two-and-a-half-fold in the last 20 years, driving demand for aged care services.

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About 230,000 Australians are in residential aged care with an additional 84,000 receiving home care services, according to CFS.

CarePlus is available for Australians who are ACAT approved to receive Government-subsidised aged care services whether at home or in residential aged care.

Challenger's partnership with CFS was launched in August 2015 and has grown rapidly due to increased demand for retirement income products to meet the needs of Australia's ageing population.

### **About Challenger**

Challenger Limited (Challenger) is an investment management firm managing \$60.0 billion\* in assets. It is focused on providing customers with financial security for retirement.

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

\*30 June, 2016

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### **For more information contact:**

#### **Paul Marriage**

Acting Head of Corporate Affairs and Advocacy

Tel (02) 9994 7053

Mob 0405848327