

# Target Market Determination

## Challenger Guaranteed Income Fund

This Target Market Determination (**TMD**) is required under section **994B** of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement and is **not** a complete summary of the product features or terms of the product. The information in the TMD is intended to be general information only and is not financial product advice. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read this TMD and the Product Disclosure Statement (**PDS**) for the product before making a decision whether to buy this product. They should assess whether they are in the target market for this product and obtain financial product advice that considers their individual objectives, financial situation and needs.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained by contacting us on 1300 721 637 or on our website at [challenger.com.au](http://challenger.com.au).

### Target Market Summary

The Fund is a registered managed investment scheme that predominantly invests in annuities and derivatives provided by Challenger Life. This product is likely to be appropriate for a consumer seeking regular income and is designed to be used as a small to core allocation within a consumer's portfolio. It is for consumers with a low-risk/return profile who are willing to invest for a minimum timeframe matching the maturity date and will not need access to their funds before maturity.




### Fund and issuer identifiers

<b>Issuer</b>	Fidante Partners Services Limited	<b>ISIN Code</b>	AU60MLT55284 – 31 August 2024 AU60CSI37661 – 31 May 2026 AU60CSI47165 – 30 November 2027 AU60CSI97749 – 30 November 2028
<b>Issuer ABN</b>	44 119 605 373	<b>Market identifier code</b>	n/a
<b>Issuer AFSL</b>	320505	<b>Product exchange code</b>	n/a
<b>Fund</b>	Challenger Guaranteed Income Fund	<b>TMD issue date</b>	28 June 2024
<b>ARSN</b>	139 607 122	<b>TMD version</b>	3.0
<b>APIR code</b>	MLT5528AU – 31 August 2024 CSI3766AU – 31 May 2026 CSI4716AU – 30 November 2027 CSI9774AU – 30 November 2028	<b>TMD status</b>	ACTIVE
		<b>TMD Contact Details</b>	Fidante Product Team E: <a href="mailto:customeripp@fidante.com.au">customeripp@fidante.com.au</a>

### Description of Target Market

#### TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

	<b>IN TARGET MARKET</b>
	<b>LESS LIKELY IN TARGET MARKET</b>
	<b>NOT IN TARGET MARKET</b>

#### Instructions

In the tables below, customer attributes indicate a description of the likely objectives, financial situation and needs of the class of customers that are considering this product. The TMD indicator, indicates whether a customer meeting the customer attribute is likely to be in the target market for this product.

Generally, a customer is unlikely to be in the target market for the product if **one or more** of their customer attributes has a red rating. Where a customer attribute has an amber rating, they may be in the target market depending on their personal circumstances.

Please also refer to the Definitions at the end of this document.

## Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example with an intended product use of minor *allocation*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a balanced or moderate portfolio with a minor allocation to growth assets. In this case, a product with a *High risk*/return profile may be consistent with the consumer's objectives for that minor allocation notwithstanding that the risk/return profile of the consumer as a whole is *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

Customer attribute	TMD Indicator	Product description including key attributes
Consumer's investment objective		
Capital Growth	<div></div>	The Fund offers investors the opportunity to invest in units that provide a fixed monthly income until the maturity date as well as a known maturity unit price of \$1.000 per unit.  When you invest in the Fund, you purchase units in a particular class of the Fund.
Capital Preservation	<div></div>	
Income Distribution	<div></div>	
Consumer's intended product use (% of Investable Assets)		
Solution/standalone (up to100%)	<div></div>	The Fund predominantly invests in annuities provided by Challenger Life that closely match the income and maturity profile of the relevant class. The Fund will also invest in derivatives provided by Challenger Life to manage cashflow and may also hold cash. The Fund has Low portfolio diversification and is intended to form only part of an investor's total investable assets.
Major allocation (up to75%)	<div></div>	
Core component (up to 50%)	<div></div>	
Minor allocation (up to 25%)	<div></div>	
Satellite allocation (up to 10%)	<div></div>	
Consumer's investment timeframe		
Minimum investment timeframe	Until the class maturity date	The fund offers different classes of units with varying maturity dates. Investors are able to choose the class that best suits their investment horizon.  The suggested minimum investment timeframe for each class offered by the Fund is the class maturity date.
Consumer's Risk (ability to bear loss) and Return profile		
Low	<div></div>	The total return of units within each class is known upfront and remains until maturity. Depending on the timing of investment, this return will include both an income and capital component.
Medium	<div></div>	
High	<div></div>	It may be appropriate for investors with very high risk and return profile when used alongside other investments that meets their overall risk and return profile.
Very high	<div></div>	
Extremely high	<div></div>	Please refer to the Fund's PDS for full details on the risks associated with this Fund.
Consumer's need to access capital		
Within one week of request	<div></div>	Units in each class are designed to be held to maturity.
Within one month of request	<div></div>	Generally, early withdrawals before the class maturity date are possible using an early withdrawal value, and you may receive back significantly less that you would have if you held your investment to the maturity date.
Within three months of request	<div></div>	Withdrawals are usually processed within five business days of receiving your withdrawal request, however we do not guarantee this timeframe. We may take significantly longer to pay withdrawals.
Within one year of request	<div></div>	
Within 5 years of request	<div></div>	The constitution for the Fund does allow the Issuer up to 30 days to process a redemption and allows for suspension of redemptions under abnormal circumstances.
Within 10 years of request	<div></div>	Each class offers a specified distribution which provides the security of receiving regular income via monthly distribution payments throughout your investment term.
At issuer discretion	<div></div>	

## Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

## Distribution conditions/restrictions

Channel	Distribution conditions	Distribution condition rationale
Licensed financial adviser	<p>This product is available to persons via investment or super platforms or wrap products (platforms), Investor directed portfolio service (IDPS) IDPS-like scheme, nominee or custody service or any other trading platform where a distribution agreement exists.</p> <p>Only suitable for distribution to consumers who have received personal advice</p>	<p>Each platform has its own obligations as a distributor to take reasonable steps that will or are reasonably likely to result in retail product distribution being consistent with the TMD.</p> <p>Due to the nature of the product, we consider this product should only be available to those receiving personal advice.</p>

## Review triggers

- Material change to key attributes, fund investment objective and/or fees.
- Material deviation from benchmark / objective over sustained period.
- Key attributes have not performed as disclosed by a material degree and for a material period.
- Determination by the issuer of an ASIC reportable Significant Dealing.
- Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product.
- The use of Product Intervention Powers, regulator orders or directions that affects the product.
- APRA intervenes as a result of Challenger Life Company not being able to meet its statutory capital requirements.

## Mandatory TMD review periods

Review period	Maximum period for review
Initial review	NA - initial review has already occurred
Subsequent reviews	2 years

## Distributor reporting requirements

Reporting requirement	Reporting period	Which distributors this requirement applies to
Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 10 business days following end of calendar quarter.	All distributors
Significant dealing outside of target market, under section 994F(6) of the Act. See Definitions for further detail.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.	All distributors
To the extent a distributor is aware of dealings outside the target market these should be reported to the issuer, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	Within 10 business days following end of calendar quarter.	All distributors

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to Fidante Partners Services Limited using the agreed methodology.

## Definitions

Term	Definition
<b>Consumer's investment objective</b>	
Capital Growth	The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.
Capital Preservation	The consumer seeks to invest in a product designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities).
Income Distribution	The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments).
<b>Consumer's intended product use (% of Investable Assets)</b>	
Solution/Standalone (up to 100%)	The consumer may hold the investment as up to 100% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification.
Major allocation (up to 75%)	The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> portfolio diversification.
Core Component (up to 50%)	The consumer may hold the investment as up to 50% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification.
Minor allocation (up to 25%)	The consumer may hold the investment as up to 25% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification.
Satellite allocation (up to 10%)	The consumer may hold the investment as up to 10% of the total <i>investable assets</i> . The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only.
<i>Investable Assets</i>	Those assets that the investor has available for investment, excluding the residential home.
<b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>	
Note: exposures to cash and cash-like instruments may sit outside the diversification framework below.	
Very low	The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles).
Low	The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy).
Medium	The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources).
High	The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities).
Very high	The product provides exposure to a large number of holdings across a broad range of asset classes, sectors and geographic markets with limited correlation to each other.
<b>Consumer's intended investment timeframe</b>	
Minimum	The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved.

**Consumer's Risk (ability to bear loss) and Return profile**

*Instructions to issuers: Issuers should undertake a comprehensive risk assessment for each product. If the SRM does not adequately estimate the risk of this product, issuers should consider alternatives, for example the risk measure used under UCITS (Synthetic Risk and Reward Indicator), and amend the text below.*

This TMD uses the Standard Risk Measure (**SRM**) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the [Standard Risk Measure Guidance Paper For Trustees](#) (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.

A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.

Low	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a conservative or low risk appetite,</li> <li>• seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and</li> <li>• is comfortable with a low target return profile.</li> </ul> <p>The consumer typically prefers stable, defensive assets (such as cash).</p>
Medium	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a moderate or medium risk appetite,</li> <li>• seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and</li> <li>• is comfortable with a moderate target return profile.</li> </ul> <p>The consumer typically prefers defensive assets (for example, fixed income).</p>
High	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a high risk appetite,</li> <li>• can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and</li> <li>• seeks high returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers growth assets (for example, shares and property).</p>
Very high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has a very high risk appetite,</li> <li>• can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and</li> <li>• seeks to maximise returns (typically over a medium or long timeframe).</li> </ul> <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p>
Extremely high	<p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> <li>• has an extremely high-risk appetite,</li> <li>• can accept significant volatility and losses, and</li> <li>• seeks to obtain accelerated returns (potentially in a short timeframe).</li> </ul> <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p>

**Consumer's need to access capital**

This consumer attribute addresses the likely period of time between the making of a request for redemption/withdrawal (or access to investment proceeds more generally) and the receipt of proceeds from this request under ordinary circumstances. Issuers should consider both the frequency for accepting the request and the length of time to accept, process and distribute the proceeds of such a request. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in aligning the product to the consumer's need to access capital. Where a product is held on investment platforms, distributors also need to factor in the length of time platforms take to process requests for redemption for underlying investments. Where access to investment proceeds from the product is likely to occur through a secondary market, the liquidity of the market for the product and likely realisable value on market should be considered, including in times of market stress.

Term	Definition
Distributor Reporting	
Significant dealings	<p data-bbox="568 197 1501 311">Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is ‘significant’ and distributors have discretion to apply its ordinary meaning.</p> <p data-bbox="568 322 1501 407">The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p data-bbox="568 423 1126 450">Dealings outside this TMD may be significant because:</p> <ul data-bbox="568 461 1501 584" style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer).</li> </ul> <p data-bbox="568 600 1090 627">In each case, the distributor should have regard to:</p> <ul data-bbox="568 638 1501 826" style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes),</li> <li>• the actual or potential harm to a consumer (which may be indicated by the value of the consumer’s investment, their intended product use or their ability to bear loss), and</li> <li>• the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer).</li> </ul> <p data-bbox="568 842 1501 900">Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul data-bbox="568 911 1501 1104" style="list-style-type: none"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the quarter,</li> <li>• the consumer’s intended product use is solution/standalone,</li> <li>• the consumer’s intended product use is core component or higher and the consumer’s risk/return profile is low, or</li> <li>• the relevant product has a green rating for consumers seeking extremely high risk/return.</li> </ul>