

# LGS Fixed Term Guaranteed Income

REGULAR AND SECURE  
INCOME FOR A CHOSEN TERM



**The LGS Fixed Term Guaranteed Income provides a regular cash flow for your chosen investment term, regardless of how investment markets perform.**

**Whether used on its own or with other investments like our LGS Account-Based Pension Plan, it can give you peace of mind during your retirement.**



Hunter Valley

Cover image: Dubbo

Just like many other investments, you purchase an LGS Fixed Term Guaranteed Income with an initial capital amount.

You select your term (which could be from one to 40 years) and you choose whether you want monthly, quarterly, half-yearly or yearly payments.

You can have your initial capital returned to you either at the end or throughout the term as part of your regular payments. In some instances you can choose to have your payments indexed (see *Protection against share market volatility and inflation* on page 3 for more information).

Your regular payments are determined based on the options you choose and you start to receive them at your chosen payment frequency (see Figure 1).

**Figure 1: An LGS Fixed Term Guaranteed Income can be tailored to give you a dependable income for your investment term.**

**You select your account options, such as the term, payment frequency and how your capital is to be returned, then purchase the account.**

**You start to receive your regular payments.**

# Features

## **Regular income that lasts your chosen investment term**

With an LGS Fixed Term Guaranteed Income, you can choose investment terms of between one and 40 years. Your regular payments last for your investment term, unless you choose to withdraw your money early. You can choose to have all of your capital repaid to you at the end of the investment term, or you can choose to have some or all of your capital repaid to you as part of your regular payments throughout the investment term.

## **Protection against share market volatility and inflation**

An LGS Fixed Term Guaranteed Income can provide you with the comfort of knowing you will receive regular payments for your investment term, regardless of how investment markets perform.

If your chosen investment term is two years or more and you choose to have all your capital returned to you as part of your regular payments throughout the term, then you can choose to have your regular payments indexed annually.

Payments can be indexed in line with changes to the consumer price index (CPI) or by a fixed whole percentage rate of up to 5%.





## **Competitive fees**

We do not deduct a management fee from the investment return, your regular payments, or your capital. Administration fees are taken into account when setting the amount of your regular payments.

Please refer to the LGS Fixed Term Guaranteed Income Product Disclosure Statement (PDS) for more information on fees and costs.

## **Access to your capital**

An LGS Fixed Term Guaranteed Income is designed to be held for the whole of its term. You can, however, withdraw the account before the end of the investment term if you wish. In this case the amount you receive is likely to be significantly less than if you held your account for its full term.



## **An LGS Fixed Term Guaranteed Income can be used as part of your retirement investment strategy**

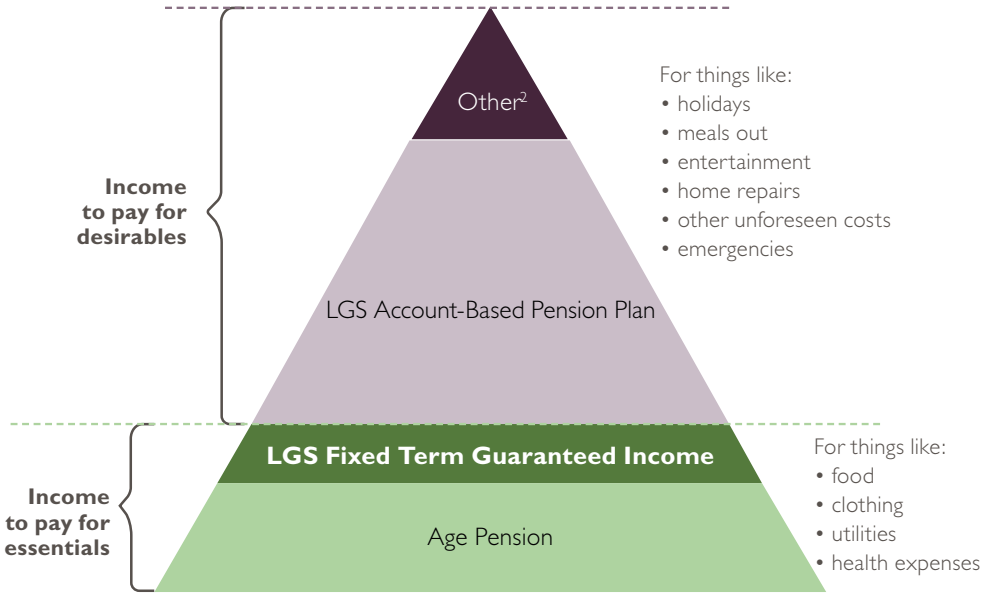
If you're eligible for the Age Pension, an LGS Fixed Term Guaranteed Income can be used to supplement it, helping to secure an income during retirement. Because you'll generally know how much income you'll receive year-to-year from the Age Pension and your LGS Fixed Term Guaranteed Income, you may wish to consider using this income to pay for the expenses that you can expect—your essential costs of living, like food and utilities.

Income from your remaining investments, such as account-based pensions, cash or term deposits, can then be used to pay for the things you desire, but don't necessarily need (see Figure 2).



Byron Bay

**Figure 2: Income from different sources can be matched to different expenses<sup>1</sup>**



## Other considerations

### Your LGS financial planner can help you think about:

- your budget in retirement, including how to identify essential costs and desirable costs
- how to structure your investments so that you'll have income to pay for both the essentials and the desirables
- an appropriate investment term for your term account
- whether or not you can increase your social security entitlements by using different investments.

For more information, visit [lgsuper.com.au](https://www.lgsuper.com.au) or call **1300 LGSUPER** (1300 547 873) to get in touch with your LGS financial planner.

<sup>1</sup> Diagram is illustrative only and is not to scale.

<sup>2</sup> Can include other income sources like term deposits and cash.

# About LGS

LGS manages approximately \$12 billion in superannuation assets for around 90,000 members. LGS is a certified responsible investor, with investments across Australian and international shares, property, infrastructure, private equity and absolute return asset classes.

LGSS Pty Limited (ABN 68 078 003 497) is the Trustee of Local Government Super (ABN 28 901 371 321). Whilst the size of LGS is not a guarantee of security or performance, it gives the Trustee cost effective access to professional advice and monitoring services. The Trustee is a profit-to-members company (meaning profits go to members, not shareholders), solely engaged in the management and control of LGS and its assets for the benefit of members.

The Trustee is responsible for managing LGS, including the safe keeping of assets and ensuring LGS operates in accordance with the Trust Deed and superannuation law.

The Trustee is an APRA Registrable Superannuation Entity Licensee and is also the holder of an Australian Financial Services Licence (licence no. 383558).

The Trustee engages external experts such as investment advisers, investment managers, administrators, custodians, accountants, solicitors and auditors to assist with its obligations.





## **Risks of investing in an LGS Fixed Term Guaranteed Income**

As with all investments, LGS Fixed Term Guaranteed Income accounts carry some risks. These include the risk of locking up your money for an extended period of time, potentially receiving significantly less back than the amount originally invested if you terminate the account early, and the risk that the provider is not able to make the payments from the account when they are due.

If you make the decision to terminate the account early, you may affect your social security benefits or experience adverse impacts on your overall financial circumstances. Therefore you should always speak to your LGS financial planner before making any such decisions.

The key risks and how they are managed are described in the PDS. Therefore, before deciding to invest in an account you should read the PDS (including the information about significant risks) and consider the suitability of the account to your circumstances.

If you'd like to know more about LGS and our Fixed Term Guaranteed Income, simply visit **lgsuper.com.au** or call **1300 LGSUPER (1300 547 873)** between 8.30am and 5.00pm, Monday to Friday to make an appointment with your LGS financial planner.



# **An LGS Fixed Term Guaranteed Income can help provide:**

- a regular income for your investment term
- protection from share market volatility
- inflation protection options.



**If you have any questions or you would like to apply for the LGS Fixed Term Guaranteed Income, please contact your LGS financial planner.**

\*When you invest in an LGS Guaranteed Income account, your money is invested in a policy issued to LGS by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (Challenger Life), a life insurance company regulated under the Life Insurance Act 1995 (Cth). LGS does not provide any guarantee in respect of LGS Guaranteed Income accounts. The guarantee is provided by Challenger Life. In order to pay you your entitlements in respect to an LGS Guaranteed Income account, LGS relies wholly on Challenger Life to fund your agreed income amounts and any withdrawal value you request. If, for any reason, Challenger Life is unable to pay these amounts to LGS, then LGS will be unable to pay you your regular income payments, withdrawal value or residual capital value. Under no circumstances will LGS pay your entitlements if Challenger Life is unable to fund these entitlements.

This has been issued by LGSS Pty Limited (ABN 68 078 003 497) (AFSL 383558), as Trustee for Local Government Super (ABN 28 901 371 321). This document contains general advice only and is not a substitute for personal advice as it does not take into account any individual's investment objectives, financial situation or particular needs. Accordingly, an individual should seek professional personal advice and refer to the relevant Product Disclosure Statement at [lgsuper.com.au](http://lgsuper.com.au) before making a financial decision.

## Contact details

### Member Services

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NSW 1220

### Web

**[lgsuper.com.au](http://lgsuper.com.au)**

 **[@socialLGS](https://twitter.com/socialLGS)**

 **Local Government Super**

### Offices

#### **Sydney**

Level 12, 28 Margaret St

#### **Newcastle**

Ground Floor, 12 Perkins St

#### **Wollongong**

Shop 2/60 Burelli St

Offices in Ballina, Orange, Parramatta, Tamworth and Wagga Wagga are available by appointment only.

Bookings are essential. Phone 1300 LGSUPER (1300 547 873) to make an appointment.

### Office hours

Between 8.30am and 5.00pm, Monday to Friday