

Lifetime Annuities

Guaranteed
regular income
payable for life

We all want different things
from retirement, but share
a common need: income.



Guaranteed regular income payable for life

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Challenger lifetime income products deliver guaranteed regular income payable for life, regardless of how long you live.

With a Challenger lifetime annuity as part of your retirement plan you can build a more resilient investment portfolio because the payments from your annuity are guaranteed to be payable for your lifetime.



- ▶ **Guaranteed regular income payable for life**
- ▶ Income for living. Income for life.
- ▶ Our innovative range of retirement income
- ▶ A guaranteed death benefit
- ▶ Potential to get a boost to your Age Pension
- ▶ No product fees can mean more income
- ▶ How we cover our promises made to you



Income for living. Income for life

Only Challenger Liquid Lifetime (Flexible Income) annuities provide you with all these market leading features:



Guaranteed regular income payable for life - regardless of how long you live.



There are no ongoing product fees (now or in the future); all product costs are incorporated when we set your starting payment.



A guaranteed death benefit is payable for the duration of your life expectancy, up to a maximum of 27 years. The death benefit equals 100% of the amount invested for the first half of the death benefit period (rounded down to a whole year) and we don't reduce the death benefit for any income that has already been paid to you.



Access an immediate Age Pension boost if you are an asset tested part pensioner, because only 60% of the amount invested into a Challenger lifetime annuity counts towards the relevant Centrelink/DVA asset test.



You can choose to have payments fixed, or linked to changes in the CPI, RBA cash rate or investment markets.



There's the flexibility to cancel the investment at any time during your life expectancy (rounded down to a whole year), so you have access to a lump sum if you ever need it. The maximum withdrawal value starts at 100% of the amount invested and steadily reduces to nil.



You have estate planning control because a valid beneficiary nomination is binding on us. This means the death benefit is not part of your Estate and will not be delayed by probate.



Regular income is tax-free if you use your super to invest. If you invest with other non-superannuation retirement savings, only part of your income is taxable.

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Our innovative range of retirement income

With Challenger's Liquid Lifetime (Flexible Income) annuities you are spoiled for choice.

Payment indexation options			
Market-linked	Fixed – no indexation	CPI	RBA cash linked
Payments can be linked to investment markets to combine the benefits of regular income for life with exposure to the potential for market growth while still accepting some downside risk.	Fixed payments mean you don't need to worry about the performance of investment markets or movements in the RBA cash rate.	To help protect against inflation risk, payments can be fully or partially indexed to CPI.	Payments that change whenever the official RBA cash rate changes (whether it be an increase or decrease).

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Our innovative range of retirement income

Which indexation option is right for you?

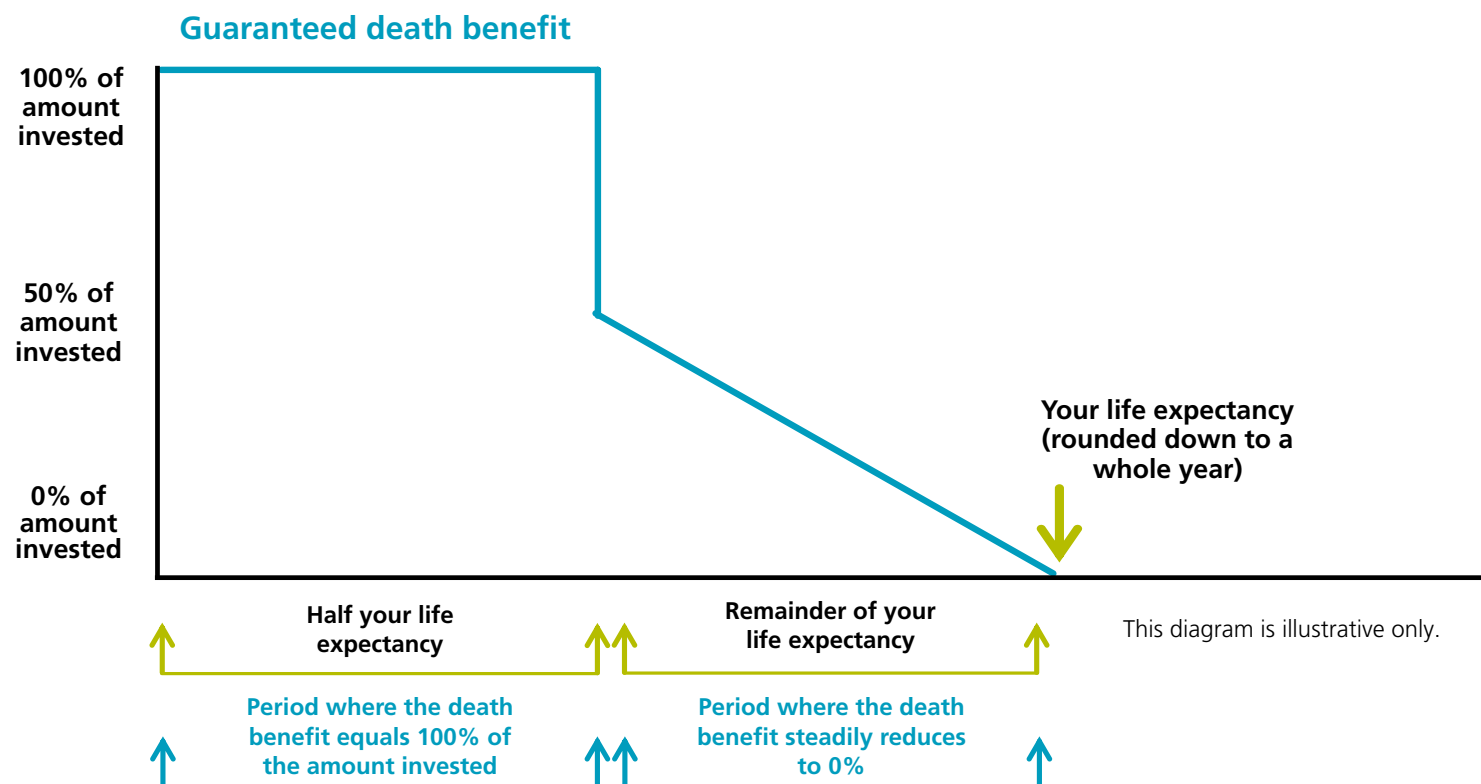
May be suited to			
Market-linked	Fixed – no indexation	CPI	RBA cash linked
<p>Market-linked: Those that want their lifetime income to grow over time, and who are happy to accept downside risk, by having payments linked to investment markets.</p> <p>Market-linked with Accelerated payment option: Those who want a higher level of income in the early years of retirement in exchange for lower future market-linked indexation. Payments start higher than the standard Market-linked option. Future indexation can be reduced by between 1% p.a. and 5% p.a. For example, if the market-linked return is 10% and the 3% Accelerated payment option is chosen, the previous year's payments index by 7% (10% less 3%). Payments have a higher chance of negative indexation year-to-year.</p>	<p>Those who value certainty and want a known, fixed payment.</p>	<p>Full CPI: Those who want lifetime income that keeps pace with inflation and maintains purchasing power. For example, if CPI moves up by 3% then the previous year's payments index by 3%.</p> <p>Partial CPI: Those who want a higher level of income in the early years of retirement but still want a level of CPI protection. Payments start higher than the full CPI option but the first 2% of any increase in CPI is forgone. For example, if CPI moves up by 3% then the previous year's payments index by 1%.</p>	<p>Those who want their lifetime income to be linked to future changes in the official RBA cash rate. Payments are calculated by multiplying the original amount invested by the current RBA cash rate plus a fixed margin.</p>

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Potential to get a boost to your Age Pension

Access an immediate Age Pension boost if you are an asset tested part pensioner, because only 60% of the amount invested into a Challenger lifetime annuity counts towards the relevant Centrelink/DVA asset test.

Assets test

60% of the purchase price until age 84, subject to a minimum of 5 years; and then **30%** of the purchase price thereafter

This means that where your Age Pension is being reduced because of the assets test, an investment in Liquid Lifetime could immediately improve your Age Pension eligibility by an amount up to 3.12%* of the amount invested:

Investment amount	\$50K	\$75K	\$100K	\$150K	\$200K	\$250K	\$300K
Immediate year 1 boost*	\$1,560	\$2,340	\$3,120	\$4,680	\$6,240	\$7,800	\$9,360

* The pension boost is limited to the full Age Pension or if you become income tested

It is important to note that any Age Pension boost generally tapers off over time. Under the Centrelink/DVA income test only 60% of income is counted.

As with all investments, Liquid Lifetime annuities carry 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 the Target Market Determination (TMD) to consider the suitability of the product for your circumstances before a decision to invest. A copy of the PDS and TMD is available at challenger.com.au or by contacting our Investor Services Team on **13 35 66**.

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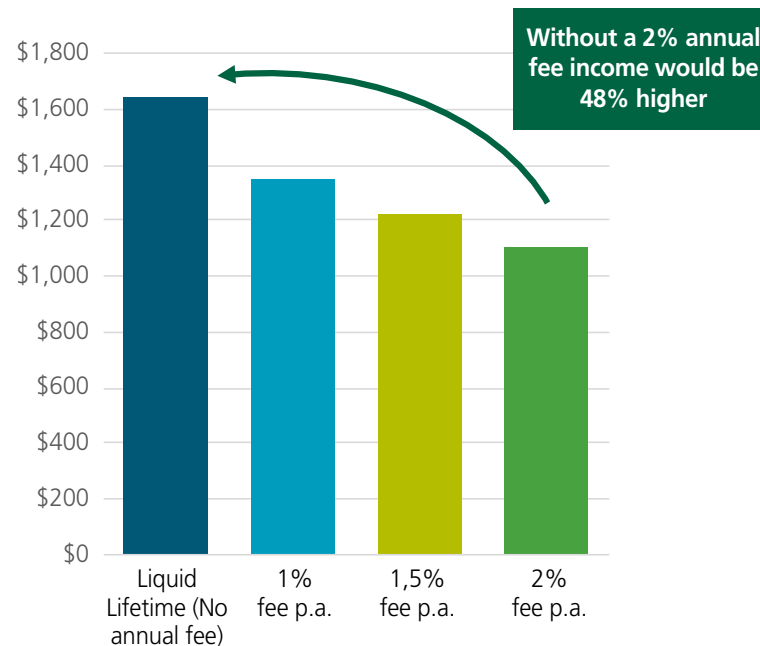


No product fees can mean more income

Fees are an important consideration when comparing lifetime income streams. Despite having similar starting payments to Liquid Lifetime, many lifetime products have administration fees, investment fees and pass on costs when longevity assumptions change. These fees and charges may erode income over time. Not Liquid Lifetime.

When setting the starting payment we incorporate all the costs of operating the annuity. Challenger annuities have no separate product fees and we can't introduce a fee in the future (although we do facilitate the payment of any adviser service fee agreed to with your adviser).

**How fees impact
\$1,000 of CPI*
indexed income
after 20 years**



* CPI assumed rate 2.5% p.a.

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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 detailed 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.



How we cover our promises made to you

We invest alongside you

We hold significantly more capital in the statutory fund than APRA requires. As at 30 June 2022, we had over \$3 billion of our own money invested in the funds that we manage. That's more than enough to ensure that we could continue to cover all promises made to our annuity investors even if a one in 200-year investment market shock event occurred.

To further protect your investment, APRA can require us at any time to invest more of our own money into the fund or tell us to change the statutory fund's investments. The aim of this supervision is to ensure that we can meet our payment promises to you now and into the future.

Our promise to pay you income for life is not impacted by any movements in Challenger Limited's share price.

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We're here to support you

For more information about annuities, read the PDS, or talk to your financial adviser about whether they are right for you.

📌 Visit challenger.com.au

👤 Speak to your financial adviser

☎ Call 13 35 66

* Age Pension outcomes depend on an individual (or couple's) personal circumstances and may change over time. While lifetime income streams may immediately benefit some Age Pension eligible retirees who are assessed under the assets test, in later years, if assessed under the income test, any ongoing Age Pension benefits may be reduced. For Liquid Lifetime (Market-linked payments) option, only the first year's monthly income amount is guaranteed. After the first year, monthly payments will move up or down annually adjusting to the changes in your chosen market-linked indexation payment options. In periods of strong market performance, any Age Pension benefits may reduce to reflect the higher income received. The information in this document is current as at 26 August 2022 unless otherwise specified and is provided by Challenger Life Company Limited ABN 44 072 486 938, AFSL 234670 (Challenger, our, we, us), the issuer of Challenger Guaranteed Annuity (Liquid Lifetime) also known as Challenger Lifetime Annuity (Liquid Lifetime). The information in this document is general information only about our financial products. It is not intended to constitute financial product advice. Investors should consider the Target Market Determination (TMD) and Product Disclosure Statement (PDS) and the Statement of Advice prepared by their financial adviser before making an investment decision. This information has been prepared without taking into account any person's objectives, financial situation or needs. Each person should, therefore, consider its appropriateness having regard to these matters and the information in the TMD and PDS for the product before deciding whether to acquire or continue to hold the product. A copy of the TMD and PDS is available at challenger.com.au or by contacting our team on 13 35 66. 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 client's investments are not guaranteed by any Challenger ADI. Any examples (including, but not limited to, images, diagrams and pictures) shown in this document are for illustrative purposes only and are not a prediction or guarantee of any particular outcome. This document may include statements of opinion, forward looking statements, forecasts or predictions based on current expectations about future events and results. Actual results may be materially different from those shown. This is because outcomes reflect the assumptions made and may be affected by known or unknown risks and uncertainties that are not able to be presently identified. Where information about our products is past performance information, past performance is not a reliable indicator of future performance. Any illustrations involving taxation, Centrelink rules or benefits and/or Department of Veterans' Affairs rules or benefits are based on current laws at the date of currency specified in this document and these laws may change at a future date. Challenger gives no representation or warranty (express or implied) as to its accuracy, completeness or reliability. The information presented in this document is not intended to be a complete statement or summary of the matters to which reference is made in this document. To the maximum extent permissible under law, neither Challenger nor its related entities, nor any of their directors, employees or agents, accept any liability for any loss or damage in connection with the use of or reliance on all or part of, or any omission inadequacy or inaccuracy in, the information in this document.

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