

CHALLENGER CAMPAIGN TO PREPARE ADVISERS FOR NEW RETIREMENT INCOME ENVIRONMENT

Challenger has launched a campaign aimed at assisting financial advisers in managing client portfolios in an environment where a wider range of retirement income products will be available.

New regulations that allow a new category of retirement income products, including deferred lifetime annuities, are expected to come into effect from July 2017.

Central to Challenger's campaign is a range of adviser tools and information that include an innovative retirement illustrator which allows financial advisers to highlight portfolio outcomes from combining growth assets with retirement income products.

"There is a need for financial advisers and superannuation trustees to be equipped with the tools to support clients and members as we move towards a superannuation system with a greater focus on retirement income streams," said Richard Howes, Challenger Chief Executive, Distribution, Product and Marketing.

"The important thing in this new environment is that no single product can solve all problems but instead retirees benefit from a combination of products that work together.

"It's not a binary world where growth assets and income streams are considered separately. Pairing account-based pensions with lifetime annuities can improve financial outcomes in retirement and reduce the risk of retirees outliving their savings."

The Challenger Retirement Illustrator demonstrates how multiple products interact to produce retirement cash flow.

It is based on income layering methodology that divides incomes sources into different layers with particular purposes. Income to meet essential needs is drawn from guaranteed income sources while income to meet discretionary spending is drawn from market-linked investments.

The Retirement Illustrator uses stochastic modelling to project the probability of clients achieving their retirement income goals based on thousands of different market scenarios.

As it prepares to meet demand for a wider choice of products, Challenger has recently expanded its range of lifetime annuities to include two new options that balance income

Media Release

Retirement illustrator

Challenger Limited
20 April 2017, Sydney

needs against access to capital: a flexible income option that provides higher regular payments and, an enhanced income option that maximises regular payments.

Challenger is supporting its campaign through technical presentations at professional development days, financial adviser webinars and online educational tools and resources.

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About Challenger

Challenger Limited (Challenger) is an investment management firm managing \$66.6 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.

*31 March 2017

For more information contact:

Paul Marriage

02 9994 7053
0405 848 327

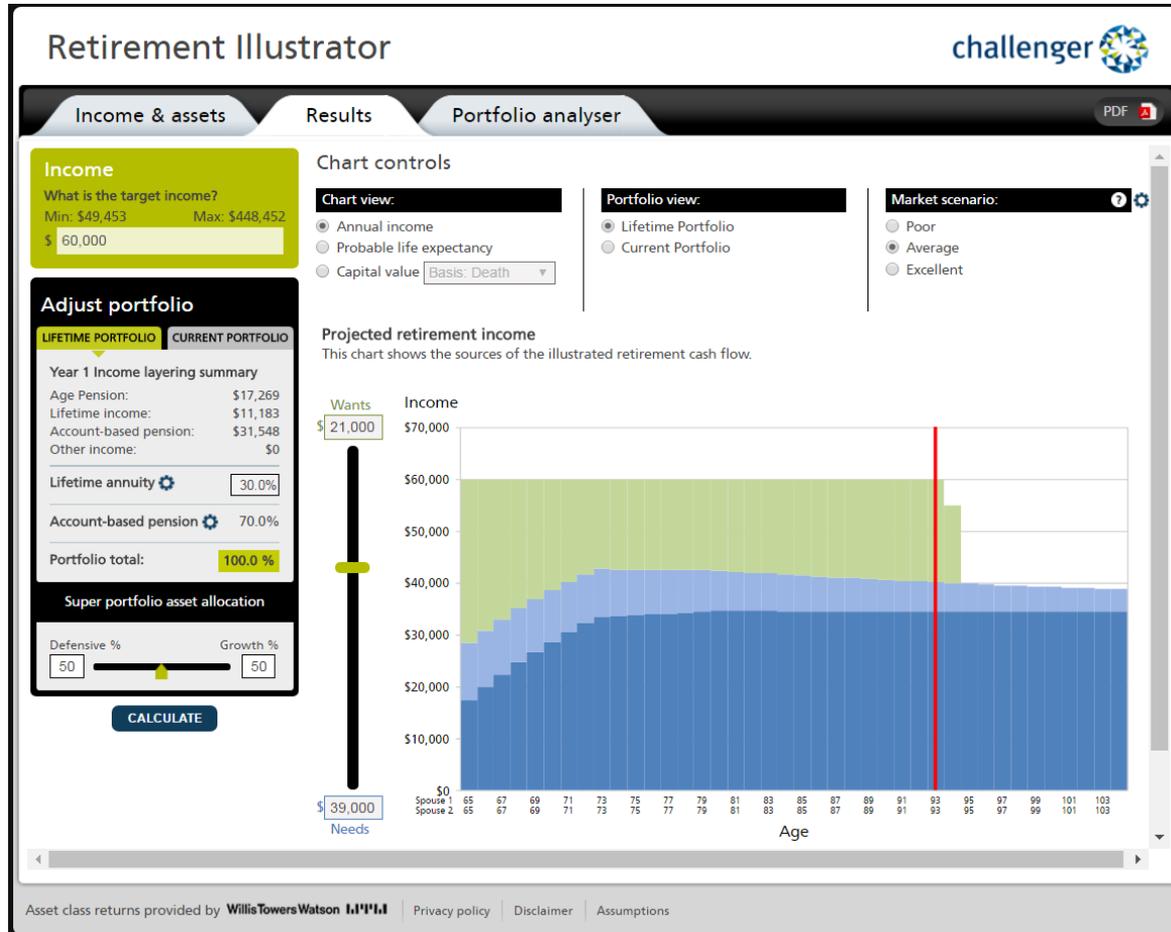
pmarriage@challenger.com.au

Lindsay Tagg

02 9994 7441
0401 255 802

ltagg@challenger.com.au

Challenger Retirement Illustrator



1. 65yo couple homeowners, with \$600k in super