



Get guaranteed income payments for life and gain peace of mind in your retirement

Challenger Guaranteed Annuity (Liquid Lifetime)

Flexible Income (Immediate payments) option

Retirement can be a life-changing event. As you adjust to your new lifestyle, you may need to think differently about your finances. Moving from earning an income to drawing on your retirement savings and investments can be a big shift mentally. And it can bring up financial concerns you've never had to think about before, such as outliving your savings. That's where a lifetime annuity can help.

What is a lifetime annuity?

A lifetime annuity is a secure financial product that pays you regular income for life in return for a lump-sum investment.

Benefits of lifetime annuities

Secure lifetime income



They provide a secure lifetime income and complement other retirement investments and sources of income, such as your super and the Age Pension.

Protection from key retirement risks



They act as a safety net ensuring that you will receive income for life, regardless of how long you live or how share markets perform.

Helping you to spend confidently in retirement



They provide cash flow certainty that can help you maintain your standard of living, providing you peace of mind.

About the Liquid Lifetime Flexible Income (Immediate payments) option

Liquid Lifetime is a lifetime annuity that pays a guaranteed and dependable monthly income. The Flexible Income (Immediate payments) option starts paying you a lifelong income immediately and has a withdrawal value and a guaranteed death benefit for a period based on your life expectancy.

Here's what you will receive:

- monthly payments for the rest of your life (and your spouse's life if you choose);
- payments that keep pace with inflation (indexed to CPI)¹
- payments that are guaranteed regardless of how share markets perform;
- up to 100% of your investment repaid to your nominated beneficiaries or estate if you die early^{2,3}; and
- a withdrawal value with reducing access to capital over a period based on your life expectancy – just in case your circumstances change and you no longer require lifelong income.

You may be eligible for an immediate increase in your Age Pension

Liquid Lifetime Flexible Income option may immediately increase your Age Pension because only a portion of your investment is counted under the assets test.

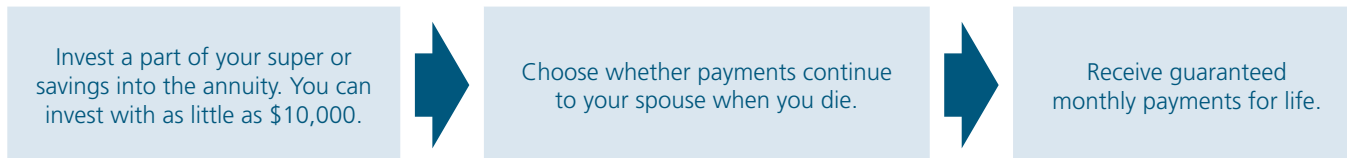
For more information, speak to your financial adviser or visit challenger.com.au/agepension.

¹ You can ask us to only partially index your payments annually with movements in the CPI (called 'partial CPI') or not to index your payments annually with movements in the CPI (called 'no indexation') in return for higher starting payments.

² Please refer to 'How it works' on the next page.

³ You can ask to remove this feature in return for higher starting payments.

How it works



What happens if my circumstances change?

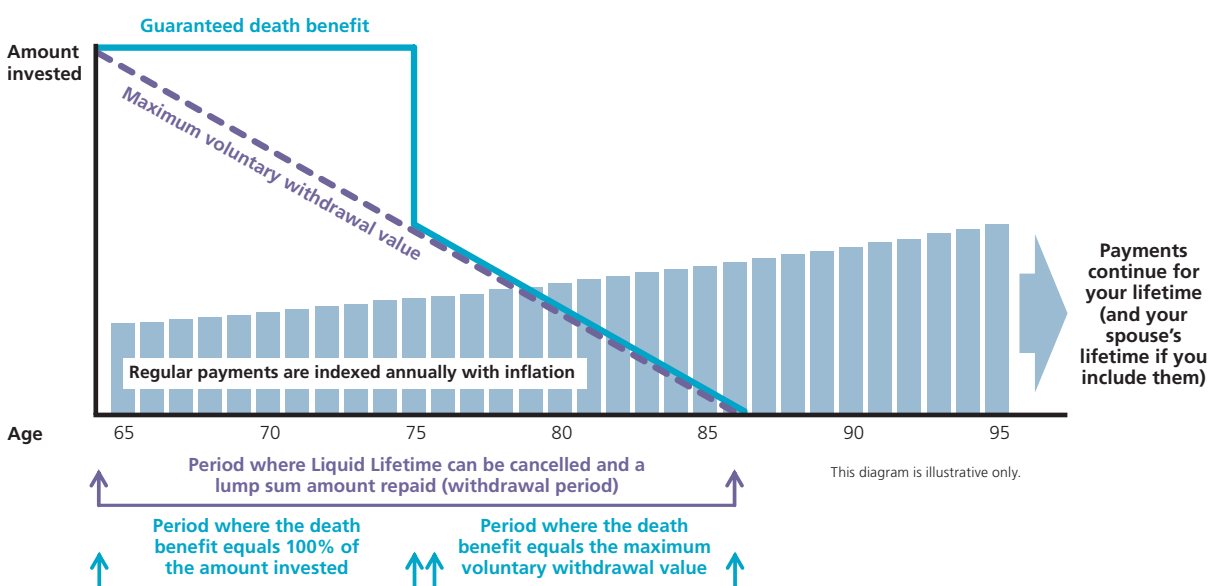
While you should only invest in Liquid Lifetime if you plan to keep it for life, it has a long withdrawal period based on your life expectancy where you can ask to be repaid a lump sum amount⁴ if your circumstances change, and you no longer require lifelong income. Over time, the maximum voluntary withdrawal value decreases in a straight line – from 100% of the purchase price to 0% (at the end of the withdrawal period).

For half your withdrawal period (rounded down to a whole year), you will receive a guaranteed death benefit of up to 100%. For the remainder of the withdrawal period, your death benefit will be the same as the maximum voluntary withdrawal value.

After the withdrawal period ends, there is no longer a withdrawal value or death benefit payable – but your regular payments will continue every month for the rest of your life (and your spouse's life if you choose).

Flexible Income (Immediate payments) illustration

This example is based on a 65-year-old female.



How Challenger guarantees payments

Challenger annuities are guaranteed by Challenger Life and are regulated by the Australian Prudential Regulation Authority (APRA), to ensure that we can meet the payment promises we have made to investors.

When you buy an annuity, your money is placed into a secure fund, along with money received from other annuity investors. Challenger also contributes money into this fund, which is known as the statutory fund. All regular payments to our annuity investors are made from the statutory fund.

If our investments don't generate enough returns to cover these payments, we must use our own money to make up the difference. This means that even if there is a major event, like a market crash, there are measures in place to ensure we can still make your annuity payment each month.

About Challenger

Challenger Life is Australia's largest annuities provider and a life company registered under the Life Insurance Act 1995. We specialise in providing customers with financial security for retirement. We provide reliable, guaranteed income payments to over 60,000 Australians and manage over \$19 billion in assets⁵.

Find out more

To find out more about Liquid Lifetime including the risks of investing in annuities and how Challenger invests its money, please read the Product Disclosure Statement (PDS).

You'll find it at challenger.com.au or by calling **13 35 66**.

⁴ This amount is impacted by the cost to us in breaking the investment and movements in interest rates.

⁵ As at 30 June 2019.