



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

Challenger Guaranteed Annuity (Liquid Lifetime)

Regular Income (15-year Withdrawal Guarantee) 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 Regular Income (15-year Withdrawal Guarantee) option

Liquid Lifetime is a lifetime annuity that pays a guaranteed and dependable monthly income. The Regular Income (15-year Withdrawal Guarantee) option starts paying you a lifelong income immediately and has a withdrawal value and a guaranteed death benefit for the first 15 years.

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;
- a guaranteed death benefit payable to your nominated beneficiaries or estate if you die within the first 15 years;
- a guaranteed withdrawal value (which you choose at commencement) at the end of year 15, just in case your circumstances change, and you no longer require lifelong income; and
- a withdrawal period within the first 15 years, where you can ask to be repaid a lump sum amount² if your circumstances change.

Social security means test rules for lifetime income streams

New legislation determines the assets and income test treatment of lifetime income streams commenced on or after 1 July 2019. This is an important consideration and could change your Age Pension and retirement income outcomes.

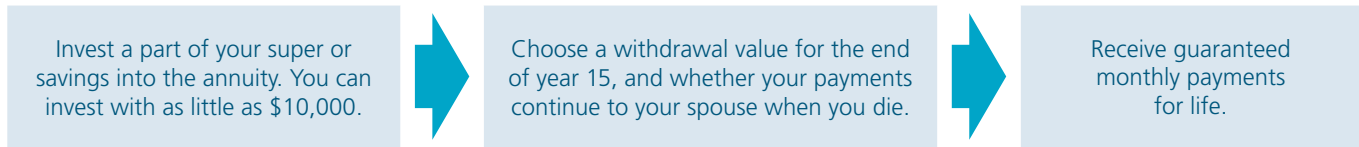
For the Regular Income option, it is the guaranteed death benefit or withdrawal value that will generally be assessed as an asset under the Social Security assets test. This assets test treatment is similar to other products which feature access to capital, including term deposits and managed funds.

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

How it works



What happens if my circumstances change?

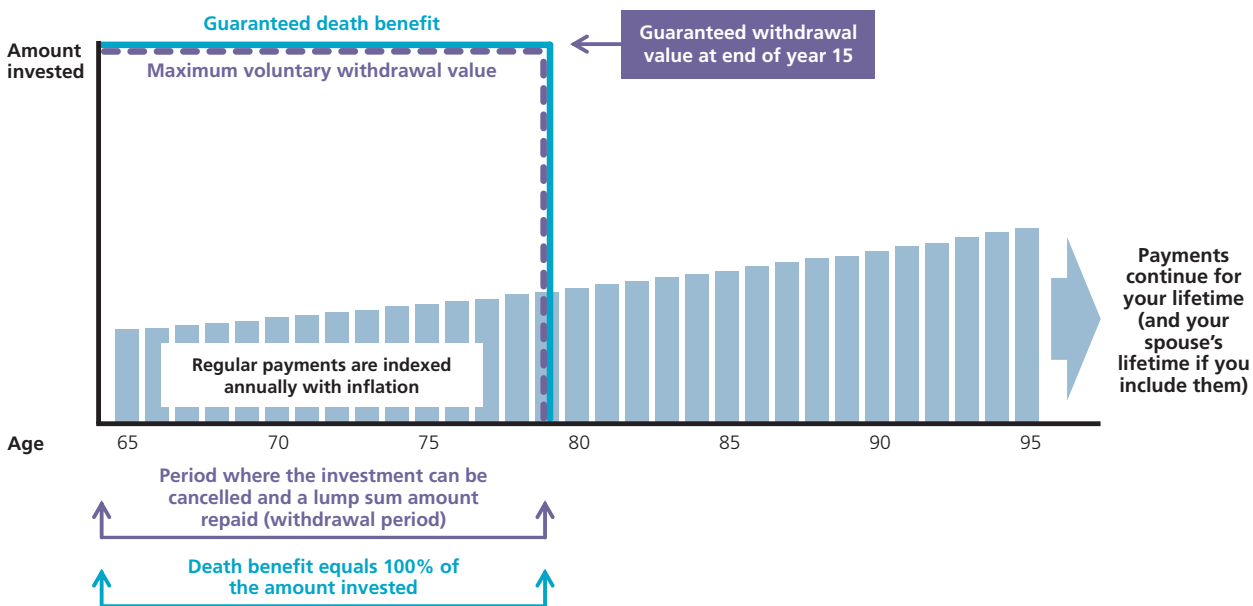
While you should only invest in a Liquid Lifetime if you plan to keep it for life, it has a guaranteed withdrawal value at the end of year 15, just in case your circumstances change, and you no longer require lifelong income. You can also ask to be repaid a lump sum amount³ within the first 15 years.

During the 15-year withdrawal period, we will pay a guaranteed death benefit to your nominated beneficiaries or estate. This amount is determined by the withdrawal value you choose when you invest in your annuity.

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).

Regular Income (15-year-Withdrawal Guarantee) illustration

This example is based on a 65-year-old female with a 100% withdrawal guarantee.



Note: This diagram is illustrative only. Some of the above features may not be available if you invest with your super.

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 assets.⁴

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**.

³ This amount is impacted by the cost to us in breaking the investment and movements in interest rates.

⁴ As at 30 June 2019.