

Challenger Liquid Lifetime RBA cash linked

Challenger's guaranteed floating rate lifetime annuity

For the first time in Australia lifetime annuity investors will be able to participate fully in future interest rate increases in addition to receiving guaranteed income for life, maintaining substantial estate and withdrawal benefits and potentially improving their Age Pension outcomes.

The Challenger Lifetime Annuity (Liquid Lifetime) RBA cash linked (Liquid Lifetime RBA cash linked) allows retirees to link their lifetime annuity payments to movements in the RBA cash rate (whether it be an increase or decrease).

Who is this option for?

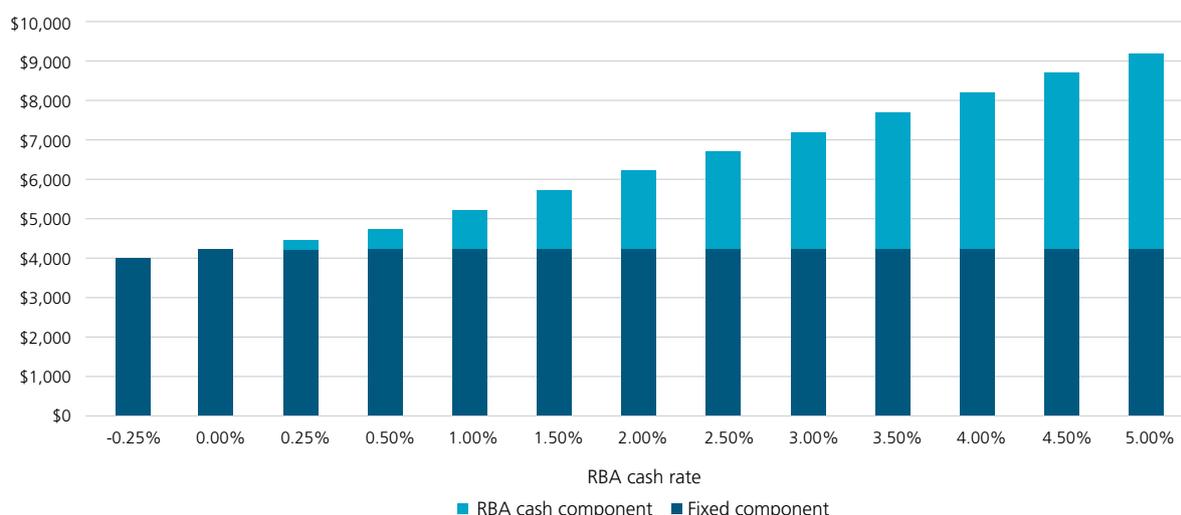
Liquid Lifetime RBA cash linked has been specifically designed for retirees who want guaranteed income payable for life, would like to benefit from potential interest rate rises, or are seeking greater flexibility in their monthly income payments.

How does the RBA cash linked payment option work?

If the RBA cash linked payment option is chosen, the regular monthly payments will comprise a fixed dollar amount on top of a variable RBA cash linked amount. The RBA cash linked amount is calculated by multiplying the total amount invested by the previous months RBA cash rate, which is then divided by 12 for monthly payments.

Below is an illustration of what the annual payment for a 65-year old male who invested \$100,000 (rates effective 01 August 2020) could be under different Reserve Bank cash rates. Note there is no limit to payment amounts – for example if the RBA cash rate was 8% then that would be used to calculate payments.

Figure 1: Illustration of payments using different RBA cash rates



We're always ready to support you and your clients

Challenger has a range of tools to help you and your clients plan for their retirement, including calculators, videos and case studies. To access them or find out more:

-  Log in, or register for AdviserOnline at adviseronlineportal.com.au
-  Speak to your Challenger BDM
-  Call **1800 621 009**

As with all investments, Liquid Lifetime carries 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 client's circumstances before a decision to invest is made. A copy of the PDS and TMD is available at challenger.com.au or by contacting our Adviser Services Team on **1800 621 009**.

The information in this document is current as at 5 October 2021 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 Target Market Determination (TMD) and Product Disclosure Statement (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 Adviser Services Team on 1800 621 009. 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 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.