

About Challenger

Retirement
income
specialists

Challenger Limited

- Established in 1985
- ASX 100 listed as at 31 December 2022
- \$99 billion assets under management at 31 December 2022

Challenger Life

- Leading annuity provider in Australia
- APRA-regulated life company





Who we are

Challenger Life (Challenger, we, our) is focused on providing customers with financial security for retirement.

Our parent company is Challenger Limited, an investment management firm managing \$99¹ billion in assets.

Challenger Limited was established in 1985 and listed on the Australian Securities Exchange (ASX:CGF) in 1987.

Challenger Life is Australia's leading provider of annuities². The guaranteed regular retirement incomes we pay are backed by a high-quality investment portfolio, including fixed income and commercial property investments. These investments generate regular and predictable investment income, which we use to fund retirement incomes paid to our customers.

What we do

We offer a range of products aimed at helping our customers during retirement. Our market-leading annuities provide a guaranteed regular income for life, or for a chosen investment term, helping to give peace of mind in retirement.

Our product range includes:

- Lifetime annuities
- Fixed term annuities
- Aged care solutions
- Superannuation products
- Fixed income managed funds

What is an annuity?

Annuities provide a guaranteed regular income for the customers' lifetime or for a fixed term that they choose. They can be used as the foundation of a retirement plan. Depending on the type of annuity, customers can receive:



Guaranteed regular payments for a fixed term, or for life



Choice and flexibility of access to capital



Protection from key risks like outliving savings and inflation risk



Certainty and control over estate planning

¹ As at 31 December 2022.

² Plan for Life – March 2022 – based on annuities under administration at 31 March 2022.

How we cover our promises made to our customers

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 a customer invests into an annuity with Challenger, their money is placed into a statutory fund, along with money received from other annuity investors. Challenger also contributes money into the same statutory fund. If we do not achieve investment returns that are sufficient to cover the payments to our annuity investors, we must cover the shortfall from the money we have invested in the fund.

How is the money invested?

Challenger makes investments subject to restrictions outlined by the Life Insurance Act. Money is invested into cash, government and corporate bonds, property investments, shares and infrastructure investments and other assets.

These investments are chosen to match the primary objectives of the fund – consistent returns, and to match cash flow in with payments out to annuity customers.

Asset allocation of the statutory fund (as at 31 December 2022)

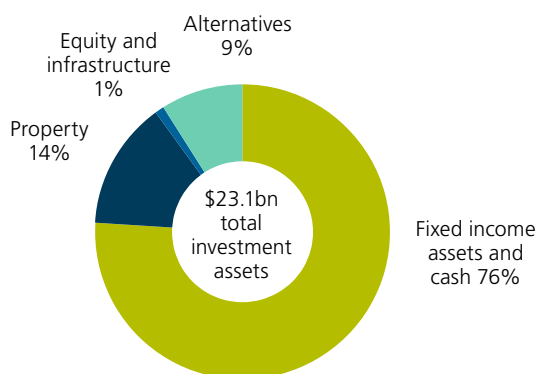


Diagram is illustrative and not to scale.

How can I know my investment is in safe hands?

Challenger is regulated under the Life Insurance Act and the prudential standards made under it. Compliance with these regulations is supervised by APRA to ensure we are able to meet our obligations to customers now, and in the future.

Challenger annuities are provided by Challenger Life, a Life Company regulated by the Australian Prudential Regulation Authority (APRA). Challenger Life holds significantly more capital in the statutory fund than the APRA minimum. So even if an unfortunate financial event occurs like a significant share market or property crash, our customers' annuity payments out of that statutory fund will still be made.

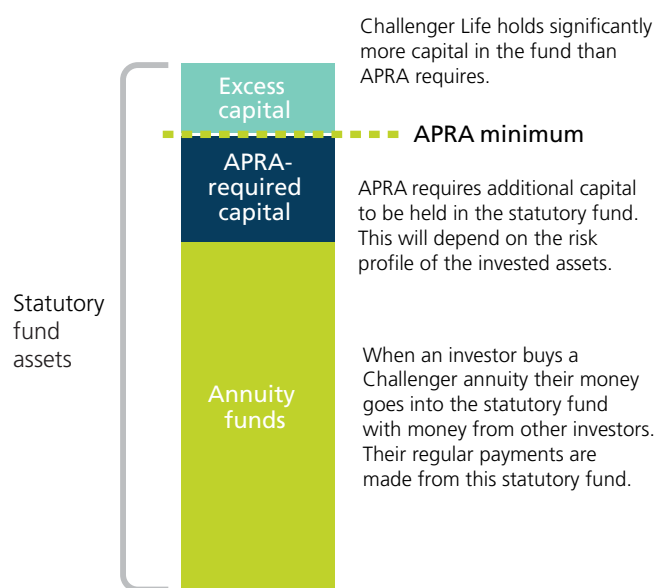


Diagram is illustrative and not to scale.

We have a number of measures in place and actions we will take if our capital falls below the minimum amount required to ensure the security of annuity payments. APRA is also authorised to take action if our capital falls below the minimum amount required³ in order to safeguard the interests of our annuity customers.

³ APRA Prudential Standard LPS 110 Capital Adequacy (Section 30).




Annuities in a retirement portfolio

The cash flow from long term annuities, such as lifetime annuities, complement other retirement investments and sources of income, such as the Age Pension. They provide a guaranteed regular income which can be used as the foundation of a retirement plan.

Remaining savings can be invested in other assets such as term annuities or account-based pensions, to pay for discretionary 'wants' or provide longer term growth.

We're here to support you

For more information please:

-  Speak to your financial adviser
-  Visit challenger.com.au
-  Call the Challenger Investor Services team on 13 35 66

The information in this document is current as at 29 March 2023 unless otherwise specified and is provided by Challenger Life Company Limited ABN 44 072 486 938, AFSL 234670 (Challenger, our), the issuer of the Challenger annuities. The information is general only and has been prepared without taking into account any person's objectives, financial situation or needs. Because of that, each person should, before acting on any such information, consider its appropriateness, having regard to their objectives, financial situation and needs. Each person should obtain and consider the Target Market Determination (TMD) and Product Disclosure Statement (PDS) for the relevant product before making a decision about whether to acquire or continue to hold the relevant product. A copy of the TMD and PDS can be obtained from your financial adviser, our Investor Services team on 13 35 66, or at challenger.com.au. Neither the Challenger group of companies nor any company within the Challenger group guarantees the performance of Challenger's obligations or assumes any obligations in respect of products issued, or guarantees given, by Challenger.

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 investments are not guaranteed by any Challenger ADI.**

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