

Target Market Determination Challenger Lifetime Annuity (Liquid Lifetime)

This Target Market Determination (**TMD**) is required under section **994B** of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of customers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a Product Disclosure Statement (**PDS**) and is **not** a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for the product before making a decision whether to buy this product.

Important terms used in this TMD are defined in the Definitions at the end of this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained at challenger.com.au/lifetime or by calling 13 35 66.

Target Market Summary

This product is designed for an individual who is approaching or is in retirement, who is in a financial position to invest a lump sum amount in return for a regular income with the intention to hold the product for their lifetime. Income is paid monthly for the investor's lifetime (and their spouse's lifetime if they choose to include their spouse as part of the investment) regardless of how long they live.

This is a long-term investment, that may be suitable for someone who is not likely to require access to the invested funds outside of the regular payments.

This product is not suitable for someone in aged care, or who has knowledge of a major or terminal illness that will likely reduce their life expectancy, or who needs ready access to the lump sum invested outside of regular payments.




Fund and issuer identifiers

Product	Challenger Guaranteed Annuity (Liquid Lifetime) (Liquid Lifetime)
Issuer	Challenger Life Company Limited
Issuer ABN	44 072 486 938
Product SPIN	CHG0005AU
TMD issue date	25 May 2026
TMD Version	6.0
Distribution status of fund	ACTIVE

Description of Target Market

TMD indicator key

The customer attributes for which the product is likely to be appropriate have been assessed using a green/amber/red rating methodology with appropriate colour coding:

-  **IN TARGET MARKET**
-  **LESS LIKELY IN TARGET MARKET**
-  **NOT IN TARGET MARKET**

Instructions










In the tables below, customer attributes indicate a description of the likely objectives, financial situation and needs of the class of customers that are considering this product. The TMD indicator, indicates whether a customer meeting the customer attribute is likely to be in the target market for this product.

Generally, a customer is unlikely to be in the target market for the product if **one or more** of their customer attributes has a red rating. Where a customer attribute has an amber rating, they may be in the target market depending on their personal circumstances.

Please also refer to the Definitions at the end of this document.

The following customer attributes are relevant for customers who invest in Liquid Lifetime across all product and payment options.













Liquid Lifetime

Customer attribute	TMD Indicator	Product description including key attributes
Customer's life stage		
Accumulation (aged 18 – 45)		<ul style="list-style-type: none"> You can invest in Liquid Lifetime using your super or personal savings (non-super money) if you are: <ul style="list-style-type: none"> aged 18 and older if you are using non-super money to invest, or aged 60 and older if you are using your super money to invest and have unrestricted access to super.
Pre-retirement (aged 45+)		<ul style="list-style-type: none"> You cannot invest in Liquid Lifetime if you live in a residential aged care facility or if you have an Aged Care Assessment Team/Service (ACAT/ACAS) approval that specifies you are eligible to move into a facility.
Retirement (less than age 85)		<ul style="list-style-type: none"> Liquid Lifetime is a longevity product that is not suitable if you have a major or terminal illness that will likely lead to a materially shorter life expectancy.
Late retirement (aged 85+)		<ul style="list-style-type: none"> You cannot invest in Liquid Lifetime via a company, trust or Self-Managed Superannuation Fund (SMSF). If you have a SMSF, however, you can invest via a rollover of the investment amount.
Aged care or knowledge of major or terminal illness that will likely lead to shortened life expectancy		<ul style="list-style-type: none"> If you are using your super money to invest, you must consider the transfer balance cap which limits the amount that can be used to commence a retirement-phase income stream.
Customer's investment objective		
Convert investment amount into a regular income for life		<ul style="list-style-type: none"> Liquid Lifetime is a lifetime annuity that pays you monthly income for life in return for a lump sum investment.
Use investment to generate capital growth		<ul style="list-style-type: none"> Liquid Lifetime is not designed to provide capital growth on the lump sum invested. Your investment is converted into regular income that is paid for your lifetime (and your spouse's lifetime if you choose to include them as part of the investment), regardless of how long you live.
How product fits in to customer's total portfolio		
Partial allocation		<ul style="list-style-type: none"> Liquid Lifetime can be used as part of your retirement or pre-retirement portfolio, providing you with lifelong monthly income in return for a lump sum investment. Liquid Lifetime can work alongside other income sources such as the Age Pension, your savings and super.
Only investment		<ul style="list-style-type: none"> If you hold Liquid Lifetime as your only investment, it is important to consider that your access to the lump sum invested reduces over a withdrawal period based on your life expectancy. If you require ready access to a portion of your investment (like a savings account), Liquid Lifetime should not be held as your only investment.

The following customer attributes are relevant for customers who select the **Flexible Income**¹ or the **Enhanced Income**² option.

Flexible Income and Enhanced Income

- The Flexible Income option has a withdrawal value and a guaranteed death benefit for a period based on your life expectancy.
- The Enhanced Income option provides no withdrawal period or death benefit in return for higher starting payments.

Customer attribute	TMD Indicator		Product description including key attributes
	Flexible Income	Enhanced Income	
Customer's income objectives			
Income payable for life			<ul style="list-style-type: none"> • Liquid Lifetime pays a monthly income for your lifetime (and the rest of your spouse's life if you have them included as part of your Liquid Lifetime) regardless of how long you live. • At the start of your Liquid Lifetime you can choose to have your payments: <ul style="list-style-type: none"> – indexed in line with increases in the Consumer Price Index (CPI), or – partially indexed in line with CPI (whether it be an increase or a decrease) – linked to changes in the Reserve Bank of Australia (RBA) cash rate (whether it be an increase or decrease), or – fixed (payments that never change) called the "no indexation" option. • Your regular payments are not impacted by how investment markets perform though they will vary, based on the payment option you select unless you choose fixed payments. • If you invest with super money, regular payments are tax-free. Part of the regular payment may be subject to PAYG tax if investing with non-super money.
Secure income that adjusts according to customer choice and is not linked to investment market performance			<ul style="list-style-type: none"> – fixed (payments that never change) called the "no indexation" option. • Your regular payments are not impacted by how investment markets perform though they will vary, based on the payment option you select unless you choose fixed payments. • If you invest with super money, regular payments are tax-free. Part of the regular payment may be subject to PAYG tax if investing with non-super money.
Regular income that is linked to the performance of investment markets			<p>Choosing to defer when you start receiving payments</p> <ul style="list-style-type: none"> • If you invest with super money, you can choose to defer when you start to receive monthly payments, known as the Deferred payments option. You can defer for a minimum of one year and a maximum number of years until you turn 100 years of age. • If you die before payments commence, you will not receive any income payments from your Liquid Lifetime. You must consider this in choosing how long to defer payments. • A lump sum will also not be payable if you have selected the Flexible Income option and you die after the withdrawal period, or you have selected the Enhanced Income option.
Type of access to lump sum invested required by customer			
Reducing access to lump sum invested in exchange for regular income			<ul style="list-style-type: none"> • Liquid Lifetime is designed to be held for life and to provide you with regular income in return for a lump sum investment. <p>Flexible Income option</p> <ul style="list-style-type: none"> • The Flexible Income option provides a withdrawal period based on your life expectancy, where you can cancel the annuity and be repaid a lump sum if your circumstances change. • The maximum withdrawal value reduces from 100% of the amount invested to zero over the withdrawal period. • The Flexible Income option provides a guaranteed death benefit during the withdrawal period, which equals 100% of the amount invested for the first half of your withdrawal period and then reduces over time to zero for the remainder of the withdrawal period. • You cannot make partial withdrawals. <p>Enhanced Income option</p> <ul style="list-style-type: none"> • Before starting a Liquid Lifetime, you can ask us to remove the withdrawal period and the death benefit in return for higher starting payments, called the Enhanced Income (Immediate payments) option or the Enhanced Income (Deferred payments) option. • If you choose this option, your Liquid Lifetime will never have a withdrawal value payable upon voluntary withdrawal or death and is not suitable if you need access to your lump sum invested outside of regular payments under any circumstances.
Benefit payable upon early death			<p>Flexible Income option</p> <ul style="list-style-type: none"> • The Flexible Income option provides a guaranteed death benefit during the withdrawal period, which equals 100% of the amount invested for the first half of your withdrawal period and then reduces over time to zero for the remainder of the withdrawal period. • You cannot make partial withdrawals. <p>Enhanced Income option</p> <ul style="list-style-type: none"> • Before starting a Liquid Lifetime, you can ask us to remove the withdrawal period and the death benefit in return for higher starting payments, called the Enhanced Income (Immediate payments) option or the Enhanced Income (Deferred payments) option. • If you choose this option, your Liquid Lifetime will never have a withdrawal value payable upon voluntary withdrawal or death and is not suitable if you need access to your lump sum invested outside of regular payments under any circumstances.
Ready access to the lump sum invested that can be withdrawn at any time			<p>Enhanced Income option</p> <ul style="list-style-type: none"> • Before starting a Liquid Lifetime, you can ask us to remove the withdrawal period and the death benefit in return for higher starting payments, called the Enhanced Income (Immediate payments) option or the Enhanced Income (Deferred payments) option. • If you choose this option, your Liquid Lifetime will never have a withdrawal value payable upon voluntary withdrawal or death and is not suitable if you need access to your lump sum invested outside of regular payments under any circumstances.













1 Includes Flexible Income (Immediate payments) option and Flexible Income (Deferred payments) option.

2 Includes Enhanced Income (Immediate payments) option and Enhanced Income (Deferred payments) option.

The following customer attributes are relevant for customers who select the **Flexible Market-linked³** or **Enhanced Market-linked⁴** option.

Flexible Market-linked and Enhanced Market-linked

- The Flexible Market-linked option has a withdrawal value and a guaranteed death benefit for a period based on your life expectancy.
- The Enhanced Market-linked option provides no withdrawal period or death benefit in return for higher starting payments.

Customer attribute	TMD Indicator		Product description including key attributes
	Flexible Market-linked	Enhanced Market-linked	
Customer's income objectives			
Income payable for life			<ul style="list-style-type: none"> • Liquid Lifetime pays a monthly income for your lifetime (and the rest of your spouse's life if you have them included as part of your Liquid Lifetime) regardless of how long you live. • At the start of your Liquid Lifetime you can choose to have your payments adjusted each year in line with one of the following market-linked payment options: <ul style="list-style-type: none"> – Cash index – Conservative index – Conservative balanced index – Balanced index, or – Growth index • Only the first year's monthly income is guaranteed. After the first year, your regular payments will index up or down yearly in line with your chosen market index. Payments can index below the starting payment amount. • If you select a market-linked payment option with a higher exposure to growth assets, there is a higher likelihood that your regular payment amount will change significantly up or down year to year. • You can choose to have higher starting payments by choosing the Accelerated payment option. The Accelerated payment option allows you to have an increased starting payment in exchange for lower future indexation. You can choose to reduce future indexation by between 1% p.a. and 5% p.a. • You can choose to switch your market-linked payment option on the next policy anniversary date. • If you invest with super money, regular payments are tax-free. Part of the regular payment may be subject to PAYG tax if investing with non-super money.
Secure income that indexes according to customer choice and is not linked to investment market performance			
Regular income that is linked to the performance of investment markets			
Type of access to lump sum invested required by customer			
Reducing access to lump sum invested in exchange for regular income			<ul style="list-style-type: none"> • Liquid Lifetime is designed to be held for life and to provide you with regular income in return for a lump sum investment. <p>Flexible Income option</p> <ul style="list-style-type: none"> • The Flexible Income option provides a withdrawal period based on your life expectancy, where you can cancel the annuity and be repaid a lump sum if your circumstances change. • The maximum withdrawal value reduces from 100% of the amount invested to zero over the withdrawal period. • The Flexible Income option provides a guaranteed death benefit during the withdrawal period, which equals 100% of the amount invested for the first half of your withdrawal period and then reduces over time to zero for the remainder of the withdrawal period. • You cannot make partial withdrawals. <p>Enhanced Income option</p> <ul style="list-style-type: none"> • Before starting a Liquid Lifetime, you can ask us to remove the withdrawal period and the death benefit in return for higher starting payments, called the Enhanced Income (Immediate payments) option. • If you choose this option, your Liquid Lifetime will never have a withdrawal value payable upon voluntary withdrawal or death and is not suitable if you need access to your lump sum invested under any circumstances.
Benefit payable upon early death			
Ready access to the lump sum invested that can be withdrawn at any time			

³ This refers to the Flexible Income (Market-linked payments) option.

⁴ This refers to the Enhanced Income (Market-linked payments) option.

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market as described above. The features of this product described in the table above are likely to be suitable for customers with the attributes identified with a green TMD indicator.

Distribution conditions/restrictions

Distribution channels

Distribution conditions

Direct (non-advised) retail	Direct non-advised customers must complete TMD suitability questions as part of their application form. Direct applications outside the target market are subject to a review process. Call scripts exist to support the review process.
Licensed financial adviser	Customers are provided with personal advice in relation to this product and the adviser must confirm appropriateness of the product as part of the application process.
Select platform with agreement in place	Distribution of this product via a platform is only permitted with an appropriate formal administration agreement in place.

Review triggers

- Unexpected and material uplift in the number of investors withdrawing early (greater than 5% of total investors in a year).
- Material change in tax treatment of product.
- Significant dealing, as decided by the Issuer, that is not consistent with the TMD.
- Unexpected or material increase in the number of investor complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product (greater than 5% of total investors in a year).
- The use of Product Intervention Powers, regulator orders or directions that affect the product.
- Australian Prudential Regulation Authority (**APRA**) intervenes as a result of Challenger Life Company not being able to meet its statutory capital requirements.

Mandatory review periods

Review period

Maximum period for review

Initial review	NA - initial review has already occurred
Subsequent reviews	2 years

Distributor reporting requirements

All distributors must report to Challenger as required under the distributor reporting requirements and within the required timeframe.

Reporting requirement

Reporting period

All complaints received (as defined in section 994A(1) of the Act) relating to the product, including but not limited to product design, availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy.	As soon as practicable but no later than 10 business days following the end of the March and September half year periods (note this can be done quarterly if required).
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Email us at
[ddocomplaint@challenger.com.au](mailto:docomplaint@challenger.com.au)

Significant dealing outside of target market, under section 994F(6) of the Act. See Definitions for further details.	As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing.
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Email us at
ddesignificantmatter@challenger.com.au

Definitions

Term	Definition
Customer's life stage	
Accumulation (aged 18 – 45)	In the accumulation phase and/or below age 45
Pre-retirement (aged 45+)	Aged 45 or older but below preservation age
Retirement (less than age 85)	In retirement and less than 85
Late retirement (aged 85+)	Aged 85 and older
Aged care or knowledge of a major or terminal illness that will likely lead to shortened life expectancy	<ul style="list-style-type: none"> You live in a residential aged care facility You have an ACAT/ACAS approval that specifies that you are eligible to move into a facility, or You have knowledge of a major or terminal illness that is likely to lead to shortened life expectancy
Customer's investment objective	
Convert investment amount into a regular income for life	The product is designed to generate regular investment income for customers.
Use investment to generate capital growth	The product is designed to generate capital return from the growth in the value of the underlying assets over time. The product provides material exposure to growth assets or otherwise seeks an investment return well above the current inflation rate.
How product fits in to customer's total portfolio	
Partial allocation	The customer intends to hold the investment as part of their total investable assets (see definition below).
Only investment	The customer intends to hold the investment as the total amount of their total investable assets (see definition below).
Investable assets	Those assets that the customer has available for investment, excluding the residential home.
Customer's income objective	
Income payable for life	The customer is seeking income for life to address longevity risk: the risk of living longer than expected, resulting in retirement funds being insufficient to finance their lifestyle for their lifetime.
Secure income that adjusts according to customer choice and is not linked to investment market performance	The customer values security and has a low tolerance for payment variability. The customer wants a choice of indexation options to protect their purchasing power that also have a low chance of leading to payments being reduced.
Regular income that is linked to the performance of investment markets	The customer has a moderate tolerance to variability in income and wants the choice to link income payments to adjustments in market indices.
Type of access to lump sum invested required by customer	
Reducing access to lump sum invested in exchange for regular income	The customer is comfortable with restricted access to their lump sum investment amount in exchange for regular income.
Benefit payable upon early death	The customer requires a death benefit payable in the event of death occurring before their life expectancy.
Ready access to lump sum invested that can be withdrawn at any time	The customer needs ready access to the lump sum invested like a savings account or similar.
Distributor reporting	
Significant dealings	<p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor the Australian Securities and Investments Commission (ASIC) defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p> <p>Challenger will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC. Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the customer (or class of customer). <p>In each case, the distributor should have regard to the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the customer).</p>