

# Challenger Lifetime Annuity (Liquid Lifetime)

**Additional  
information guide**  
5 September 2022

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## About this guide

This Additional information guide (Guide) is issued by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (referred to as **Challenger Life, Challenger, we, us, or our**) who is a member of the Challenger Limited group of companies (**Challenger Group**). Mail: Reply Paid 3698, Sydney NSW 2001. Phone: 13 35 66. Email: info@challenger.com.au.

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 ADI in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provide assurance in respect of the obligations of Challenger Life. **Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any Challenger ADI within the Challenger Group.** This Guide is intended to provide additional information about Challenger Lifetime Annuity (Liquid Lifetime) (Annuity). However, the Guide is not incorporated by reference and does not form part of the product disclosure statement (PDS).

In preparing this Guide we did not take into account your particular investment objectives, financial situation or needs. 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 circumstances before a decision to invest is made. A copy of the PDS and TMD is available on our website or by contacting us. We recommend that you obtain independent advice, particularly about taxation, retirement planning and risk tolerance.

The information in this Guide is current as at the date of the Guide. However, some information can change from time to time and the Guide will be updated accordingly.

## How the Annuity is taxed

### Tax in general

The tax information contained in this guide only applies to individual Australian tax resident investors (who are either an Australian citizen or a permanent visa holder) and sets out our understanding of current tax legislation as at the date of this document. If you are a non-resident investor or a temporary visa holder, you should seek your own tax advice.

The legislation and its interpretation could change in the future. We recommend that you seek the advice of a tax adviser before investing.

### When you buy the Annuity

There is no tax payable (at the time of purchase) when you buy the Annuity with non-superannuation money.

There is generally no tax payable on superannuation benefits that are rolled over within the superannuation system to buy the Annuity. However, if you roll over a superannuation benefit which contains an untaxed element of the taxable component (which can occur with benefits paid from unfunded schemes, such as public sector super funds), tax is deducted at a maximum rate of 15% by Challenger and remitted to the Australian Taxation Office (ATO). The capital investment in an Annuity bought with a rollover of a superannuation benefit which contains an untaxed element is net of the tax on the rollover.

### How regular payments are taxed

When bought with money rolled over within the superannuation system by a person aged 60 or over, the regular payments are tax free.

If your Annuity was not bought with money rolled over within the superannuation system, part of your regular payments may be included in your assessable income and subject to pay-as-you-go (PAYG) tax. Like an employer, we are required to withhold an amount from certain payments we make to you and remit it to the ATO. Note that PAYG tax is not a final tax, and a greater or lesser amount of tax may apply on assessment of your annual income tax return. By completing a Tax File Number (TFN) Declaration, the PAYG tax deducted from your regular payments may be reduced. The TFN Declaration also allows you to

apply for a tax-free threshold. You should consult your financial adviser or tax adviser to ascertain whether you are eligible to claim the tax-free threshold.

If you did not buy your Annuity with money rolled over within the superannuation system, then at the end of each financial year, we will send you a PAYG payment summary and tax information with details to assist you with preparing your income tax return. For these Annuities, the assessable income is reduced by an amount called the 'deductible amount'.

The deductible amount will be the amount of each regular payment that is considered for tax purposes to represent the return of your initial capital investment. You can use the following formula to calculate your annual deductible amount at commencement of your Annuity<sup>2</sup>:

$$\text{Deductible amount} = \frac{\text{Capital investment}}{\text{Your life expectancy}^3}$$

You may need to include details of your Annuity in your tax return each year.

### How a voluntary withdrawal is taxed

The withdrawal value will depend on the present value of the future payments you could otherwise have received had you held the Annuity until the end of the withdrawal period. For an Annuity bought with money rolled over within the superannuation system, a voluntary withdrawal is tax free at age 60 or over.

However, a voluntary withdrawal from an Annuity that was not bought with money rolled over within the superannuation system may be comprised of a repayment of capital as well as income for tax purposes. The income component of the lump sum payment may therefore be taxed in the hands of the recipient.

Depending on how long you have been receiving regular payments, the income component could potentially form a significant part of the lump sum and it is that element that will be assessed for tax purposes and will have PAYG tax deducted.

<sup>1</sup> To the extent that a rollover exceeds the untaxed plan cap, the maximum tax on the excess (highest marginal rate plus applicable Government levies) will be withheld by the transferring superannuation entity.

<sup>2</sup> Where a partial withdrawal is required to be made, the deductible amount that applies to future payments will change.

<sup>3</sup> Calculated in accordance with Australian Government Actuary life expectancy tables and may therefore be different from what we estimate your life expectancy to be.

## How death benefits are taxed

Death benefits and their tax consequences can be complex. We recommend that you seek financial and tax advice in respect of your own circumstances.

If you choose flexible income option and you die and have a reversionary life insured, then your regular payments will continue to be made to them.

If you die within the withdrawal period and you do not have a reversionary life insured (or you die and then they also die within the withdrawal period), then a lump sum withdrawal value is payable to the policy owner's estate or any nominated beneficiaries. For information on how the withdrawal value is calculated, see the PDS.

The tax position in respect of these benefits is set out in the table below.

| Benefit   | Source of benefit   |  |
|---|---|--|
|   | Superannuation money <sup>4</sup>   | Non-superannuation money   |
| Regular payments continue to a reversionary life insured <sup>5</sup> | Tax free if you died aged 60 or over, or the reversionary life insured is aged 60 or over.  | Income portion of the regular payments will be taxed at the recipient's marginal tax rate plus the applicable Government levies. |
| Lump sum withdrawal value   | Generally tax free if paid to a tax dependant. If paid to a non-tax dependant, the taxable component of the lump sum will be subject to a maximum of 15% tax. | The capital portion of the lump sum paid is tax free, and the income portion (if any) of the lump sum will be taxable.           |

A tax dependant includes:

- your spouse (as defined by law) or ex-spouse;
- your child (under 18 years of age or otherwise financially dependent on you and includes an adopted child or stepchild);
- someone who is financially dependent on you (i.e. you contribute necessary financial support to maintain that person);
- someone in an interdependency relationship with you.

An interdependency relationship is a close personal relationship between two people who live together where one or both provides for the financial, domestic and personal support of the other (or who would meet these conditions except they are temporarily living apart due to a physical, intellectual, psychiatric or other disability).

## Senior Australians and Pensioners Tax Offset

If your Annuity is bought with non-superannuation money, you might be eligible to claim the Senior Australians and Pensioners Tax Offset. The amount of the Senior Australians and Pensioners Tax Offset you will get will depend on your personal circumstances. If you are eligible and wish to claim the offset, please complete the TFN Declaration and the Withholding Declaration.

## Social security

Many Centrelink and Department of Veterans' Affairs entitlements are determined by two means tests – an assets test and an income test.

**Flexible Income (Immediate payments), Flexible Income (Deferred payments), Flexible Income (Market-linked payments), Enhanced Income (Immediate payments) and Enhanced Income (Deferred payments)** will be assessed as follows:

| Assets test   | Income test                            |
|---|--|
| 60% of the investment amount until age 84 (minimum of five years). 30% of the investment amount thereafter. | 60% of the regular payments received*. |

\* There will be no assessable income during the deferral period.

This is general information only, and we recommend you get advice regarding your individual circumstances. Your local Centrelink or Department of Veterans' Affairs office can help answer any question you may have. Your financial adviser can also help.

## Withdrawal periods

The table below shows the withdrawal period for the flexible option based on your sex and age. These withdrawal periods are based on your life expectancy<sup>6</sup> even if you have nominated a reversionary life insured.

| Age | Male | Female |
|-----|------|--------|
| 60  | 24   | 26     |
| 61  | 23   | 26     |
| 62  | 22   | 25     |
| 63  | 21   | 24     |
| 64  | 20   | 23     |
| 65  | 19   | 22     |
| 66  | 19   | 21     |
| 67  | 18   | 20     |
| 68  | 17   | 19     |
| 69  | 16   | 19     |
| 70  | 15   | 18     |
| 71  | 15   | 17     |
| 72  | 14   | 16     |
| 73  | 13   | 15     |
| 74  | 12   | 14     |
| 75  | 12   | 14     |
| 76  | 11   | 13     |
| 77  | 10   | 12     |
| 78  | 10   | 11     |
| 79  | 9    | 11     |
| 80  | 9    | 10     |
| 81  | 8    | 9      |
| 82  | 7    | 9      |
| 83  | 7    | 8      |
| 84  | 6    | 7      |
| 85  | 6    | 7      |
| 86  | 5    | 6      |
| 87  | 5    | 6      |
| 88  | 5    | 5      |
| 89  | 4    | 5      |
| 90  | 4    | 4      |
| 91  | 4    | 4      |
| 92  | 3    | 4      |
| 93  | 3    | 3      |
| 94  | 3    | 3      |
| 95  | 3    | 3      |
| 96  | 3    | 3      |
| 97  | 2    | 2      |
| 98  | 2    | 2      |
| 99  | 2    | 2      |
| 100 | 2    | 2      |

<sup>4</sup> References to benefits sourced from superannuation money are references to benefits paid from Annuities purchased with money rolled over within the superannuation system.

<sup>5</sup> If you die and have elected a reversionary life insured, a credit will be added to the reversionary's transfer balance account 12 months after reversion.

<sup>6</sup> Calculated in accordance with Australian Government Actuary life expectancy tables 2015-2017 and rounded down to whole years. This may be different from what we estimate your life expectancy to be.

## Investing with super money under age 60

If you are under age 60, you can invest in the Annuity with your super if:

- you have unrestricted access to your super, and
- your super benefits are entirely made up of the tax-free component (i.e. nil taxable component).

You generally have unrestricted access to your super when under age 60 if you have:

- reached your preservation age and have retired, or
- ceased gainful employment because of ill health and are unlikely to be gainfully employed (because of the ill health) based on your level of education, training and experience.

## What are tax-free and taxable components of super?

Your super is generally made up of two components – the tax-free component and the taxable component.

The tax-free component is generally made up of your after-tax contributions and any government co-contributions you receive.

The taxable component is generally made up of employer contributions, salary sacrificed contributions, personal contributions you claimed as tax deductions, and the investment earnings of your super before you commence an income stream.

## What is a person's preservation age?

Your preservation age depends on when you were born:

| Date of birth              | Preservation age |
|----------------------------|------------------|
| Before 1 July 1960         | 55               |
| 1 July 1960 – 30 June 1961 | 56               |
| 1 July 1961 – 30 June 1962 | 57               |
| 1 July 1962 – 30 June 1963 | 58               |
| 1 July 1963 – 30 June 1964 | 59               |
| After 30 June 1964         | 60               |

## Additional information about the Flexible Income (Immediate payments) and Flexible Income (Deferred payments)

By default, if you are invested in the Flexible Income (Immediate payments) or Flexible Income (Deferred payments) the Annuity payments will change annually so that they keep pace with changes in the CPI (this payment option is called 'CPI'). However, before starting your Annuity you can ask us not to index payments to changes in the CPI by choosing an alternative payment option.

The starting payment of each option is different. You can request a payment quote from your adviser or by calling us. You cannot change your payment option after your Liquid Lifetime has started.

Additional information about each of the available payment options is detailed below.

### CPI

This option helps protect the purchasing power of your regular payments, because the payments keep pace with changes in the CPI.

Payments will be indexed after each anniversary of the start of your Annuity (for example, the first payment to be indexed will be the 13th monthly payment). If the change in CPI is positive, your regular payments

will increase, and if the change in CPI is negative your payments will reduce.

The examples below illustrate what occurs on the first anniversary of the start of the Annuity, if starting monthly payments were \$1,000. This process occurs annually throughout the life of the Annuity, and the indexation is applied to the dollar amount of the monthly payments as at the anniversary date.

|                              |  |
|------------------------------|--|
| <b>CPI increases by 1%</b>   | On the first anniversary of your Annuity, the monthly payments would increase to \$1,010 (an increase of 1%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$1,010 throughout the second year of your Annuity.   |
| <b>CPI decreases by 1%</b>   | On the first anniversary of your Annuity, the monthly payments would decrease to \$990 (a decrease of 1%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$990 throughout the second year of your Annuity.        |
| <b>CPI increases by 2.5%</b> | On the first anniversary of your Annuity, the monthly payments would increase to \$1,025 (an increase of 2.5%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$1,025 throughout the second year of your Annuity. |
| <b>CPI decreases by 2.5%</b> | On the first anniversary of your Annuity, the monthly payments would decrease to \$975 (a decrease of 2.5%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$975 throughout the second year of your Annuity.      |

## Partial CPI

This option enables you to have monthly payments increased annually in line with any increase in the CPI that is greater than 2% and decreased annually in line with any decreases in the CPI. If the CPI increases but the increase is less than 2%, your regular payments will not change, and if the CPI decreases, the full amount of the decrease will apply. If the CPI increases by more than 2%, your regular payments will increase by the increase in the CPI, less 2%.

Any change will be applied to the first payment after each anniversary of the start of your Annuity, and the regular payments for the year that follows will be made at the indexed level.

The examples below illustrate what occurs on the first anniversary of the start of the Annuity, if starting monthly payments were \$1,000. This process occurs annually throughout the life of the Annuity, and the indexation is applied to the dollar amount of the monthly payments as at the anniversary date.

|                              |   |
|------------------------------|---|
| <b>CPI increases by 1%</b>   | On the first anniversary of your Annuity, the monthly payments continue to be \$1,000 and would not be adjusted.  |
| <b>CPI decreases by 1%</b>   | On the first anniversary of your Annuity, the monthly payments would decrease to \$990 (a decrease of 1%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$990 throughout the second year of your Annuity.   |
| <b>CPI increases by 2.5%</b> | On the first anniversary of your Annuity, the monthly payments would increase to \$1,005 (an increase of 0.5%, which is the increase in CPI above 2%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$1,005 throughout the second year of your Annuity. |
| <b>CPI decreases by 2.5%</b> | On the first anniversary of your Annuity, the monthly payments would decrease to \$975 (a decrease of 2.5%) effective from the 13th monthly payment Challenger makes. Challenger will then make monthly payments of \$975 throughout the second year of your Annuity.   |

## No indexation

This option fixes the dollar amount of your regular payments. If you choose this option, your regular payments will never change. For example, if your first monthly Annuity payment is \$1,000, then every subsequent monthly payment would also be \$1,000.

Choosing the no indexation option will generally mean that you will receive higher initial monthly payments when compared to an Annuity bought with one of the other available payment options. However, because the monthly payments never change, in periods of inflation the purchasing power of your payments will reduce, and your future monthly payments could be less than if you had chosen one of the other available payment options.

## RBA cash linked

This option enables you to have monthly payments linked to changes in the RBA cash rate.

If you choose the RBA cash linked payment option, your regular monthly payment comprises a fixed dollar amount plus a variable RBA cash linked amount. The variable component is calculated by multiplying the Annuity purchase price by the RBA cash rate and then dividing it by twelve (so that it is converted to a monthly amount).

Whenever the RBA cash rate changes the variable component will be recalculated. If the RBA cash rate reduces your payments will reduce. If the RBA cash rate increases your payments will increase. If the RBA cash rate is negative (or changes to negative), for example -1%, then the variable RBA cash linked amount will be negative, and the regular payment will be less than the fixed dollar amount. If after taking into account the negative RBA cash rate your regular payment would be less than \$10, we will pay you \$10.

The examples below illustrate what occurs when there is a change in the RBA cash rate, if you invested \$200,000 and your monthly fixed component was \$700.

| <b>If RBA cash rate changes to:</b> | <b>Monthly payments would change to:</b>  |
|-------------------------------------|---|
| <b>1%</b>                           | \$700 + variable \$166.67<br>(\$200,000 x 1% / 12) = <b>\$866.67</b>            |
| <b>2.5%</b>                         | \$700 + variable \$416.67<br>(\$200,000 x 2.5% / 12) = <b>\$1,116.67</b>        |
| <b>5%</b>                           | \$700 + variable \$833.33<br>(\$200,000 x 5% / 12) = <b>\$1,533.33</b>          |
| <b>0%</b>                           | \$700 + variable \$0<br>(\$200,000 x 0% / 12) = <b>\$700</b>                    |
| <b>-1%</b>                          | \$700 + variable <b>-\$166.67</b><br>(\$200,000 x -1% / 12) = <b>\$533.33</b>   |
| <b>-2.5%</b>                        | \$700 + variable <b>-\$416.67</b><br>(\$200,000 x -2.5% / 12) = <b>\$283.33</b> |
| <b>-5%</b>                          | \$700 + variable <b>-\$833.33</b><br>(\$200,000 x -5% / 12) = <b>\$10*</b>      |

\*Minimum payment applies



## Additional information about the Flexible Income (Market-linked payments) option

The Flexible Income (Market-linked) payments option enables you to have your regular payments linked to annual changes in your chosen investment market index.

On commencement of Flexible Income (Market-linked payments), the starting index value for your chosen market-linked index will be the index value on the first business day after the day of investment. This means that index performance in the first year will be calculated on a 364-day basis (365-day basis in a leap year). After the first year, index performance will be calculated policy anniversary to policy anniversary. Challenger calculates the annual indexation rate for

each market-linked payment option based on the performance of each underlying market index.

While this kind of annuity tracks the movement of an index, it does not directly invest in any stock or equity vehicle.

Only one market-linked index can be chosen per investment. If you would like to choose more than one index you will need more than one market-linked lifetime annuity.

The underlying index allocations are fixed and do not change year-to-year. The market-linked indexes are re-weighted monthly on the last day of each calendar month.

### About the underlying indexes

| Name                                     | Ticker   | Details   |
|--|----------|---|
| Bloomberg AusBond Bank Bill Index        | BAUBIL   | The index is engineered to measure the Australian money market by representing a passively managed short-term money market portfolio. This index is comprised of 13 synthetic instruments defined by rates interpolated from the RBA 24-hour cash rate, 1M BBSW, and 3M BBSW  |
| Bloomberg AusBond Government Index       | BAGV0    | The index is engineered to measure the market of Australian Govt bonds and is a composite of the Treasury and Semi-Govt indices. It is a rules-based, market value weighted index which includes bonds maturing in 0+ years   |
| S&P/ASX200 net return index              | ASN51    | The index is designed to reflect the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalisation. The index includes all cash dividends reinvested on the ex-dividend date after the deduction of a 30% <sup>7</sup> withholding tax (not applied to fully franked dividends).   |
| MSCI World ex Australia Net Total Return | EANREXAN | The index captures large and mid-cap representation across 22 of 23 Developed Markets countries including Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US (excluding Australia). The index covers approximately 85% of the free float-adjusted market capitalisation in each country. |

<sup>7</sup> While the performance of the S&P/ASX200 net return index includes all cash dividends reinvested on the ex-dividend date after the deduction of a 30% withholding tax (not applied to fully franked dividends) it does not include the value of franking credits on franked dividends.

### How market-linked indexation works

Challenger Life guarantee that market-linked payments will be paid for life, and if chosen, the lifetime of a spouse.

**Only the first year's monthly income amount is guaranteed. After the first year, regular payments will index up or down annually so that they adjust with changes in the chosen market-linked payment option. In periods of poor performance and/or where you choose the Accelerated payment option (see below), payments can index down below the starting payment.** The higher the exposure to growth assets the chosen market-linked payment option index has, the more volatile the yearly indexation rate is likely to be (meaning there is a higher likelihood that monthly payment amount will change significantly up or down year to year).

Each year, once index performance has been calculated, we will send you notification of the increase or decrease in monthly payment amount due to indexation.

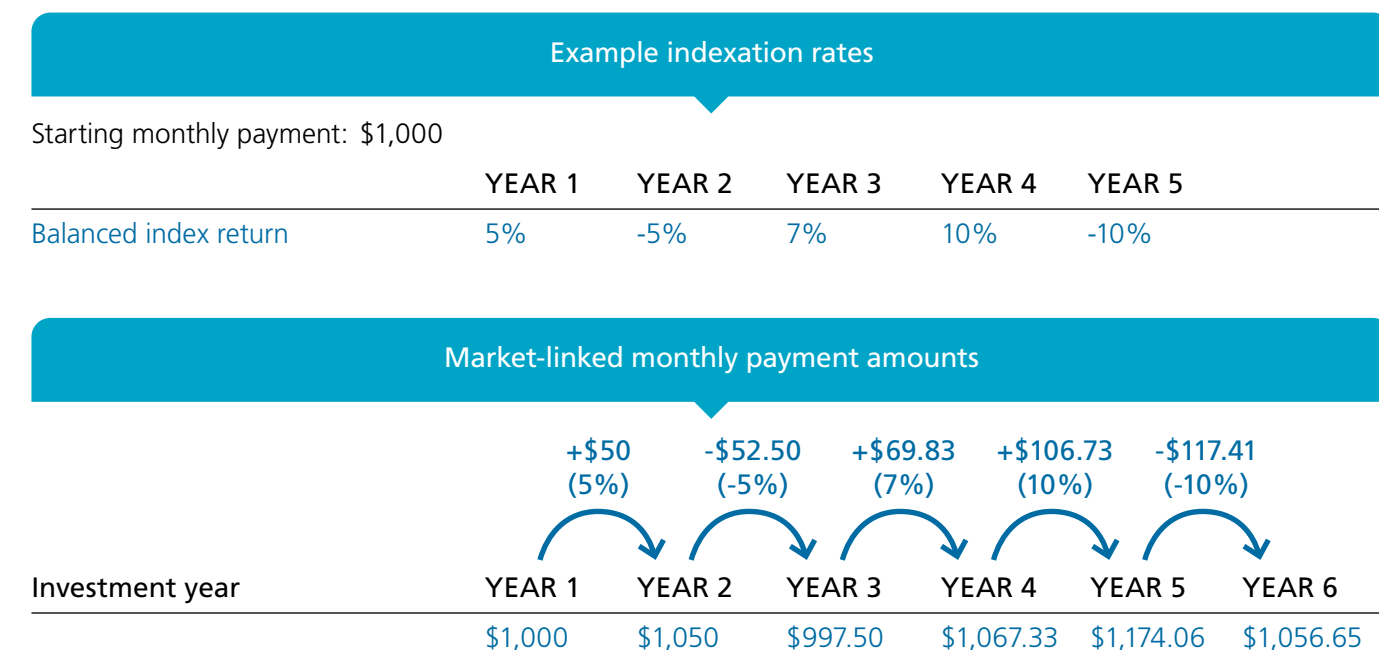
### Accelerated payment option

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. The greater the reduction in future indexation, the greater the increase in starting payment.

If you choose the Accelerated payment option, each year we will deduct your chosen indexation reduction percentage from the performance of your chosen market-linked index when determining your annual indexation rate. This is to reflect the fact that you have chosen to receive a higher starting payment.

The Accelerated payment option can only be chosen at the start of your Liquid Lifetime and you cannot remove the option or change your chosen indexation reduction percentage once your Liquid Lifetime has started.

### An example of how market-linked indexation works



## An example of how market-linked indexation works with the 2.5% Accelerated payment option

### Example indexation rates

Starting monthly payment: \$1,350

|                                    | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|------------------------------------|--------|--------|--------|--------|--------|
| Balanced index return              | 5%     | -5%    | 7%     | 10%    | -10%   |
| Agreed indexation reduction (p.a.) | 2.5%   | 2.5%   | 2.5%   | 2.5%   | 2.5%   |
| Indexation applied to payments     | 2.5%   | -7.5%  | 4.5%   | 7.5%   | -12.5% |

| Investment year | YEAR 1  | YEAR 2     | YEAR 3     | YEAR 4     | YEAR 5     | YEAR 6     |
|-----------------|---------|------------|------------|------------|------------|------------|
|                 | \$1,350 | \$1,383.75 | \$1,279.97 | \$1,337.57 | \$1,437.89 | \$1,258.15 |

## Accelerated payments historical index performance (as at 30 June)<sup>8</sup>

### Cash index

|      | Chosen indexation reduction percentage |        |        |        |        |        |        |        |        |
|------|--|--------|--------|--------|--------|--------|--------|--------|--------|
|      | 1%                                     | 1.5%   | 2%     | 2.5%   | 3%     | 3.5%   | 4%     | 4.5%   | 5%     |
| 2022 | -0.90%                                 | -1.40% | -1.90% | -2.40% | -2.90% | -3.40% | -3.90% | -4.40% | -4.90% |
| 2021 | -0.94%                                 | -1.44% | -1.94% | -2.44% | -2.94% | -3.44% | -3.94% | -4.44% | -4.94% |
| 2020 | -0.15%                                 | -0.65% | -1.15% | -1.65% | -2.15% | -2.65% | -3.15% | -3.65% | -4.15% |
| 2019 | 0.97%                                  | 0.47%  | -0.03% | -0.53% | -1.03% | -1.53% | -2.03% | -2.53% | -3.03% |
| 2018 | 0.78%                                  | 0.28%  | -0.22% | -0.72% | -1.22% | -1.72% | -2.22% | -2.72% | -3.22% |

### Conservative index

|      | Chosen indexation reduction percentage |        |        |        |        |        |        |         |         |
|------|--|--------|--------|--------|--------|--------|--------|---------|---------|
|      | 1%                                     | 1.5%   | 2%     | 2.5%   | 3%     | 3.5%   | 4%     | 4.5%    | 5%      |
| 2022 | -6.68%                                 | -7.18% | -7.68% | -8.18% | -8.68% | -9.18% | -9.68% | -10.18% | -10.68% |
| 2021 | 6.26%                                  | 5.76%  | 5.26%  | 4.76%  | 4.26%  | 3.76%  | 3.26%  | 2.76%   | 2.26%   |
| 2020 | 0.83%                                  | 0.33%  | -0.17% | -0.67% | -1.17% | -1.67% | -2.17% | -2.67%  | -3.17%  |
| 2019 | 6.85%                                  | 6.35%  | 5.85%  | 5.35%  | 4.85%  | 4.35%  | 3.85%  | 3.35%   | 2.85%   |
| 2018 | 4.82%                                  | 4.32%  | 3.82%  | 3.32%  | 2.82%  | 2.32%  | 1.82%  | 1.32%   | 0.82%   |

### Conservative balanced index

|      | Chosen indexation reduction percentage |        |        |        |        |        |        |         |         |
|------|--|--------|--------|--------|--------|--------|--------|---------|---------|
|      | 1%                                     | 1.5%   | 2%     | 2.5%   | 3%     | 3.5%   | 4%     | 4.5%    | 5%      |
| 2022 | -6.83%                                 | -7.33% | -7.83% | -8.33% | -8.83% | -9.33% | -9.83% | -10.33% | -10.83% |
| 2021 | 11.79%                                 | 11.29% | 10.79% | 10.29% | 9.79%  | 9.29%  | 8.79%  | 8.29%   | 7.79%   |
| 2020 | 0.13%                                  | -0.37% | -0.87% | -1.37% | -1.87% | -2.37% | -2.87% | -3.37%  | -3.87%  |
| 2019 | 8.00%                                  | 7.50%  | 7.00%  | 6.50%  | 6.00%  | 5.50%  | 5.00%  | 4.50%   | 4.00%   |
| 2018 | 7.15%                                  | 6.65%  | 6.15%  | 5.65%  | 5.15%  | 4.65%  | 4.15%  | 3.65%   | 3.15%   |

<sup>8</sup> Past performance is not a reliable indicator of future performance. All index options commenced on 4 October 2021. Historical performance has been calculated using the historical performance of the underlying market indexes.

### Balanced index

|      | Chosen indexation reduction percentage |        |        |        |        |         |         |         |         |
|------|--|--------|--------|--------|--------|---------|---------|---------|---------|
|      | 1%                                     | 1.5%   | 2%     | 2.5%   | 3%     | 3.5%    | 4%      | 4.5%    | 5%      |
| 2022 | -7.79%                                 | -8.29% | -8.79% | -9.29% | -9.79% | -10.29% | -10.79% | -11.29% | -11.79% |
| 2021 | 15.96%                                 | 15.46% | 14.96% | 14.46% | 13.96% | 13.46%  | 12.96%  | 12.46%  | 11.96%  |
| 2020 | -0.23%                                 | -0.73% | -1.23% | -1.73% | -2.23% | -2.73%  | -3.23%  | -3.73%  | -4.23%  |
| 2019 | 9.48%                                  | 8.98%  | 8.48%  | 7.98%  | 7.48%  | 6.98%   | 6.48%   | 5.98%   | 5.48%   |
| 2018 | 9.01%                                  | 8.51%  | 8.01%  | 7.51%  | 7.01%  | 6.51%   | 6.01%   | 5.51%   | 5.01%   |

### Growth index

|      | Chosen indexation reduction percentage |        |        |        |         |         |         |         |         |
|------|--|--------|--------|--------|---------|---------|---------|---------|---------|
|      | 1%                                     | 1.5%   | 2%     | 2.5%   | 3%      | 3.5%    | 4%      | 4.5%    | 5%      |
| 2022 | -8.00%                                 | -8.50% | -9.00% | -9.50% | -10.00% | -10.50% | -11.00% | -11.50% | -12.00% |
| 2021 | 21.88%                                 | 21.38% | 20.88% | 20.38% | 19.88%  | 19.38%  | 18.88%  | 18.38%  | 17.88%  |
| 2020 | -1.19%                                 | -1.69% | -2.19% | -2.69% | -3.19%  | -3.69%  | -4.19%  | -4.69%  | -5.19%  |
| 2019 | 10.56%                                 | 10.06% | 9.56%  | 9.06%  | 8.56%   | 8.06%   | 7.56%   | 7.06%   | 6.56%   |
| 2018 | 11.39%                                 | 10.89% | 10.39% | 9.89%  | 9.39%   | 8.89%   | 8.39%   | 7.89%   | 7.39%   |

## Switching (Changing your market-linked payment index)

Flexible Income (Market-linked payments) gives you the flexibility to switch the chosen market-linked index on each policy anniversary at no cost.

Where a switch is made, the change in the market-linked option will be effective from the next policy

anniversary day. A request to switch must be received by us at least 14 days before the next anniversary day. Switches will only be effective on a policy anniversary.

The first payment to index by the new index will be the 13th monthly payment after the change (after the annual return of the new chosen market-linked index has been calculated).

Switch form can be downloaded at [www.challenger.com.au](http://www.challenger.com.au)  
Completed form must be received by us at least 14 days before the next anniversary day.

### An example of how switching works

#### Example indexation rates

Switch timing: On the 4th policy anniversary from Balanced index to Conservative index  
Starting monthly payment: \$1,000

|                           | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---------------------------|--------|--------|--------|--------|--------|
| Balanced index return     | 5%     | -5%    | 7%     | 10%    | -      |
| Conservative index return | -      | -      | -      | -      | 2%     |

#### Market-linked monthly payment amounts

| Investment year | YEAR 1  | YEAR 2  | YEAR 3   | YEAR 4     | YEAR 5     | YEAR 6     |
|-----------------|---------|---------|----------|------------|------------|------------|
|                 | \$1,000 | \$1,050 | \$997.50 | \$1,067.33 | \$1,174.06 | \$1,197.54 |

+\$50 (5%)    -\$52.50 (-5%)    +\$69.83 (7%)    +\$106.73 (10%)    +\$23.48 (2%)

Switch made to the Conservative index on the 4th policy anniversary. The switch request was received at least 14 days before anniversary date.



The first payment to be indexed by the performance of the Conservative index is the 13th payment after the switch (based on the performance of the Conservative index between the 4th policy anniversary and the 5th policy anniversary).

## Withdrawal value examples – Flexible income (Immediate payments)

### Flexible income (Immediate payments) – full indexation

Examples for an individual male investor

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Examples for an individual female investor

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## Withdrawal Value examples – Flexible income (Deferred payments) 5 year deferral period

### Flexible income (Deferred payments) 5 year deferral period – full indexation

Examples for an individual male investor

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Examples for an individual female investor

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## Withdrawal value examples – Flexible income (Market-linked payments)

### Flexible income (Market-linked payments)

Examples for an individual male investor

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Examples for an individual female investor

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### Flexible income (Market-linked payments)

#### Accelerated payment option - 2.5% indexation reduction

Examples for an individual male investor

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Examples for an individual female investor

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### Flexible income (Market-linked payments)

#### Accelerated payment option - 5% indexation reduction

Examples for an individual male investor

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Examples for an individual female investor

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### Important information about the withdrawal value illustrations

The tables are indicative only and do not show the actual withdrawal value you will receive. The values shown are for an investment made on 1 August 2022, calculated as at that date. We have assumed annual increases in the Consumer Price Index (CPI) of 2.5%. The maximum withdrawal value starts at 100% of the amount you invest and progressively reduces until it reaches zero at the end of the withdrawal period. The actual withdrawal value we pay you will depend on actual changes in the CPI, the length of your withdrawal period, your age at the time of investment, your initial capital investment amount and the actual movement in interest rates and investment market movements (Flexible Income (Market-linked payments) option only) up until the time of withdrawal. After the withdrawal period ends, the withdrawal value is zero. These withdrawal values are based on applications made under the Challenger Lifetime Annuity (Liquid Lifetime) Product Disclosure Statement (PDS) dated 5 September 2022. If you withdraw, your regular payments stop.



**Withdrawal value illustration for \$100,000 initial investment  
(individual male investor)  
– Flexible income – full indexation**

| Start of year: | Age 65 at time of investment <sup>9</sup><br>19-year withdrawal period |           |               |           | Age 75 at time of investment <sup>9</sup><br>12-year withdrawal period |           |               |           | Age 80 at time of investment <sup>9</sup><br>9-year withdrawal period |           |               |           |
|----------------|--|-----------|---------------|-----------|--|-----------|---------------|-----------|---|-----------|---------------|-----------|
|                | Voluntary withdrawal   |           | Death benefit |           | Voluntary withdrawal   |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           |
|                | Interest rate movement <sup>10</sup>                                   |           |               |           |  |           |               |           |   |           |               |           |
|                | -1.50%   | 0%        | 1.50%         | N/A       | -1.50%   | 0%        | 1.50%         | N/A       | -1.50%  | 0%        | 1.50%         | N/A       |
| 1              | \$100,000  | \$100,000 | \$100,000     | \$100,000 | \$100,000  | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 |
| 2              | \$94,737   | \$94,737  | \$82,398      | \$100,000 | \$91,667   | \$91,667  | \$83,800      | \$100,000 | \$88,889  | \$88,889  | \$83,007      | \$100,000 |
| 3              | \$89,474   | \$89,474  | \$78,169      | \$100,000 | \$83,333   | \$83,333  | \$76,715      | \$100,000 | \$77,778  | \$77,778  | \$73,221      | \$100,000 |
| 4              | \$84,211   | \$84,211  | \$73,921      | \$100,000 | \$75,000   | \$75,000  | \$69,534      | \$100,000 | \$66,667  | \$66,667  | \$63,262      | \$100,000 |
| 5              | \$78,947   | \$78,947  | \$69,651      | \$100,000 | \$66,667   | \$66,667  | \$62,252      | \$100,000 | \$55,556  | \$55,556  | \$53,132      | \$55,556  |
| 6              | \$73,684   | \$73,684  | \$65,355      | \$100,000 | \$58,333   | \$58,333  | \$54,867      | \$100,000 | \$44,444  | \$44,444  | \$42,835      | \$44,444  |
| 7              | \$68,421   | \$68,421  | \$61,030      | \$100,000 | \$50,000   | \$50,000  | \$47,375      | \$50,000  | \$33,333  | \$33,333  | \$32,371      | \$33,333  |
| 8              | \$63,158   | \$63,158  | \$56,670      | \$100,000 | \$41,667   | \$41,667  | \$39,773      | \$41,667  | \$22,222  | \$22,222  | \$21,743      | \$22,222  |
| 9              | \$57,895   | \$57,895  | \$52,274      | \$100,000 | \$33,333   | \$33,333  | \$32,059      | \$33,333  | \$11,111  | \$11,111  | \$10,952      | \$11,111  |
| 10             | \$52,632   | \$52,632  | \$47,835      | \$52,632  | \$25,000   | \$25,000  | \$24,228      | \$25,000  | \$0   | \$0       | \$0           | \$0       |
| 11             | \$47,368   | \$47,368  | \$43,350      | \$47,368  | \$16,667   | \$16,667  | \$16,277      | \$16,667  | \$0   | \$0       | \$0           | \$0       |
| 12             | \$42,105   | \$42,105  | \$38,813      | \$42,105  | \$8,333  | \$8,333   | \$8,202       | \$8,333   | \$0   | \$0       | \$0           | \$0       |
| 13             | \$36,842   | \$36,842  | \$34,958      | \$36,842  | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 14             | \$31,579   | \$31,579  | \$31,579      | \$31,579  | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 15             | \$26,316   | \$26,316  | \$26,316      | \$26,316  | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 16             | \$21,053   | \$21,053  | \$21,053      | \$21,053  | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 17             | \$15,789   | \$15,789  | \$15,789      | \$15,789  | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 18             | \$10,526   | \$10,526  | \$10,526      | \$10,526  | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 19             | \$5,263  | \$5,263   | \$5,263       | \$5,263   | \$0  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |

9 The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.

10 This refers to the movement in relevant Government bond rates between the time you bought the Annuity and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5% and the actual movement will affect the withdrawal value.

**Withdrawal value illustration for \$100,000 initial investment  
(individual female investor)  
– Flexible income – full indexation**

| Start of year: | Age 65 at time of investment <sup>11</sup><br>22-year withdrawal period |           |               |           | Age 75 at time of investment <sup>11</sup><br>14-year withdrawal period |           |               |           | Age 80 at time of investment <sup>11</sup><br>10-year withdrawal period |           |               |           |
|----------------|---|-----------|---------------|-----------|---|-----------|---------------|-----------|---|-----------|---------------|-----------|
|                | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           |
|                | Interest rate movement <sup>12</sup>                                    |           |               |           |   |           |               |           |   |           |               |           |
|                | -1.50%  | 0%        | 1.50%         | N/A       | -1.50%  | 0%        | 1.50%         | N/A       | -1.50%  | 0%        | 1.50%         | N/A       |
| 1              | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 |
| 2              | \$95,455  | \$95,455  | \$81,559      | \$100,000 | \$92,857  | \$92,857  | \$83,754      | \$100,000 | \$90,000  | \$90,000  | \$83,469      | \$100,000 |
| 3              | \$90,909  | \$90,909  | \$77,907      | \$100,000 | \$85,714  | \$85,714  | \$77,771      | \$100,000 | \$80,000  | \$80,000  | \$74,769      | \$100,000 |
| 4              | \$86,364  | \$86,364  | \$74,256      | \$100,000 | \$78,571  | \$78,571  | \$71,728      | \$100,000 | \$70,000  | \$70,000  | \$65,926      | \$100,000 |
| 5              | \$81,818  | \$81,818  | \$70,602      | \$100,000 | \$71,429  | \$71,429  | \$65,623      | \$100,000 | \$60,000  | \$60,000  | \$56,940      | \$100,000 |
| 6              | \$77,273  | \$77,273  | \$66,944      | \$100,000 | \$64,286  | \$64,286  | \$59,449      | \$100,000 | \$50,000  | \$50,000  | \$47,811      | \$50,000  |
| 7              | \$72,727  | \$72,727  | \$63,277      | \$100,000 | \$57,143  | \$57,143  | \$53,204      | \$100,000 | \$40,000  | \$40,000  | \$38,539      | \$40,000  |
| 8              | \$68,182  | \$68,182  | \$59,599      | \$100,000 | \$50,000  | \$50,000  | \$46,881      | \$50,000  | \$30,000  | \$30,000  | \$29,122      | \$30,000  |
| 9              | \$63,636  | \$63,636  | \$55,906      | \$100,000 | \$42,857  | \$42,857  | \$40,475      | \$42,857  | \$20,000  | \$20,000  | \$19,560      | \$20,000  |
| 10             | \$59,091  | \$59,091  | \$52,195      | \$100,000 | \$35,714  | \$35,714  | \$33,982      | \$35,714  | \$10,000  | \$10,000  | \$9,853       | \$10,000  |
| 11             | \$54,545  | \$54,545  | \$48,462      | \$100,000 | \$28,571  | \$28,571  | \$27,395      | \$28,571  | \$0   | \$0       | \$0           | \$0       |
| 12             | \$50,000  | \$50,000  | \$44,846      | \$50,000  | \$21,429  | \$21,429  | \$21,085      | \$21,429  | \$0   | \$0       | \$0           | \$0       |
| 13             | \$45,455  | \$45,455  | \$42,960      | \$45,455  | \$14,286  | \$14,286  | \$14,286      | \$14,286  | \$0   | \$0       | \$0           | \$0       |
| 14             | \$40,909  | \$40,909  | \$40,755      | \$40,909  | \$7,143   | \$7,143   | \$7,143       | \$7,143   | \$0   | \$0       | \$0           | \$0       |
| 15             | \$36,364  | \$36,364  | \$36,364      | \$36,364  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 16             | \$31,818  | \$31,818  | \$31,818      | \$31,818  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 17             | \$27,273  | \$27,273  | \$27,273      | \$27,273  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 18             | \$22,727  | \$22,727  | \$22,727      | \$22,727  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 19             | \$18,182  | \$18,182  | \$18,182      | \$18,182  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 20             | \$13,636  | \$13,636  | \$13,636      | \$13,636  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 21             | \$9,091   | \$9,091   | \$9,091       | \$9,091   | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 22             | \$4,545   | \$4,545   | \$4,545       | \$4,545   | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |

11 The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.

12 This refers to the movement in relevant Government bond rates between the time you bought the Annuity and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5% and the actual movement will affect the withdrawal value.

**Withdrawal value illustration for \$100,000 initial investment  
(individual male investor)  
– Flexible income – 5 year deferral period – full indexation**

| Start of year: | Age 65 at time of investment <sup>13</sup><br>19-year withdrawal period |           |               |           | Age 75 at time of investment <sup>13</sup><br>12-year withdrawal period |           |               |           | Age 80 at time of investment <sup>13</sup><br>9-year withdrawal period |           |               |           |
|----------------|---|-----------|---------------|-----------|---|-----------|---------------|-----------|--|-----------|---------------|-----------|
|                | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal   |           | Death benefit |           |
|                | Interest rate movement <sup>14</sup>                                    |           |               |           |   |           |               |           |  |           |               |           |
|                | -1.50%  | 0%        | 1.50%         | N/A       | -1.50%  | 0%        | 1.50%         | N/A       | -1.50%   | 0%        | 1.50%         | N/A       |
| 1              | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000  | \$100,000 | \$100,000     | \$100,000 |
| 2              | \$94,737  | \$94,737  | \$78,712      | \$100,000 | \$91,667  | \$91,667  | \$79,963      | \$100,000 | \$88,889   | \$88,889  | \$78,968      | \$100,000 |
| 3              | \$89,474  | \$89,474  | \$74,544      | \$100,000 | \$83,333  | \$83,333  | \$73,169      | \$100,000 | \$77,778   | \$77,778  | \$69,748      | \$100,000 |
| 4              | \$84,211  | \$84,211  | \$70,426      | \$100,000 | \$75,000  | \$75,000  | \$66,347      | \$100,000 | \$66,667   | \$66,667  | \$60,376      | \$100,000 |
| 5              | \$78,947  | \$78,947  | \$66,358      | \$100,000 | \$66,667  | \$66,667  | \$59,495      | \$100,000 | \$55,556   | \$55,556  | \$52,829      | \$55,556  |
| 6              | \$73,684  | \$73,684  | \$63,479      | \$100,000 | \$58,333  | \$58,333  | \$58,333      | \$100,000 | \$44,444   | \$44,444  | \$44,444      | \$44,444  |
| 7              | \$68,421  | \$68,421  | \$62,052      | \$100,000 | \$50,000  | \$50,000  | \$50,000      | \$50,000  | \$33,333   | \$33,333  | \$33,333      | \$33,333  |
| 8              | \$63,158  | \$63,158  | \$60,316      | \$100,000 | \$41,667  | \$41,667  | \$41,667      | \$41,667  | \$22,222   | \$22,222  | \$22,222      | \$22,222  |
| 9              | \$57,895  | \$57,895  | \$57,895      | \$100,000 | \$33,333  | \$33,333  | \$33,333      | \$33,333  | \$11,111   | \$11,111  | \$11,111      | \$11,111  |
| 10             | \$52,632  | \$52,632  | \$52,632      | \$52,632  | \$25,000  | \$25,000  | \$25,000      | \$25,000  | \$0  | \$0       | \$0           | \$0       |
| 11             | \$47,368  | \$47,368  | \$47,368      | \$47,368  | \$16,667  | \$16,667  | \$16,667      | \$16,667  | \$0  | \$0       | \$0           | \$0       |
| 12             | \$42,105  | \$42,105  | \$42,105      | \$42,105  | \$8,333   | \$8,333   | \$8,333       | \$8,333   | \$0  | \$0       | \$0           | \$0       |
| 13             | \$36,842  | \$36,842  | \$36,842      | \$36,842  | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |
| 14             | \$31,579  | \$31,579  | \$31,579      | \$31,579  | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |
| 15             | \$26,316  | \$26,316  | \$26,316      | \$26,316  | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |
| 16             | \$21,053  | \$21,053  | \$21,053      | \$21,053  | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |
| 17             | \$15,789  | \$15,789  | \$15,789      | \$15,789  | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |
| 18             | \$10,526  | \$10,526  | \$10,526      | \$10,526  | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |
| 19             | \$5,263   | \$5,263   | \$5,263       | \$5,263   | \$0   | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       |

13 The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.

14 This refers to the movement in relevant Government bond rates between the time you bought the Annuity and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5% and the actual movement will affect the withdrawal value.

**Withdrawal value illustration for \$100,000 initial investment  
(individual female investor)  
– Flexible income – 5 year deferral period – full indexation**

| Start of year: | Age 65 at time of investment <sup>15</sup><br>22-year withdrawal period |           |               |           | Age 75 at time of investment <sup>15</sup><br>14-year withdrawal period |           |               |           | Age 80 at time of investment <sup>15</sup><br>10-year withdrawal period |           |               |           |
|----------------|---|-----------|---------------|-----------|---|-----------|---------------|-----------|---|-----------|---------------|-----------|
|                | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           |
|                | Interest rate movement <sup>16</sup>                                    |           |               |           |   |           |               |           |   |           |               |           |
|                | -1.50%  | 0%        | 1.50%         | N/A       | -1.50%  | 0%        | 1.50%         | N/A       | -1.50%  | 0%        | 1.50%         | N/A       |
| 1              | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 |
| 2              | \$95,455  | \$95,455  | \$77,824      | \$100,000 | \$92,857  | \$92,857  | \$79,888      | \$100,000 | \$90,000  | \$90,000  | \$79,598      | \$100,000 |
| 3              | \$90,909  | \$90,909  | \$74,175      | \$100,000 | \$85,714  | \$85,714  | \$74,085      | \$100,000 | \$80,000  | \$80,000  | \$71,331      | \$100,000 |
| 4              | \$86,364  | \$86,364  | \$70,593      | \$100,000 | \$78,571  | \$78,571  | \$68,302      | \$100,000 | \$70,000  | \$70,000  | \$62,968      | \$100,000 |
| 5              | \$81,818  | \$81,818  | \$67,080      | \$100,000 | \$71,429  | \$71,429  | \$62,539      | \$100,000 | \$60,000  | \$60,000  | \$54,847      | \$100,000 |
| 6              | \$77,273  | \$77,273  | \$65,132      | \$100,000 | \$64,286  | \$64,286  | \$64,286      | \$100,000 | \$50,000  | \$50,000  | \$50,000      | \$50,000  |
| 7              | \$72,727  | \$72,727  | \$64,476      | \$100,000 | \$57,143  | \$57,143  | \$57,143      | \$100,000 | \$40,000  | \$40,000  | \$40,000      | \$40,000  |
| 8              | \$68,182  | \$68,182  | \$63,596      | \$100,000 | \$50,000  | \$50,000  | \$50,000      | \$50,000  | \$30,000  | \$30,000  | \$30,000      | \$30,000  |
| 9              | \$63,636  | \$63,636  | \$62,469      | \$100,000 | \$42,857  | \$42,857  | \$42,857      | \$42,857  | \$20,000  | \$20,000  | \$20,000      | \$20,000  |
| 10             | \$59,091  | \$59,091  | \$59,091      | \$100,000 | \$35,714  | \$35,714  | \$35,714      | \$35,714  | \$10,000  | \$10,000  | \$10,000      | \$10,000  |
| 11             | \$54,545  | \$54,545  | \$54,545      | \$100,000 | \$28,571  | \$28,571  | \$28,571      | \$28,571  | \$0   | \$0       | \$0           | \$0       |
| 12             | \$50,000  | \$50,000  | \$50,000      | \$50,000  | \$21,429  | \$21,429  | \$21,429      | \$21,429  | \$0   | \$0       | \$0           | \$0       |
| 13             | \$45,455  | \$45,455  | \$45,455      | \$45,455  | \$14,286  | \$14,286  | \$14,286      | \$14,286  | \$0   | \$0       | \$0           | \$0       |
| 14             | \$40,909  | \$40,909  | \$40,909      | \$40,909  | \$7,143   | \$7,143   | \$7,143       | \$7,143   | \$0   | \$0       | \$0           | \$0       |
| 15             | \$36,364  | \$36,364  | \$36,364      | \$36,364  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 16             | \$31,818  | \$31,818  | \$31,818      | \$31,818  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 17             | \$27,273  | \$27,273  | \$27,273      | \$27,273  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 18             | \$22,727  | \$22,727  | \$22,727      | \$22,727  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 19             | \$18,182  | \$18,182  | \$18,182      | \$18,182  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 20             | \$13,636  | \$13,636  | \$13,636      | \$13,636  | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 21             | \$9,091   | \$9,091   | \$9,091       | \$9,091   | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |
| 22             | \$4,545   | \$4,545   | \$4,545       | \$4,545   | \$0   | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       |

15 The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.

16 This refers to the movement in relevant Government bond rates between the time you bought the Annuity and the time of withdrawal. The interest rate movements used in this example are for illustrative purposes only and are not a prediction of actual interest rate movements. Actual rates can move by more or less than 1.5% and the actual movement will affect the withdrawal value.

## Withdrawal value illustration for \$100,000 initial investment (individual male investor) – Flexible income (Market-linked payments):

| Start of year: | Age 65 at time of investment <sup>17</sup><br>19-year withdrawal period |           |               |           |                      |           | Age 75 at time of investment <sup>17</sup><br>12-year withdrawal period |           |                      |           |               |           | Age 80 at time of investment <sup>17</sup><br>9-year withdrawal period |           |               |           |           |           |          |          |          |          |           |
|----------------|---|-----------|---------------|-----------|----------------------|-----------|---|-----------|----------------------|-----------|---------------|-----------|--|-----------|---------------|-----------|-----------|-----------|----------|----------|----------|----------|-----------|
|                | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal |           | Death benefit   |           | Voluntary withdrawal |           | Death benefit |           | Voluntary withdrawal   |           | Death benefit |           |           |           |          |          |          |          |           |
|                | -10%  | -5%       | -2%           | 0%        | 2%                   | 5%        | 10%   | N/A       | -10%                 | -5%       | -2%           | 0%        | 2%   | 5%        | 10%           | N/A       |           |           |          |          |          |          |           |
|                | <b>Payment option index movement<sup>18</sup></b>                       |           |               |           |                      |           |   |           |                      |           |               |           |  |           |               |           |           |           |          |          |          |          |           |
| 1              | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000            | \$100,000 | \$100,000   | \$100,000 | \$100,000            | \$100,000 | \$100,000     | \$100,000 | \$100,000  | \$100,000 | \$100,000     | \$100,000 | \$100,000 | \$100,000 |          |          |          |          |           |
| 2              | \$87,815  | \$91,276  | \$93,352      | \$94,737  | \$94,737             | \$94,737  | \$94,737  | \$100,000 | \$85,238             | \$88,452  | \$90,381      | \$91,667  | \$91,667   | \$91,667  | \$91,667      | \$100,000 | \$82,741  | \$85,815  | \$87,659 | \$88,889 | \$88,889 | \$88,889 | \$100,000 |
| 3              | \$82,916  | \$86,195  | \$88,162      | \$89,474  | \$89,474             | \$89,474  | \$89,474  | \$100,000 | \$77,479             | \$80,406  | \$82,162      | \$83,333  | \$83,333   | \$83,333  | \$83,333      | \$100,000 | \$72,393  | \$75,085  | \$76,701 | \$77,778 | \$77,778 | \$77,778 | \$100,000 |
| 4              | \$78,020  | \$81,115  | \$82,972      | \$84,211  | \$84,211             | \$84,211  | \$84,211  | \$100,000 | \$69,722             | \$72,361  | \$73,944      | \$75,000  | \$75,000   | \$75,000  | \$75,000      | \$100,000 | \$62,047  | \$64,357  | \$65,743 | \$66,667 | \$66,667 | \$66,667 | \$100,000 |
| 5              | \$73,126  | \$76,036  | \$77,783      | \$78,947  | \$78,947             | \$78,947  | \$78,947  | \$100,000 | \$61,967             | \$64,317  | \$65,727      | \$66,667  | \$66,667   | \$66,667  | \$66,667      | \$100,000 | \$51,702  | \$53,629  | \$54,785 | \$55,556 | \$55,556 | \$55,556 | \$55,556  |
| 6              | \$68,234  | \$70,959  | \$72,594      | \$73,684  | \$73,684             | \$73,684  | \$73,684  | \$100,000 | \$54,214             | \$56,274  | \$57,510      | \$58,333  | \$58,333   | \$58,333  | \$58,333      | \$100,000 | \$41,358  | \$42,901  | \$43,827 | \$44,444 | \$44,444 | \$44,444 | \$44,444  |
| 7              | \$63,344  | \$65,883  | \$67,406      | \$68,421  | \$68,421             | \$68,421  | \$68,421  | \$100,000 | \$46,463             | \$48,232  | \$49,293      | \$50,000  | \$50,000   | \$50,000  | \$50,000      | \$50,000  | \$31,017  | \$32,175  | \$32,870 | \$33,333 | \$33,333 | \$33,333 | \$33,333  |
| 8              | \$58,457  | \$60,808  | \$62,218      | \$63,158  | \$63,158             | \$63,158  | \$63,158  | \$100,000 | \$38,714             | \$40,191  | \$41,076      | \$41,667  | \$41,667   | \$41,667  | \$41,667      | \$41,667  | \$20,676  | \$21,449  | \$21,913 | \$22,222 | \$22,222 | \$22,222 | \$22,222  |
| 9              | \$53,572  | \$55,734  | \$57,030      | \$57,895  | \$57,895             | \$57,895  | \$57,895  | \$100,000 | \$30,968             | \$32,150  | \$32,860      | \$33,333  | \$33,333   | \$33,333  | \$33,333      | \$33,333  | \$10,337  | \$10,724  | \$10,956 | \$11,111 | \$11,111 | \$11,111 | \$11,111  |
| 10             | \$48,690  | \$50,661  | \$51,843      | \$52,632  | \$52,632             | \$52,632  | \$52,632  | \$52,632  | \$23,223             | \$24,111  | \$24,645      | \$25,000  | \$25,000   | \$25,000  | \$25,000      | \$25,000  | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 11             | \$43,810  | \$45,589  | \$46,657      | \$47,368  | \$47,368             | \$47,368  | \$47,368  | \$47,368  | \$15,480             | \$16,073  | \$16,429      | \$16,667  | \$16,667   | \$16,667  | \$16,667      | \$16,667  | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 12             | \$38,932  | \$40,519  | \$41,471      | \$42,105  | \$42,105             | \$42,105  | \$42,105  | \$42,105  | \$7,739              | \$8,036   | \$8,214       | \$8,333   | \$8,333  | \$8,333   | \$8,333       | \$8,333   | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 13             | \$34,057  | \$35,450  | \$36,285      | \$36,842  | \$36,842             | \$36,842  | \$36,842  | \$36,842  | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 14             | \$30,673  | \$31,579  | \$31,579      | \$31,579  | \$31,579             | \$31,579  | \$31,579  | \$31,579  | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 15             | \$26,316  | \$26,316  | \$26,316      | \$26,316  | \$26,316             | \$26,316  | \$26,316  | \$26,316  | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 16             | \$21,053  | \$21,053  | \$21,053      | \$21,053  | \$21,053             | \$21,053  | \$21,053  | \$21,053  | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 17             | \$15,789  | \$15,789  | \$15,789      | \$15,789  | \$15,789             | \$15,789  | \$15,789  | \$15,789  | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 18             | \$10,526  | \$10,526  | \$10,526      | \$10,526  | \$10,526             | \$10,526  | \$10,526  | \$10,526  | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |
| 19             | \$5,263   | \$5,263   | \$5,263       | \$5,263   | \$5,263              | \$5,263   | \$5,263   | \$5,263   | \$0                  | \$0       | \$0           | \$0       | \$0  | \$0       | \$0           | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0      | \$0       |

<sup>17</sup> The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.

<sup>18</sup> Illustrations based on the payment option index movement occurring the day after investment.

## Withdrawal value illustration for \$100,000 initial investment (individual female investor) – Flexible income (Market-linked payments):

| Start of year: | Age 65 at time of investment <sup>19</sup><br>22-year withdrawal period |           |               |           |                      |           | Age 75 at time of investment <sup>19</sup><br>14-year withdrawal period |           |                      |           |               |           | Age 80 at time of investment <sup>19</sup><br>10-year withdrawal period |           |               |           |           |           |           |          |          |          |           |
|----------------|---|-----------|---------------|-----------|----------------------|-----------|---|-----------|----------------------|-----------|---------------|-----------|---|-----------|---------------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------|
|                | Voluntary withdrawal  |           | Death benefit |           | Voluntary withdrawal |           | Death benefit   |           | Voluntary withdrawal |           | Death benefit |           | Voluntary withdrawal  |           | Death benefit |           |           |           |           |          |          |          |           |
|                | -10%  | -5%       | -2%           | 0%        | 2%                   | 5%        | 10%   | N/A       | -10%                 | -5%       | -2%           | 0%        | 2%  | 5%        | 10%           | N/A       |           |           |           |          |          |          |           |
|                | <b>Payment option index movement<sup>20</sup></b>                       |           |               |           |                      |           |   |           |                      |           |               |           |   |           |               |           |           |           |           |          |          |          |           |
| 1              | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000            | \$100,000 | \$100,000   | \$100,000 | \$100,000            | \$100,000 | \$100,000     | \$100,000 | \$100,000   | \$100,000 | \$100,000     | \$100,000 | \$100,000 | \$100,000 | \$100,000 |          |          |          |           |
| 2              | \$88,031  | \$91,743  | \$93,970      | \$95,455  | \$95,455             | \$95,455  | \$95,455  | \$100,000 | \$85,985             | \$89,421  | \$91,483      | \$92,857  | \$92,857  | \$92,857  | \$92,857      | \$100,000 | \$83,771  | \$86,886  | \$88,754  | \$90,000 | \$90,000 | \$90,000 | \$100,000 |
| 3              | \$83,816  | \$87,363  | \$89,491      | \$90,909  | \$90,909             | \$90,909  | \$90,909  | \$100,000 | \$79,358             | \$82,536  | \$84,443      | \$85,714  | \$85,714  | \$85,714  | \$85,714      | \$100,000 | \$74,457  | \$77,229  | \$78,891  | \$80,000 | \$80,000 | \$80,000 | \$100,000 |
| 4              | \$79,605  | \$82,984  | \$85,012      | \$86,364  | \$86,364             | \$86,364  | \$86,364  | \$100,000 | \$72,732             | \$75,652  | \$77,404      | \$78,571  | \$78,571  | \$78,571  | \$78,571      | \$100,000 | \$65,145  | \$67,572  | \$69,029  | \$70,000 | \$70,000 | \$70,000 | \$100,000 |
| 5              | \$75,395  | \$78,606  | \$80,533      | \$81,818  | \$81,818             | \$81,818  | \$81,818  | \$100,000 | \$66,109             | \$68,769  | \$70,365      | \$71,429  | \$71,429  | \$71,429  | \$71,429      | \$100,000 | \$55,834  | \$57,917  | \$59,167  | \$60,000 | \$60,000 | \$60,000 | \$100,000 |
| 6              | \$71,187  | \$74,230  | \$76,056      | \$77,273  | \$77,273             | \$77,273  | \$77,273  | \$100,000 | \$59,488             | \$61,887  | \$63,326      | \$64,286  | \$64,286  | \$64,286  | \$64,286      | \$100,000 | \$46,525  | \$48,262  | \$49,305  | \$50,000 | \$50,000 | \$50,000 | \$50,000  |
| 7              | \$66,982  | \$69,854  | \$71,578      | \$72,727  | \$72,727             | \$72,727  | \$72,727  | \$100,000 | \$52,869             | \$55,006  | \$56,288      | \$57,143  | \$57,143  | \$57,143  | \$57,143      | \$100,000 | \$37,217  | \$38,608  | \$39,443  | \$40,000 | \$40,000 | \$40,000 | \$40,000  |
| 8              | \$62,778  | \$65,480  | \$67,101      | \$68,182  | \$68,182             | \$68,182  | \$68,182  | \$100,000 | \$46,252             | \$48,126  | \$49,250      | \$50,000  | \$50,000  | \$50,000  | \$50,000      | \$50,000  | \$27,910  | \$28,955  | \$29,582  | \$30,000 | \$30,000 | \$30,000 | \$30,000  |
| 9              | \$58,577  | \$61,107  | \$62,625      | \$63,636  | \$63,636             | \$63,636  | \$63,636  | \$100,000 | \$39,638             | \$41,247  | \$42,213      | \$42,857  | \$42,857  | \$42,857  | \$42,857      | \$42,857  | \$18,605  | \$19,303  | \$19,721  | \$20,000 | \$20,000 | \$20,000 | \$20,000  |
| 10             | \$54,378  | \$56,735  | \$58,148      | \$59,091  | \$59,091             | \$59,091  | \$59,091  | \$100,000 | \$33,026             | \$34,370  | \$35,177      | \$35,714  | \$35,714  | \$35,714  | \$35,714      | \$35,714  | \$9,302   | \$9,651   | \$9,860   | \$10,000 | \$10,000 | \$10,000 | \$10,000  |
| 11             | \$50,182  | \$52,364  | \$53,673      | \$54,545  | \$54,545             | \$54,545  | \$54,545  | \$100,000 | \$26,416             | \$27,494  | \$28,140      | \$28,571  | \$28,571  | \$28,571  | \$28,571      | \$28,571  | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 12             | \$45,987  | \$47,994  | \$49,197      | \$50,000  | \$50,000             | \$50,000  | \$50,000  | \$50,000  | \$20,060             | \$20,770  | \$21,197      | \$21,429  | \$21,429  | \$21,429  | \$21,429      | \$21,429  | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 13             | \$42,588  | \$43,885  | \$44,723      | \$45,455  | \$45,455             | \$45,455  | \$45,455  | \$45,455  | \$14,135             | \$14,286  | \$14,286      | \$14,286  | \$14,286  | \$14,286  | \$14,286      | \$14,286  | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 14             | \$40,442  | \$40,909  | \$40,909      | \$40,909  | \$40,909             | \$40,909  | \$40,909  | \$40,909  | \$7,143              | \$7,143   | \$7,143       | \$7,143   | \$7,143   | \$7,143   | \$7,143       | \$7,143   | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 15             | \$36,364  | \$36,364  | \$36,364      | \$36,364  | \$36,364             | \$36,364  | \$36,364  | \$36,364  | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 16             | \$31,818  | \$31,818  | \$31,818      | \$31,818  | \$31,818             | \$31,818  | \$31,818  | \$31,818  | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 17             | \$27,273  | \$27,273  | \$27,273      | \$27,273  | \$27,273             | \$27,273  | \$27,273  | \$27,273  | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 18             | \$22,727  | \$22,727  | \$22,727      | \$22,727  | \$22,727             | \$22,727  | \$22,727  | \$22,727  | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 19             | \$18,182  | \$18,182  | \$18,182      | \$18,182  | \$18,182             | \$18,182  | \$18,182  | \$18,182  | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 20             | \$13,636  | \$13,636  | \$13,636      | \$13,636  | \$13,636             | \$13,636  | \$13,636  | \$13,636  | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 21             | \$9,091   | \$9,091   | \$9,091       | \$9,091   | \$9,091              | \$9,091   | \$9,091   | \$9,091   | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |
| 22             | \$4,545   | \$4,545   | \$4,545       | \$4,545   | \$4,545              | \$4,545   | \$4,545   | \$4,545   | \$0                  | \$0       | \$0           | \$0       | \$0   | \$0       | \$0           | \$0       | \$0       | \$0       | \$0       | \$0      | \$0      | \$0      | \$0       |

<sup>19</sup> The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.

<sup>20</sup> Illustrations based on the payment option index movement occurring the day after investment.







## Withdrawal value illustration for \$100,000 initial investment (individual male investor) – Flexible income (Market-linked payments) – Accelerated payment option - 5% indexation reduction:

| Start of year: | Age 65 at time of investment <sup>25</sup><br>19-year withdrawal period |           |           |           |           | Age 75 at time of investment <sup>25</sup><br>12-year withdrawal period |           |           |           |           | Age 80 at time of investment <sup>25</sup><br>9-year withdrawal period |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
|----------------|---|-----------|-----------|-----------|-----------|---|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                | -10%  | -5%       | -2%       | 0%        | 2%        | 5%  | 10%       | N/A       | -10%      | -5%       | -2%  | 0%        | 2%        | 5%        | 10%       | N/A       | -10%      | -5%       | -2%       | 0%        | 2%        | 5%        | 10%       | N/A       |           |
|                | Payment option index movement <sup>26</sup>                             |           |           |           |           |   |           |           |           |           |  |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 1              | \$100,000   | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000   | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000  | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |           |
| 2              | \$84,106  | \$89,422  | \$92,611  | \$94,737  | \$94,737  | \$94,737  | \$94,737  | \$100,000 | \$81,987  | \$86,827  | \$89,731   | \$91,667  | \$91,667  | \$91,667  | \$91,667  | \$91,667  | \$100,000 | \$79,731  | \$84,310  | \$87,057  | \$88,889  | \$88,889  | \$88,889  | \$88,889  | \$100,000 |
| 3              | \$79,331  | \$84,403  | \$87,445  | \$89,474  | \$89,474  | \$89,474  | \$89,474  | \$100,000 | \$74,531  | \$78,932  | \$81,573   | \$83,333  | \$83,333  | \$83,333  | \$83,333  | \$83,333  | \$100,000 | \$69,841  | \$73,809  | \$76,190  | \$77,778  | \$77,778  | \$77,778  | \$77,778  | \$100,000 |
| 4              | \$74,567  | \$79,389  | \$82,282  | \$84,211  | \$84,211  | \$84,211  | \$84,211  | \$100,000 | \$67,076  | \$71,038  | \$73,415   | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$75,000  | \$100,000 | \$59,929  | \$63,298  | \$65,319  | \$66,667  | \$66,667  | \$66,667  | \$66,667  | \$100,000 |
| 5              | \$69,814  | \$74,381  | \$77,121  | \$78,947  | \$78,947  | \$78,947  | \$78,947  | \$100,000 | \$59,621  | \$63,144  | \$65,257   | \$66,667  | \$66,667  | \$66,667  | \$66,667  | \$66,667  | \$100,000 | \$49,994  | \$52,775  | \$54,443  | \$55,556  | \$55,556  | \$55,556  | \$55,556  | \$55,556  |
| 6              | \$65,072  | \$69,378  | \$71,962  | \$73,684  | \$73,684  | \$73,684  | \$73,684  | \$100,000 | \$52,166  | \$55,250  | \$57,100   | \$58,333  | \$58,333  | \$58,333  | \$58,333  | \$58,333  | \$100,000 | \$40,037  | \$42,241  | \$43,563  | \$44,444  | \$44,444  | \$44,444  | \$44,444  | \$44,444  |
| 7              | \$60,341  | \$64,381  | \$66,805  | \$68,421  | \$68,421  | \$68,421  | \$68,421  | \$100,000 | \$44,713  | \$47,356  | \$48,943   | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$30,059  | \$31,696  | \$32,678  | \$33,333  | \$33,333  | \$33,333  | \$33,333  | \$33,333  |
| 8              | \$55,622  | \$59,390  | \$61,651  | \$63,158  | \$63,158  | \$63,158  | \$63,158  | \$100,000 | \$37,259  | \$39,463  | \$40,785   | \$41,667  | \$41,667  | \$41,667  | \$41,667  | \$41,667  | \$100,000 | \$20,060  | \$21,141  | \$21,790  | \$22,222  | \$22,222  | \$22,222  | \$22,222  | \$22,222  |
| 9              | \$50,914  | \$54,405  | \$56,499  | \$57,895  | \$57,895  | \$57,895  | \$57,895  | \$100,000 | \$29,806  | \$31,570  | \$32,628   | \$33,333  | \$33,333  | \$33,333  | \$33,333  | \$33,333  | \$100,000 | \$10,040  | \$10,576  | \$10,897  | \$11,111  | \$11,111  | \$11,111  | \$11,111  | \$11,111  |
| 10             | \$46,219  | \$49,425  | \$51,349  | \$52,632  | \$52,632  | \$52,632  | \$52,632  | \$52,632  | \$22,354  | \$23,677  | \$24,471   | \$25,000  | \$25,000  | \$25,000  | \$25,000  | \$25,000  | \$25,000  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 11             | \$41,537  | \$44,453  | \$46,202  | \$47,368  | \$47,368  | \$47,368  | \$47,368  | \$47,368  | \$14,902  | \$15,784  | \$16,314   | \$16,667  | \$16,667  | \$16,667  | \$16,667  | \$16,667  | \$16,667  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 12             | \$36,867  | \$39,486  | \$41,058  | \$42,105  | \$42,105  | \$42,105  | \$42,105  | \$42,105  | \$7,451   | \$7,892   | \$8,157  | \$8,333   | \$8,333   | \$8,333   | \$8,333   | \$8,333   | \$8,333   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 13             | \$32,210  | \$34,526  | \$35,916  | \$36,842  | \$36,842  | \$36,842  | \$36,842  | \$36,842  | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 14             | \$27,566  | \$29,573  | \$30,776  | \$31,579  | \$31,579  | \$31,579  | \$31,579  | \$31,579  | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 15             | \$22,936  | \$24,626  | \$25,640  | \$26,316  | \$26,316  | \$26,316  | \$26,316  | \$26,316  | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 16             | \$18,320  | \$19,686  | \$20,506  | \$21,053  | \$21,053  | \$21,053  | \$21,053  | \$21,053  | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 17             | \$13,718  | \$14,754  | \$15,375  | \$15,789  | \$15,789  | \$15,789  | \$15,789  | \$15,789  | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 18             | \$9,130   | \$9,828   | \$10,247  | \$10,526  | \$10,526  | \$10,526  | \$10,526  | \$10,526  | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 19             | \$4,558   | \$4,910   | \$5,122   | \$5,263   | \$5,263   | \$5,263   | \$5,263   | \$5,263   | \$0       | \$0       | \$0  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |

25 The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.  
26 Illustrations based on the payment option index movement occurring the day after investment.

## Withdrawal value illustration for \$100,000 initial investment (individual female investor) – Flexible income (Market-linked payments) – Accelerated payment option - 5% indexation reduction:

| Start of year: | Age 65 at time of investment <sup>27</sup><br>22-year withdrawal period |           |           |           |           | Age 75 at time of investment <sup>27</sup><br>14-year withdrawal period |           |           |           |           | Age 80 at time of investment <sup>27</sup><br>10-year withdrawal period |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
|----------------|---|-----------|-----------|-----------|-----------|---|-----------|-----------|-----------|-----------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                | -10%  | -5%       | -2%       | 0%        | 2%        | 5%  | 10%       | N/A       | -10%      | -5%       | -2%   | 0%        | 2%        | 5%        | 10%       | N/A       | -10%      | -5%       | -2%       | 0%        | 2%        | 5%        | 10%       | N/A       |           |
|                | Payment option index movement <sup>28</sup>                             |           |           |           |           |   |           |           |           |           |   |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| 1              | \$100,000   | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000   | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000   | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |           |
| 2              | \$84,560  | \$90,007  | \$93,276  | \$95,455  | \$95,455  | \$95,455  | \$95,455  | \$100,000 | \$82,867  | \$87,862  | \$90,859  | \$92,857  | \$92,857  | \$92,857  | \$92,857  | \$92,857  | \$100,000 | \$80,671  | \$85,336  | \$88,134  | \$90,000  | \$90,000  | \$90,000  | \$90,000  | \$100,000 |
| 3              | \$80,401  | \$85,655  | \$88,808  | \$90,909  | \$90,909  | \$90,909  | \$90,909  | \$100,000 | \$76,439  | \$81,077  | \$83,859  | \$85,714  | \$85,714  | \$85,714  | \$85,714  | \$85,714  | \$100,000 | \$71,756  | \$75,878  | \$78,351  | \$80,000  | \$80,000  | \$80,000  | \$80,000  | \$100,000 |
| 4              | \$76,254  | \$81,309  | \$84,342  | \$86,364  | \$86,364  | \$86,364  | \$86,364  | \$100,000 | \$70,020  | \$74,296  | \$76,861  | \$78,571  | \$78,571  | \$78,571  | \$78,571  | \$78,571  | \$100,000 | \$62,829  | \$66,414  | \$68,566  | \$70,000  | \$70,000  | \$70,000  | \$70,000  | \$100,000 |
| 5              | \$72,117  | \$76,968  | \$79,878  | \$81,818  | \$81,818  | \$81,818  | \$81,818  | \$100,000 | \$63,610  | \$67,519  | \$69,865  | \$71,429  | \$71,429  | \$71,429  | \$71,429  | \$71,429  | \$100,000 | \$53,889  | \$56,944  | \$58,778  | \$60,000  | \$60,000  | \$60,000  | \$60,000  | \$100,000 |
| 6              | \$67,992  | \$72,632  | \$75,417  | \$77,273  | \$77,273  | \$77,273  | \$77,273  | \$100,000 | \$57,208  | \$60,747  | \$62,870  | \$64,286  | \$64,286  | \$64,286  | \$64,286  | \$64,286  | \$100,000 | \$44,937  | \$47,468  | \$48,987  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  |
| 7              | \$63,879  | \$68,303  | \$70,958  | \$72,727  | \$72,727  | \$72,727  | \$72,727  | \$100,000 | \$50,815  | \$53,979  | \$55,877  | \$57,143  | \$57,143  | \$57,143  | \$57,143  | \$57,143  | \$100,000 | \$35,973  | \$37,986  | \$39,195  | \$40,000  | \$40,000  | \$40,000  | \$40,000  | \$40,000  |
| 8              | \$59,778  | \$63,980  | \$66,501  | \$68,182  | \$68,182  | \$68,182  | \$68,182  | \$100,000 | \$44,431  | \$47,216  | \$48,886  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$26,997  | \$28,498  | \$29,399  | \$30,000  | \$30,000  | \$30,000  | \$30,000  | \$30,000  |
| 9              | \$55,690  | \$59,663  | \$62,047  | \$63,636  | \$63,636  | \$63,636  | \$63,636  | \$100,000 | \$38,056  | \$40,457  | \$41,897  | \$42,857  | \$42,857  | \$42,857  | \$42,857  | \$42,857  | \$100,000 | \$18,010  | \$19,005  | \$19,602  | \$20,000  | \$20,000  | \$20,000  | \$20,000  | \$20,000  |
| 10             | \$51,615  | \$55,353  | \$57,596  | \$59,091  | \$59,091  | \$59,091  | \$59,091  | \$100,000 | \$31,690  | \$33,702  | \$34,909  | \$35,714  | \$35,714  | \$35,714  | \$35,714  | \$35,714  | \$100,000 | \$9,010   | \$9,505   | \$9,802   | \$10,000  | \$10,000  | \$10,000  | \$10,000  | \$10,000  |
| 11             | \$47,553  | \$51,049  | \$53,147  | \$54,545  | \$54,545  | \$54,545  | \$54,545  | \$100,000 | \$25,333  | \$26,952  | \$27,924  | \$28,571  | \$28,571  | \$28,571  | \$28,571  | \$28,571  | \$100,000 | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 12             | \$43,505  | \$46,753  | \$48,701  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$50,000  | \$18,986  | \$20,207  | \$20,940  | \$21,429  | \$21,429  | \$21,429  | \$21,429  | \$21,429  | \$100,000 | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 13             | \$39,471  | \$42,463  | \$44,258  | \$45,455  | \$45,455  | \$45,455  | \$45,455  | \$45,455  | \$12,648  | \$13,467  | \$13,958  | \$14,286  | \$14,286  | \$14,286  | \$14,286  | \$14,286  | \$14,286  | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 14             | \$35,452  | \$38,180  | \$39,818  | \$40,909  | \$40,909  | \$40,909  | \$40,909  | \$40,909  | \$6,319   | \$6,731   | \$6,978   | \$7,143   | \$7,143   | \$7,143   | \$7,143   | \$7,143   | \$7,143   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 15             | \$31,447  | \$33,905  | \$35,380  | \$36,364  | \$36,364  | \$36,364  | \$36,364  | \$36,364  | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 16             | \$27,458  | \$29,638  | \$30,946  | \$31,818  | \$31,818  | \$31,818  | \$31,818  | \$31,818  | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 17             | \$23,484  | \$25,378  | \$26,515  | \$27,273  | \$27,273  | \$27,273  | \$27,273  | \$27,273  | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 18             | \$19,527  | \$21,127  | \$22,087  | \$22,727  | \$22,727  | \$22,727  | \$22,727  | \$22,727  | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 19             | \$15,586  | \$16,884  | \$17,663  | \$18,182  | \$18,182  | \$18,182  | \$18,182  | \$18,182  | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 20             | \$11,663  | \$12,650  | \$13,242  | \$13,636  | \$13,636  | \$13,636  | \$13,636  | \$13,636  | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 21             | \$7,850   | \$8,474   | \$8,849   | \$9,091   | \$9,091   | \$9,091   | \$9,091   | \$9,091   | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 22             | \$4,003   | \$4,326   | \$4,520   | \$4,545   | \$4,545   | \$4,545   | \$4,545   | \$4,545   | \$0       | \$0       | \$0   | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       | \$0       |

27 The withdrawal values shown are for illustrative purposes only and are based on this assumption. Your actual age at the time you bought the Annuity will affect its withdrawal value.  
28 Illustrations based on the payment option index movement occurring the day after investment.

