

 **Discovery**  
Invest

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The formula for  
successful investing

Investing monthly in US dollars made easy

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RECURRING DOLLAR ENDOWMENT PLAN

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# The Recurring Dollar Endowment Plan

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The content in this brochure does not include the full detail. Certain terms and conditions apply. This brochure must be read with the relevant fact files.

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# Making it easy for you to invest in US dollars

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## Overview

In today's economic environment and considering the current volatility of the rand, diversification of your investments into offshore assets is key to protect against market uncertainty. Discovery Invest is the only company that allows you to diversify your investments offshore on a monthly basis. With the Discovery Recurring Dollar Endowment Plan you can invest monthly in US dollars with ease.

### Monthly investing

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The Recurring Dollar Endowment Plan allows you to save monthly through an offshore endowment policy, at a minimum contribution of \$200 a month. There is no maximum entry age.

### Simplified fund choice

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You can choose from three risk-profiled funds for easy mapping to your risk profile according to your specific risk tolerance. Each of the risk-profiled dollar-denominated funds dynamically rebalance the mix of underlying asset classes to maximise performance according to your risk profile.

### Convenient investing

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Discovery Invest will facilitate monthly contributions in US dollars, where contributions are deducted from your South African bank account in rands through a debit order payment and invested globally in US dollars. The rand deduction each month may change based on the rand-dollar exchange rate at the time. You also don't have to apply for tax clearance on the amount invested offshore because this investment uses the annual R1 million Single Discretionary Allowance (SDA).



## The Recurring Dollar Endowment Plan - in action

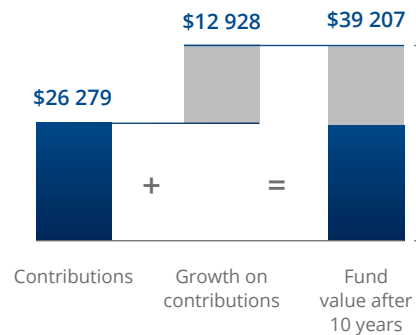
### Case study 1

James contributes \$200 per month to the new Discovery Recurring Dollar Endowment Plan. His monthly contribution will escalate yearly by US CPI assumed to be 2% per year.

#### Assumptions

- Rand-dollar exchange rate = R14.78/\$.
- Rand-dollar depreciation = 5% per year.
- \*Assumed investment return in US dollars = 8% per year after fees.

#### Investment projection after 10 years



James receives  
13.4% return  
including currency  
exposure profit

James receives  
8%\* return before  
accounting for  
currency exposure

At the end of 10 years, James would have a Recurring Dollar Endowment Plan fund value of \$39 207. In rand terms this is equal to R943 918. James therefore earned an investment return of 8%\* in dollar terms, however, when converting to rand and allowing for the currency exposure profit, his investment return in rand is 13.4%.

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# Fund offering

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## Investing made simpler

The funds available on the Recurring Dollar Endowment Plan are the three Discovery USD risk-profiled funds, which can be easily mapped to your individual risk profile.

These risk-profiled funds comprise a portfolio of iShares exchange traded funds (ETFs) from leading global asset manager, BlackRock. BlackRock is the world's largest provider of ETFs traded on exchanges worldwide and span a variety of asset classes.

Each fund's asset allocation is done through a sophisticated dynamic asset allocation model, developed by RisCura for Discovery Invest, to maximise performance according to your risk profile.

The current iShares ETFs and their associated asset classes are shown on the next page. As can be seen, the asset allocation spans developed and developing markets, both equity and property, as well as bonds and cash.

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iShares ETF	Asset class
iShares Global Government Bond UCITS ETF	Government Bonds
iShares Global Inflation-linked Government Bond UCITS ETF	Government Inflation-linked Bonds
iShares Global Corporate Bond UCITS ETF	Corporate Bonds
iShares High Yield Corporate Bond UCITS ETF	High Yield Corporate Bonds
iShares Developed Markets Property Yield UCITS ETF	Higher Yield Developed Markets Property
iShares MSCI Core World UCITS ETF	Developed Markets Equity
iShares MSCI Core Emerging Markets UCITS ETF	Emerging Markets Equity

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## What's next

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Ask your financial adviser for our fact file for more detailed information on fees and terms and conditions applicable. Our quotations will show you how the choices you make will affect the benefits you qualify for and the fees you will pay.

Please note if you change the various products you have with us, you could affect the existing benefits and features on your investment plans. For example, if you cancel your contract early, you may pay an early exit fee and lose out on any further growth on your investment. Please speak to your financial adviser before making any changes to your investment plan.

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# About the licenses and regulations

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The Recurring Dollar Endowment Plan is issued by Discovery Life International, the Guernsey branch of Discovery Life Limited (South Africa). Discovery Life International is licensed by the Guernsey Financial Services Commission, under the Insurance Business (Bailiwick of Guernsey) Law 2002, to carry on long-term insurance business. The South African Long-term Insurance Act of 1998 also applies to the Recurring Dollar Endowment Plan. Discovery Life is a registered

long-term insurer and an authorised financial services provider, registration number 1966/003901/06. The Recurring Dollar Endowment Plan is administered by Discovery Life Investment Services (Pty) Limited trading as Discovery Invest, a subsidiary of Discovery Limited. Discovery Invest is an authorised financial services provider. The trustee appointed by the Branch must hold the licensed insurer's assets representing at least 90%

of planholder liabilities in trust. This is a standard condition on the license of the Insurer under section 12 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended). The information given in this document is based on our understanding of current law and practice in South Africa and Guernsey. We do not accept responsibility for the effect of any future legislative or regulatory changes.

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## Notes

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