



OPEN

Clients can get

**100% growth
over five years¹**

if the underlying global share portfolio is flat or goes up by as little as 1%

December 2020 tranche

Valid from 5 October 2020 to 24 November 2020

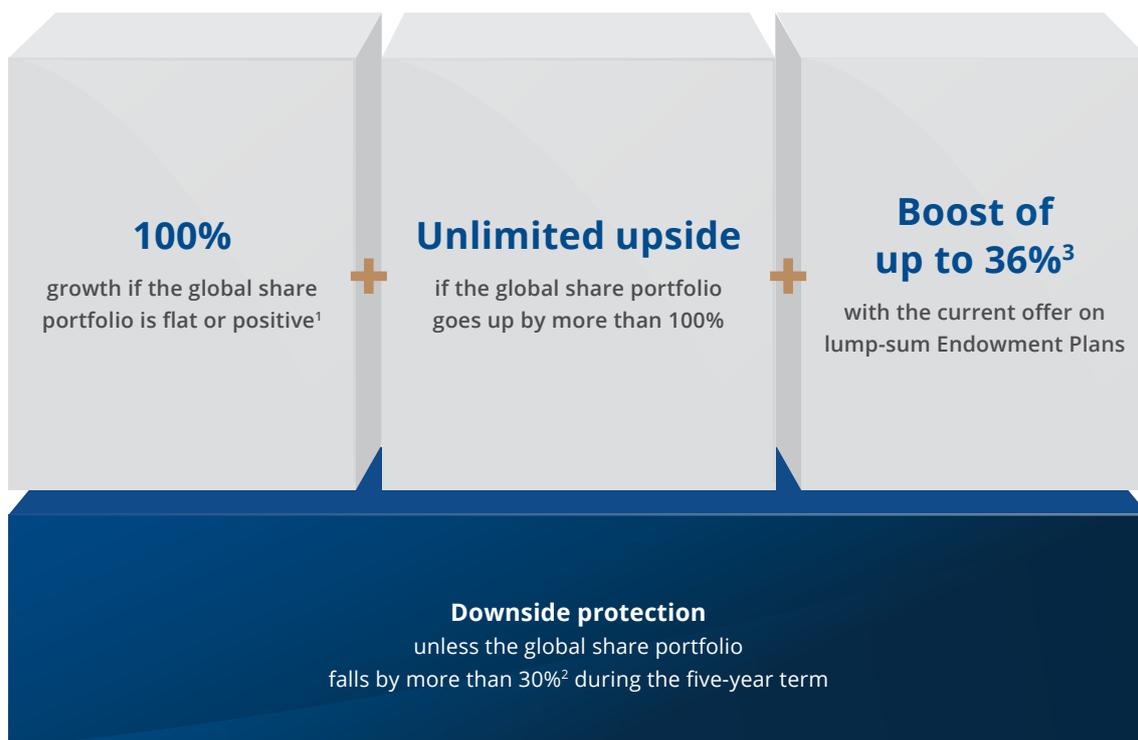
¹ Growth, conditional downside protection or any other resulting return is before the effect of advice fees, Discovery admin fees and taxes where applicable. These fees and taxes will affect the final return.



Also qualifies for the extra current offer boost of up to 36% on new Endowment Plans

How it works

With a global share portfolio linked to 20 established European and US companies, clients can get enhanced upside returns with downside protection, hedged against currency movements. In addition, they'll have access to our highest boost ever of up to 36% on our lump-sum Endowment Plan.



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³ Please note that the boost will not apply to the Discovery Capital 200+ Fund if your client's investment was previously in funds that did not qualify. Please see the Endowment Plan fact file for the full terms and conditions of the boost.

01 | Profile and strategy

100% growth if the underlying global share portfolio is flat or goes up by as little as 1%¹



The Discovery Capital 200+ is a five-year product that provides clients the opportunity to grow their wealth through exposure to the performance of the equity markets in Europe and the United States of America. The fund is designed to give clients growth of 100%, before the effect of fees and taxes, over five years if the portfolio of US and European shares is flat or goes up by as little as 1%¹. The global share portfolio comprises 20 established European and US companies. The proportion allocation for each share is fixed at the beginning of the investment and will remain constant throughout the five-year period.

The shares and proportions that make up the portfolio are as follows:

Europe - 70% allocated equally between:	USA - 30% allocated equally between:

The shares and proportions depend on the terms at the date of trade.

The performance of the global share portfolio used to determine the payout of the Discovery Capital 200+ will exclude dividends and an annual management fee of 1% will apply.

Unlimited upside potential



If the global share portfolio provides growth of more than 100% at the end of five years, clients will also receive any upside above that level¹.

Conditional downside protection



If the global share portfolio provides a negative return during the five-year investment period, 100% capital protection¹ is provided for any falls in the global share portfolio of up to 30%². The 100% capital protection will return the initial capital, before the effect of fees and taxes. The capital protection¹ falls away if the global share portfolio falls more than 30%² at any point during the five-year period. Therefore, there is a risk of the partial or total loss of the investment.

Please note that the global share portfolio falling by more than 30% during the five years **does not remove the 100% growth¹ payout** if the global share portfolio is flat or positive at the end of the five years.

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Currency protection



Although the global share portfolio is based on offshore markets, it is not affected by any rand appreciation or depreciation. Therefore, clients will not be exposed to any risk of currency fluctuations.

Plus, clients can get access to the highest upfront boost ever



This tranche of the Discovery Capital 200+ qualifies for the current offer on our lump-sum Endowment Plan. Clients can receive a boost of up to 36%³ on their investment, further enhancing the performance of the Discovery Capital 200+.

At the end of the five-year period, the final amount will be paid into clients' lump-sum Discovery Endowment Plan and the current tranche of the Discovery Capital 200+ Fund will close. Discovery Invest will then switch the proceeds into the Discovery Cautious Balanced Fund.

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02 | Who should invest?

The Discovery Capital 200+ has a moderate to high-risk profile, and is most suitable for clients looking for an equity investment and expecting markets to remain level or increase over a five-year period.



This fund is suited to clients who want the following:

- **Equity growth:** Growth linked to equity markets with a high return if markets are flat or positive
- **Diversified offshore exposure:** The investment portfolio is allocated to offshore equities, with diversified exposure across Europe and the United States of America
- **Long-term investment growth:** For clients with an optimistic view of the growth prospects for developed market equities and who would like to capture the long-term investment growth offered by these markets
- **Enhanced investment returns with protected downside:** A fund that offers the opportunity for enhanced positive returns after five years, with some capital protection¹ in negative market conditions
- Exposure to foreign markets without exposure to currency fluctuation.

Clients should not invest in this fund if they:

- Need access to their capital within the next five years
- Do not want any exposure to equity markets
- Are not willing to risk a potential drop in their capital if the equity market falls by more than 30%²
- Want exposure to rand appreciation or depreciation in a global portfolio.

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Illustrative payout scenarios

The global share portfolio underlying the Discovery Capital 200+ comprises 20 established European and US companies. Dividends from these shares are used to provide the enhanced payouts and guarantees at maturity and are therefore not included in the global share portfolio's returns. In addition, an annual management fee of 1% applies to the global share portfolio to determine the final payout of the Discovery Capital 200+. The shares and proportions may change and depend on the terms at the date of trade.

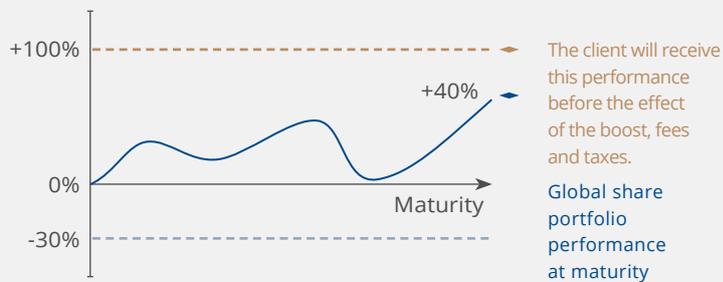
SCENARIO 01

100% growth¹

If the client invests R1 000 000 in the Discovery Capital 200+:

After five years, the global share portfolio has grown cumulatively by 40%. This positive performance means the client will receive cumulative growth of 100%¹. This growth will be enhanced by the boost and reduced by the effect of admin fees, advice fees and capital gains tax¹.

Global share portfolio performance



All values are for illustration purposes only and not guaranteed. Actual benefits might be different from the illustration.

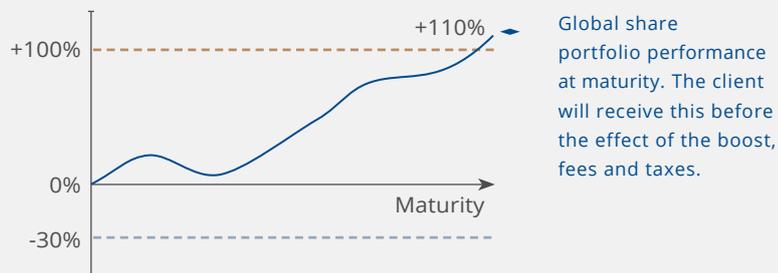
SCENARIO 02

Unlimited upside potential

If the client invests R1 000 000 in the Discovery Capital 200+:

After five years, the global share portfolio has grown cumulatively by 110%. This client will receive the full upside of this, meaning the client will receive cumulative growth of 110%¹. This growth will be enhanced by the boost and reduced by the effect of admin fees, advice fees and capital gains tax¹.

Global share portfolio performance



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SCENARIO 03

Conditional downside protection

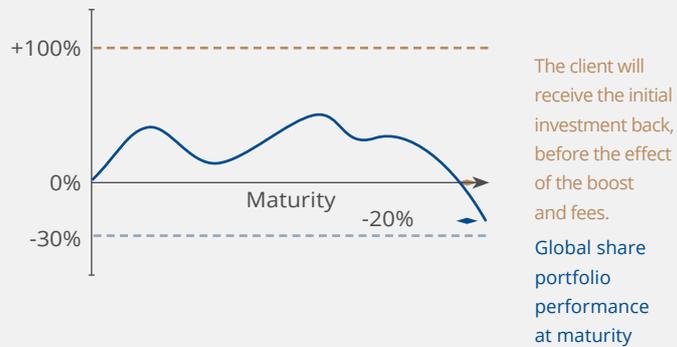
If the return from the global share portfolio is negative, but the global share portfolio has not fallen by more than 30% at any time over the five-year period, the client will receive the capital protection at the end of five years – before the effect of fees and taxes.

If the client invests R1 000 000 in the Discovery Capital 200+:

After five years, the global share portfolio has fallen by 20% and at no point has it fallen by more than 30%. Therefore, the client will receive capital protection. This means the client will receive their initial investment before the effect of fees and taxes. The final net return will be further enhanced by the boost.

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Global share portfolio performance



SCENARIO 04

No downside protection

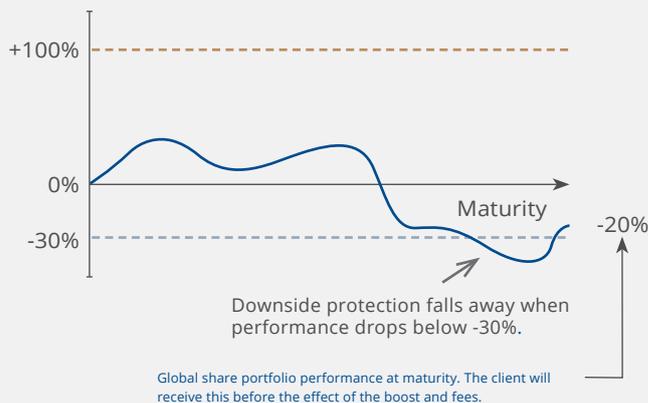
If the global share portfolio falls by more than 30% at any point during the five years, the client will be exposed to the return of the global share portfolio.

If the client invests R1 000 000 in the Discovery Capital 200+:

During the five years, the global share portfolio fell by more than 30% and ended with a performance of -20%. At the point that the performance fell below -30%, the downside protection falls away. In this case, the client will be exposed to the full downside risk and will receive a cumulative gross return of -20% (before the effect of fees). The boost will enhance the final net return, reducing and in some cases erasing possible losses.

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Global share portfolio performance



Please note that all the examples above are indicative. Final terms are subject to market conditions as at the date of trade.

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Past performance

Discovery Capital 200+ July 2014



The first tranche of the Discovery Capital 200+ matured positively and gave clients 100%¹ growth in rands after five years, outperforming 99.5% of all unit trusts locally and globally based on five-year returns on 30 June 2019¹.

Discovery Capital 200+ March 2015



During the COVID-19 outbreak, millions of investors worldwide experienced heavy financial losses. Luckily, clients in the second tranche of the Discovery Capital 200+ received downside protection¹ in rands.

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Fund information

Availability



This tranche is available as a limited offer on our lump-sum Endowment Plan. It is also available for existing Endowment clients to switch into.

Minimum investment size



R100 000

Yearly fund management fees



The performance of the global share portfolio used to determine the payout of the Discovery Capital 200+ will exclude dividends and will be reduced by a yearly management fee of 1%.

Offer closing date



There is limited capacity for the Discovery Capital 200+. This offer will expire when capacity runs out, but not later than 24 November 2020 (closing date for subscription). The switch forms for all investments must be completed and submitted by 24 November 2020.

Trade date



3 December 2020

Term



Five years from the trade date, maturing 3 December 2025

Redemption date



11 December 2025

Fees and benefits



This fund qualifies for the current offer boost on the lump-sum Discovery Endowment Plan³. Clients must remain invested in qualifying Discovery Funds to receive the boost. Lump-sum Discovery Endowment Plan admin fees and financial adviser fees apply. Refer to the Discovery Endowment Plan fact file on www.discovery.co.za for further information on this boost and the fees.

Tax



The return on the Discovery Capital 200+ is considered capital gains under current tax practice. Tax is deducted within the Endowment Plan. Discovery Life pays it on your behalf. Therefore, tax will reduce the final return received on Endowment Plans.

Issuer and guarantor



The Discovery Capital 200+ is an inward-listed certificate on the Johannesburg Stock Exchange and is issued by BNP Paribas Arbitrage Issuance BV and guaranteed by BNP Paribas SA.

Maturity proceeds



At the end of the five-year period, the client's proceeds will be switched to the Discovery Cautious Balanced Fund.



Investors are subject to any default risk or restructure of the Issuer BNP Paribas Arbitrage Issuance BV and the Guarantor BNP Paribas SA. The quoted guarantee levels, global basket constituents, fees, and minimum value after five years if the index is positive, are correct at the time this fact sheet was printed. Final terms are subject to market conditions at the date of trade and will be fixed at that time. The average of the last five working days' daily unit prices will be used to determine the final global portfolio value.

The return provided by the Discovery Capital 200+ is based on current taxation practices. Changes to taxation may affect the return clients receive. The Discovery Capital 200+ is backed by a certificate issued by BNP Paribas Arbitrage Issuance BV and guaranteed by BNP Paribas SA. There is a risk of partial or total loss of capital in the case of bankruptcy or payment default by the issuer or the guarantor. BNP Paribas SA is one of the world's largest banking groups, with domestic markets in France, Italy, Belgium and Luxembourg, and retail operations in the USA, Turkey and Africa. BNP Paribas SA enjoys robust credit ratings of A/A1/A+.

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Technical details

Investments before the trade date

Money invested in the Discovery Capital 200+ before the trade date will first be invested in an interest-bearing bank account. Any interest earned together with the initial investment will then be moved into the Discovery Capital 200+ on the trade date, at which time the five-year investment period will start. The maturity date of the Discovery Capital 200+ may or may not be the same date as the client's fifth policy anniversary.

Withdrawals before maturity

The Discovery Capital 200+ is a five-year product. The full upside potential and conditional downside protection is only available to investors who remain invested for five years from the trade date. The Discovery Capital 200+ is not recommended for investors who will need their money within the five-year period. Withdrawals before the end of the five-year period will receive the market value of the Discovery Capital 200+ at the time. This interim market value may differ from the value of the global share portfolio and the final payout after five years.

What is the effect of admin fees, advice fees and taxes?

The Discovery Capital 200+ operates as a unitised fund within the lump-sum Discovery Endowment Plan. This means that the capital invested is converted into units in the Discovery Capital 200+ at the beginning of the investment.

Initial advice fees deducted upfront will effectively reduce the initial capital invested. Units are then redeemed monthly during the investment to pay Discovery administration fees and advice fees (including initial advice fees if the 100% allocation option is selected). The number of units redeemed in a month depends on the unit price at that point in time.

The Discovery Capital 200+ provides cumulative growth of 100% by doubling the initial unit price¹. The effect of administration fees and advice fees, therefore, depends on the number of units which are redeemed (sold) during the investment to pay for them.

The final return received is also affected by capital gains tax that is charged on the gain at the end of the investment. In an endowment, this is currently 12% of the gain. These taxes are deducted on the client's behalf within the Endowment Plan. The boost will enhance the final net returns received from the Discovery Capital 200+.

Please note that capital gains tax will also be paid for on units sold to pay for administration and advice fees during the investment.

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Disclaimers

FAIS notice and disclaimer

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The Discovery Capital 200+ is not a unit trust. Therefore, this fund is not regulated by the Collective Investment Schemes Control Act 45 of 2002.

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