



**Discovery Retirement
Optimiser | Health**



Contents



What is the Discovery Retirement Optimiser | Health?



The Discovery Retirement Optimiser | Health is a retirement savings plan that helps you save for retirement through a Retirement Annuity that offers tax advantages to support long-term growth. Your contributions reduce your taxable income (up to defined limits), and the growth on your investment in the fund is tax-free, allowing your savings to compound more efficiently over time. You can use it as your main investment for retirement or in addition to your employer's retirement fund.



Tax

Your investment growth in the fund is tax-free and can be deductible from your taxable income.



Withdrawals

You can make limited withdrawals before retirement, which means that you preserve your savings for retirement.



Investment guidelines

There are regulatory guidelines about where you can invest your retirement savings.

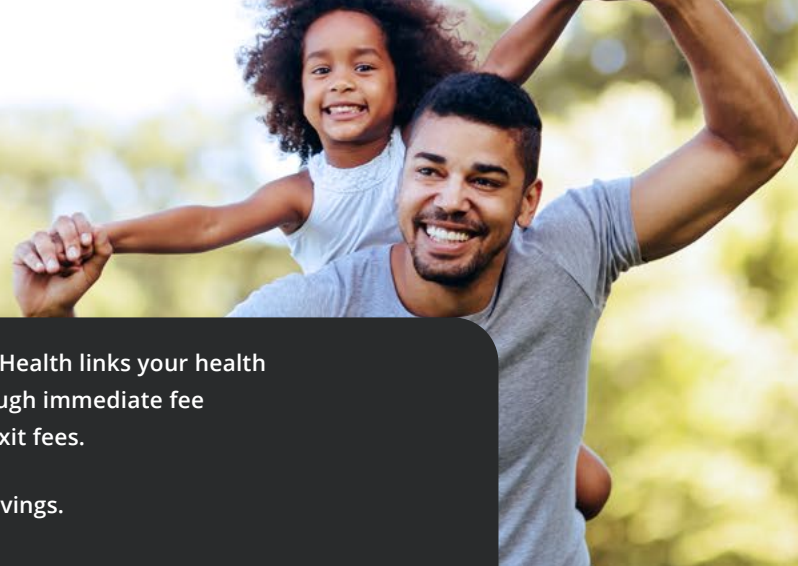


Fees

There are fees that apply to your investment. Speak to your financial adviser for a detailed quote.

For more details on tax and accessing your investment, refer to the *Important details about your investment* section.

Summary of this investment



Your healthy living can enhance your retirement savings. The Discovery Retirement Optimiser | Health links your health engagement and disciplined long-term investing to help build greater value at retirement – through immediate fee discounts, long-term fee refunds, and a lump-sum enhancement to your savings, with no early exit fees.

This plan is suitable if you have a qualifying health plan and want to increase your retirement savings.

Unique benefits

Retirement Investment Integrator

The Retirement Investment Integrator provides an immediate discount on qualifying asset management fees. The discount will be from **60% to 80%** based on your Vitality status.

Fee PayBack

Through the Fee PayBack benefit, you can get a refund of **up to 60%** on all admin and qualifying asset management fees, paid at your selected retirement date.

Health Plan Optimiser

You can get a lump-sum enhancement of **up to 26%** at your selected retirement date.

Full flexibility

There are **no early exit fees** if you choose to stop or change your investment.

Investment term

This plan is a long-term investment designed to support you right through to retirement.

Minimum investment amount

The minimum monthly contribution amount is dependent on the term from the start of the investment to the selected retirement date, with a minimum term of 10 years.

Term to the initially selected retirement date (years)	Minimum monthly contribution
Between 10 and 15 years	R1,150
15 years and more	R750

A wide range of investment funds

You can tailor your investment to your own personal investment goals. We have a wide range of funds available for investment, with more than 200 funds from leading investment managers to choose from.

Investment guarantees

There is no guarantee of performance in this investment.

Ask your financial adviser for the relevant fact file for details of:

- The enhancements to your retirement savings from the Health Plan Optimiser
- How the fees work and how you can qualify for the Fee PayBack and Retirement Investment Integrator
- The impact of cancelling or changing your qualifying health plan

Why the Discovery Retirement Optimiser | Health?

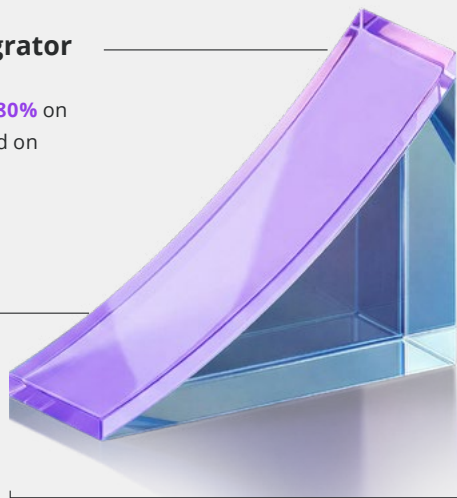
Your healthy living and disciplined long-term investing can work together to create enhanced value at retirement. This plan rewards both, turning your health engagement and commitment to saving into real financial benefits before and at retirement.

Retirement Investment Integrator

Get immediate fee discounts of **60% to 80%** on qualifying asset management fees based on your Vitality status.

No early exit fees

There are **no early exit fees** if you choose to stop or change your investment.



Before retirement



Health Plan Optimiser

Get an enhancement of **up to 26%** to your fund value at retirement. You must invest in a Discovery retirement income plan to benefit from this enhancement.

Fee PayBack

Get fee refunds of **up to 60%** of admin fees and qualifying asset management fees at retirement.

Fund value

At retirement

Different boost percentages apply depending on the term you invest for and the portion you invest in qualifying Discovery funds. Product rules, terms and conditions apply.

A wide choice of funds to invest in

There are over 200 funds to choose from, managed by leading investment managers. You can choose from either Discovery funds or external funds, giving you the diversification you need.

Choosing your investment funds

Your plan is a collection of funds. Once you have chosen your investment plan, you can choose which funds to invest your money in. Your decision should align with an investment strategy that you and your financial adviser agree on, and the investment goals you have.

We offer you access to a range of unit trust funds across various investment managers through a single-entry point. This means you can invest in our investment plans and choose investment funds that are managed by leading investment managers.



You can invest in Discovery funds where our investment managers pick the right blend of asset classes (shares, bonds, cash, property and so on) to reach your investment goals. We have uniquely designed funds that make it easier for you to get what you want from your investment.



You can invest in funds managed by top external investment managers.



We offer both local and offshore investment opportunities.

Competitive fees for your investment

There are certain fees that apply to our Retirement Annuities.



Fees to Discovery Invest

There are no initial investment fees to Discovery Invest. We charge a yearly admin fee, which includes the advice fees paid to your financial adviser.



Fees to the investment manager

Investment managers may charge initial and ongoing fees. You can find these fees on the relevant fund fact sheets available at

Ask your financial adviser for the relevant fact file for more information about all fees.

Important details about your investment

Accessing your money before and at retirement

In terms of the Pensions Fund Act, you cannot access your accumulated Retirement Annuity savings before age 55, except in limited circumstances such as disability or formal emigration.

From 1 September 2024, the investment value (retirement savings) of all Retirement Annuity funds is split into the following components:

- Vested component
- Savings component
- Retirement component

These components have different rules that determine how much you can withdraw and when. Ask your financial adviser for the relevant fact file for more information about accessing the different components of your investment.

How tax works on your Retirement Annuity

- **Your contributions to your Retirement Annuity are tax-deductible.** This means you can deduct your contributions from your taxable income (the amount you must pay tax on). There are limits to how much you can deduct: 27.5% of the higher of your taxable income or remuneration with an overall cap of R430,000 per tax year.
- **You don't pay tax on growth you earn in the fund until retirement.** There is no tax on interest, dividends, income or rental income. There is no capital gains tax.
- **Up to R550,000 can be taken as tax-free cash at retirement once over your lifetime,** plus the amount of any contributions that were not tax-deductible before. Amounts above that are taxed on a sliding scale from 18% up to 36%.
- **You pay tax on the income** you receive from an annuity in retirement.
- **Any withdrawals** made from your savings component before retirement will be taxed at your marginal tax rate.
- **We don't give tax advice.** Please consult a tax practitioner for tax advice.

What happens to your investment when you die

Once we have been notified of your death, we will switch the benefits in your investment to an interest-bearing account.

Section 37C of the Pension Funds Act then requires the Board of Trustees of the Discovery Retirement Annuity Fund to distribute your benefits equitably between your dependants (whether nominated as beneficiaries or not) and nominated beneficiaries, within 12 months of your death.

You can change your beneficiary nomination at any time by notifying us in writing. Notification must reach us before your death, failing which the Trustees will not consider the notification. Your beneficiary nomination is an expression of your wishes of how your benefits should be distributed on your death. The Trustees are not obliged to follow your wishes but will use your beneficiary nomination as guidance when deciding how your death benefits must be paid.

Protection benefits

Protection for beneficiaries if you die

You can get a boost of up to 15% to your investment value if you die before retirement. This boost depends on your Vitality status. This protection benefit is automatically included with your policy at no extra cost.



Things to discuss with your financial adviser

Key considerations

Longevity

We're living longer – and that has changed traditional retirement practice. A potentially longer retirement means that you need to save more money.

The unpredictable nature of markets

Markets can go up one day and down the next. These changes are risks to your investment because you might lose money on your investment if you withdraw during a market downturn. With a longer investment horizon, you can afford more risk.

The impact of inflation

You will pay more for the same goods and services tomorrow than you do today. When you are investing for your future, it's important that the money you invest grows at the same or higher rate than inflation.

Compound interest

Because of compound interest, the more time you have available to invest, the greater your benefits will be in retirement.

Diversifying

It's important to spread your investments among different asset classes. This will ensure that your risk is spread – so if one asset class performs poorly, the value of your other investments can make up for this.

How much risk you can afford to take

Your investment strategy starts with understanding your attitude to risk. Generally, the higher the potential risk of an investment, the higher the potential return. Different asset classes have different levels of expected risk and return.

Advantages of a financial adviser

Knowledgeable about managing money

Financial advisers are qualified in financial planning and can help you decide on your investment goals, savings strategies and retirement options.

High standards of competence

To give expert financial advice, financial advisers need to meet certain standards of competence, including professional qualifications.

Licensed to sell certain products

We only allow financial advisers who are registered with the Financial Sector Conduct Authority (FSCA) to sell you specific financial products. They are required to have extensive knowledge of the product they are recommending to you.

Objective advice

Our code of conduct for financial advisers is strict: Our advisers must be able to give clients objective advice about the products they buy so that they can make informed decisions.

Speak to your financial adviser

Speak to your financial adviser to help you make informed decisions about your investments. If you don't have a financial adviser, you can contact our call centre on 0860 67 57 77.



Discovery Invest | www.discovery.co.za

The Discovery Retirement Optimiser | Health is a separate product exclusively available to Discovery Health Medical Scheme members. It is brought to you by Discovery Invest (Pty) Ltd. Participation in, or purchase of, this product is completely independent of scheme membership, and becoming a member of the scheme is not conditional upon taking up this product. Discovery Health Medical Scheme, registration number 1125, is an independent non-profit entity governed by the Medical Schemes Act and regulated by the Council for Medical Schemes.

This brochure is meant only as information and should not be taken as financial advice. For tailored financial advice, please contact your financial adviser. The Discovery Retirement Annuity Fund, Registration number 37469, is a registered and approved retirement annuity fund. The assets of the Discovery Retirement Annuity Fund are invested in a policy of insurance underwritten by Discovery Life Limited, a licensed insurer: Registration number: 1966/003901/06, an authorised financial services provider. Discovery Life Limited is the appointed 13B administrator to the Discovery Retirement Annuity Fund and has delegated the administration services to Discovery Life Investment Services (Pty) Limited: Registration number 2007/005969/07, branded as Discovery Invest, an authorised financial services provider. All boosts are offered by the insurer, which reserves the right to review and change the qualifying requirements at any time. Product rules, terms and conditions apply.