

Dear Investor

## Your investment in the Discovery Capital 200+ is about to mature

You are currently invested in the Discovery Capital 200+ (September 2018 tranche), which is a five-year product that provides exposure to the performance of the European and US equity markets.

The global portfolio comprises 70% Euro Stoxx 50 and 30% S&P 500 price indices. If the global portfolio is positive at the end of the five-year period, the Discovery Capital 200+ provides a 100% gross return before the effect of any administration fees, financial adviser fees, and taxes, where applicable. The five-year period comes to an end on 28 September 2023.

As at 30 June 2023, the cumulative return of the underlying basket of the Discovery Capital 200+ (September 2018 tranche) was 34.94%. **If this positive performance continues until 28 September 2023**, you will receive a **100%** gross return on your initial investment before the effect of fees and taxes.

We would like to answer some important questions you might have:

### Tax payable on the proceeds of the Discovery Capital 200+

All proceeds are treated as capital gains for tax purposes. Tax is deducted within the Endowment and will be paid on your behalf by Discovery Life.

### Benefits of staying invested in your current Endowment

If you withdraw your investment and reinvest in a new Discovery Endowment, you may incur additional costs and possible investment restrictions. Capital gains tax will also be recovered from your policy on withdrawal.

Staying in your investment will avoid these costs and give you access to the wide range of funds available on our platform. There is a range of funds you can switch into. To view the list of funds, visit our website at [www.discovery.co.za](http://www.discovery.co.za) and click on the **INVESTMENTS** tab at the top of the screen. Navigate to **Funds** and choose which funds to invest your money into.

### What happens when your investment reaches 28 September 2023

On 28 September 2023, we will begin the process of switching the proceeds of your investment in the Discovery Capital 200+ into the Discovery Cautious Balanced Fund. This process will take up to 12 business days to complete from 28 September 2023. The investment will not earn interest while its proceeds are in transit. Once this is done, you can switch your proceeds into any fund of your choice available on the Discovery platform.

### You can read the full terms and conditions of the Discovery Capital 200+

Please log in to the Discovery website ([www.discovery.co.za](http://www.discovery.co.za)) and refer to the fund fact sheet for the full terms and conditions of the Discovery Capital 200+ September 2018 tranche. Once you have logged in,

click on the **INVESTMENTS** tab at the top of the screen. Under the **Funds** section, select **Discovery Funds**. Search for the fund fact sheet by entering the name **Discovery Capital 200+ September 2018 tranche**. Alternatively, you can select **Discovery Funds** under the **Fund type** drop-down menu.

## Contact us

For more information, please contact your financial adviser or call us on 0860 67 57 77. You can also email us at [invest\\_support@discovery.co.za](mailto:invest_support@discovery.co.za).

Regards

**Discovery Invest**

## FAIS notice and disclaimer

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This letter is meant as information and must not be taken as financial advice. For tailored financial advice, please contact your financial adviser.

This is not a unit trust; therefore, this fund is not regulated by the Collective Investment Schemes Control Act. For the full index disclaimers, please refer to the relevant product fact file.

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