

Fact File

# **GLOBAL FLEXIBLE INVESTMENT**



# Contents



# The Discovery Invest Global Flexible Investment

## Contributions to the Global Flexible Investment

### Discovery Invest's Global Flexible Investment

The Global Flexible Investment is built on innovative thinking, tax efficient structures and cutting edge investment strategies. These aspects ensure that you can take advantage of optimal investment opportunities all over the world. This Fact File is designed for your easy reference. It will allow you to understand your Global Flexible Investment and how you can make it work for you.

You may make a once off lump-sum contribution to the Global Flexible Investment. This contribution can be in rands, US dollars, British pounds and euros.

# Lump-sum contributions to your Global Flexible Investment

## Phasing in your lump-sum contribution

Lump-sum contributions may be phased in monthly. The total lump-sum contribution will be invested in a money market account. This amount (plus interest) will be divided by the number of phase-in periods you chose and the amount derived will be withdrawn in the first month from the money market fund and invested proportionately in the investment options selected.

In the second month, the remaining amount will be divided by the number of phase-in periods remaining and invested. This will continue until all the money is phased in. You can choose to phase your investment in over a period of 3, 6, 9, 12, 15, 18, 21 or 24 months. Your selected phase-in period (if applicable) is reflected on your investment schedule.

## Fees applicable to your Global Flexible Investment

Certain fees will be payable on your Global Flexible Investment. The fees are categorised into initial fees and annual fees and are payable to:

- Discovery Invest for administering your policy
- The custodian to cover these costs
- Your financial adviser for performing financial planning on your behalf
- The investment managers of the underlying investment choices you have selected.

### Initial fees

#### Discovery Invest initial fees

There are no initial administration fees payable to Discovery Invest.

#### Financial Adviser initial advice fee

Your financial adviser may charge an initial advice fee as a percentage of your lump-sum contribution amount, which we will pay over to your financial adviser from your contributed amount. You can negotiate with your financial adviser to determine your initial fee.

#### Investment manager initial fees

Please remember that certain investment management companies may charge initial fees for investing in their funds. The initial fees applicable to each fund can be found on the respective fund fact sheets available on [www.discovery.co.za](http://www.discovery.co.za).

## Annual fees



### Discovery Invest annual administration fee

You also pay an annual administration fee. This is not calculated based on the size of your initial premium payment but rather on the size of your investment fund. The percentage charged on an annual basis is 0.5%.



### Custodian fee

You pay an annual fee of between 0.35% and 0.5% to cover custodian costs. This fee is based on the size of your investment fund.

Please note: Units in your investment fund are redeemed on a monthly basis as 1/12th of these fees.



### Financial adviser annual advice fees

Your financial adviser may charge an annual advice fee as a percentage of your investment fund value for managing your investment fund. Units will be redeemed on a monthly basis for this as 1/12th of the advice fee selected, increased by VAT if applicable. We will deduct these from your investment and pay them over to your financial adviser.



### Investment manager annual fees

The investment managers to your underlying investment choices will normally charge an annual management fee as a percentage of your investment in their fund. This fee is divided by 365 and deducted daily in the unit prices provided by the investment manager to Discovery Invest. The annual fees that apply to each fund can be found on their respective fund fact sheets available on [www.discovery.co.za](http://www.discovery.co.za).





# Choosing the underlying funds

## Investment choices that are available

Your contribution to the Global Flexible Investment will be invested in the underlying investment options that you have selected. The investment options selected and the division of the contribution between these investment options will be reflected on your investment schedule. The funds available on the Global Flexible Investment are chosen to give you diversification by currency, geographic region and asset class.

The funds are managed by some of the most experienced international fund providers and cover a range of investment themes and geographic regions. Each fund is based in one of three major international currencies:

- US dollars
- British pounds
- Euros

If any of the underlying investment options are capped or cease to exist, we will request an instruction for a new selection from you. If we don't receive an instruction from you we will hold your money in a money market account until such time as you have furnished us with your instructions.



## Switching between investment options

You may switch between investment choices at any time, subject to Discovery Invest's practice at the time. The current practice (22 March 2022) is to allow four free switches per year. Additional switches will incur a fee of 0.25% of the amount switched.

## Tax clearance and tax on investment gains

To acquire a Global Flexible Investment, you must first apply for a tax clearance certificate from the South African Revenue Service (SARS) for foreign investments. Investment gains will be subject to your applicable rate of tax. We will issue you with IT3A and IT3B tax statements for this purpose. It is your responsibility to pay the applicable tax on your Global Flexible Investment.

## Required documents

To invest in the Discovery Global Flexible Investment, you must provide original or certified copies of identity documents or passports as well as the relevant FICA documents (if your previous FICA documentation is older than three months). If applicable, the original South African Reserve Bank clearance certificate as well as the South African Revenue Service clearance certificate may also be required for additional investments.

## Death while invested

If you die while your investment is in force, the proceeds of your investment will be paid to your estate and distributed according to your will or the law.

# Business practices

## How should I issue instructions to Discovery Invest?

Instructions must be given in writing on the relevant forms. These instructions must be given to Discovery Invest on fax 011 539 4001 or emailed to Invest\_International@Discovery.co.za. Copies of the forms are available from us on 0860 67 5777.

## Will I receive regular statements on my investment?

Discovery Invest will provide a quarterly statement reflecting your investment values and all transactions during a specified period (or previous quarter).

## What happens if an investment choice that I selected is unavailable?

It may happen that Discovery Invest is unable to continue offering a certain investment option as an investment choice. In this event, Discovery Invest will inform investors and will request an instruction to select a new investment choice.

## Misrepresentation

The information given to Discovery Invest in your application form, or any other documents that you provide in support of your application, will form the basis upon which your contract is issued. If you fail to disclose any information, or provide false information or distort information when applying for your contract, Discovery Invest will be entitled to suspend your cover from the inception date of your contract. In addition to this, Discovery Invest will also be entitled to:

- Refuse to pay out any current or future claims that are related to the misrepresentation or non-disclosure
- Adjust your premium or contribution from the date of the misrepresentation or non-disclosure
- Recover monies already paid to you for claims that relate to the misrepresentation or non-disclosure
- Cancel certain benefits or your entire contract with immediate effect, and retain any premiums or contributions paid to Discovery Life or Discovery Invest as a penalty.

## Fraud

Your contract and all its benefits will be cancelled should you:

- Submit a fraudulent claim
- Use any fraudulent means or devices to make your claims
- Provide false information in order to obtain a benefit
- Knowingly allow anyone acting on your behalf to provide false information in order to obtain a benefit
- Deliberately and wilfully cause or conspire to cause the illness or disability that gives rise to a claim.

## Consent to disclosure

You are required to consent to the exchange of information, including medical information, between Discovery Invest, Discovery Life, any medical practitioner you have consulted or any other life office, Discovery Health and Discovery Health Medical Scheme.

## Contact details

Please remember that in addition to talking with your financial adviser, if you have any questions or service needs, you can call us on 0860 67 5777.

You can also visit [www.discovery.co.za](http://www.discovery.co.za) for additional resources and an electronic version of this Global Flexible Investment Fact File (available as a PDF file).



Discovery Invest | [www.discovery.co.za](http://www.discovery.co.za)

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