

DISCOVERY
PRESERVER
PLANS

CONTENTS

PRESERVER PLANS





WHAT IS A PRESERVER PLAN?

A Preserver Plans is an investment designed to keep your retirement savings invested if you're leaving your employer as a result of resignation, dismissal, or retrenchment, or if your pension or provident fund is wound up. With these plans you preserve your pension or provident fund savings from your previous employer until you retire.

Features of our Preserver Plans



Tax advantages that make it easier for your investment to grow faster.



Only one withdrawal until age 55, which means that you have limited access to your money before retirement.



Guidelines and limits on how you can access your money when you retire to ensure your savings last as long as possible in retirement.



Access to your money. You can make a single withdrawal from your investment before retirement. When you retire, the following applies:

- With a Pension Preserver Plan, you must use at least two-thirds to purchase an income-providing annuity
- With a Provident Preserver Plan you can take the full value of your investment.



AT A GLANCE

With the Preserver (Pension or Provident), we reward you for preserving your savings for retirement. This helps keep you on track to achieve the retirement you aspire to.

INVESTMENT TERM



MINIMUM INVESTMENT AMOUNT	
Age	Lump sum
If you are under 30	R5 000
If you are 30 or over	R60 000

INVESTMENT GUARANTEES

- No guarantee of performance
- Do you _____ from life events and poor market performance?

TAX

- Tax-free investment growth
- Contributions can be deducted from your taxable income

FEES

- Discovery fees
- Financial adviser fees
- Investment manager fees

READ THE RELEVANT FACT FILES FOR DETAILS OF:

- How you can get boosts to your investment
- How the fees work
- What happens to your investment on your death



DECIDING HOW TO INVEST

Our Preserver Plans have minimum investment amounts, depending on your age.

MINIMUM INVESTMENT AMOUNT

Age	Investment amount
If you are under 30	R5 000
If you are over 30	R60 000

You can only make lump-sum contributions to our Preserver Plans.

If you invest **R100 000** or more, you can also choose to buy against poor market performance, tax payments at retirement, and early disability or death.

And if you invest more than **R3.5 million**, you get even more rewards as a

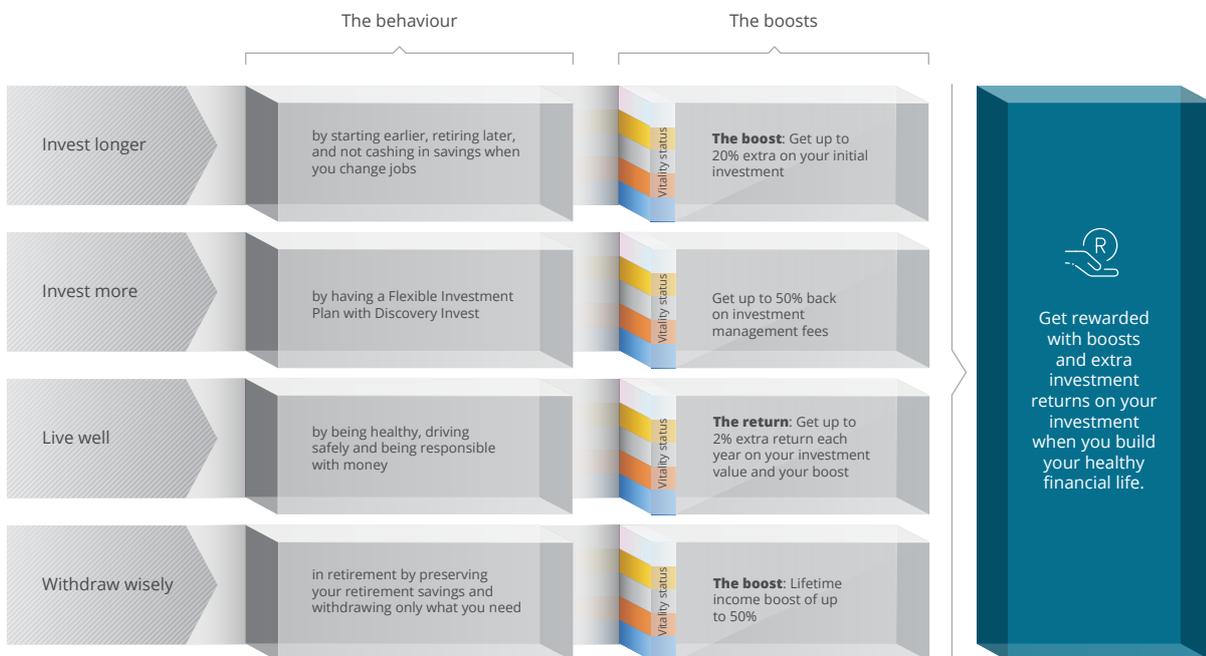
The Discovery Purple Collection is an exclusive suite of risk, wealth and wellness products designed to deliver our most comprehensive benefits and unsurpassed rewards.



WHY THE DISCOVERY PRESERVER PLAN?

Our Preserver Plans give you more than conventional retirement solutions. You also get rewarded for living well.

When you choose positive financial behaviours – investing for longer, investing more and choosing to live well – we reward you by adding boosts and extra investment returns to your investment.



Different boost percentages apply depending on the term you invest for and the portion you invest in qualifying Discovery funds.

Read the Preserver Plan Fact File
relevant to your investment

INVEST FOR LONGER, MORE AND LIVE WELL

With our Preserver Plans, you can get boosts added to your investment for investing longer and investing more. Your boosts are held separately to your investment and will grow with your investment.

	Your financial behaviour	What you get
 Invest longer	<ul style="list-style-type: none">You invest from as early as possible	<ul style="list-style-type: none">You get a boost of up to 20% of your initial lump-sum investment.
 Invest more	<ul style="list-style-type: none">You take out a Flexible Investment Plan from Discovery Invest	<ul style="list-style-type: none">You get up to 50% of the investment management fees you pay for the Flexible Investment back as additions to your retirement boost.
 Live well	<ul style="list-style-type: none">You live healthily, drive well and manage your money	<ul style="list-style-type: none">You get an extra return of up to 2% on your investment and your boost.

EXTRA PROTECTION BENEFITS IF YOU INVEST R100 000 OR MORE

If you invest R100 000 or more, you can also benefit from our protectors for a yearly premium of 1.2% of your investment value.

THE PROTECTION WE OFFER

HOW IT WORKS



Protector against fund underperformance

If the Discovery funds you chose are not in the top 25% of their sector, we'll add up to 20% to your returns at the end of every five years. If you own a Discovery Life Plan, we will increase this to 30%.



Protector against your Target Retirement Date Fund underperforming its inflation target

If your has performed below its inflation-linked target at the end of every five years, we'll add to your savings in the Target Retirement Date Fund.



Protector that pays out if you become disabled before retirement

If you become permanently disabled and have to retire early, you are protected from the potential loss of future investment returns. We add a boost to your investment value, depending on how many years until you turn 65.



Protector to pay out at the highest Escalator Fund price when you retire

We'll increase your Escalator Fund guarantee to 100% of the highest unit price that the fund has ever reached when you retire.



Protector to pay out at the highest Escalator Fund price when you die

We'll will increase your Escalator Fund guarantee to 100% of the highest unit price that the fund has ever reached before your retirement date.



Protector against tax payable at retirement

We increase your investment value when you retire to help you fund the tax you must pay if you withdraw one-third of your investment in cash.



A WIDE CHOICE OF FUNDS TO INVEST IN

THERE ARE ALMOST 200 FUNDS TO CHOOSE FROM

YOUR PLAN IS A COLLECTION OF FUNDS

Once you have chosen your investment plan, you decide which funds to invest your money into. Your decision should align with the investment strategy that you and your financial adviser agreed 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. Discovery funds (with the exception of the Discovery Money Market Fund) qualify for boosts and additional growth from living well on your investment. The list of qualifying funds may be updated from time to time and can be seen on individual fund fact sheets available at



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 [redacted] 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.

FEES FOR YOUR INVESTMENT

THERE ARE CERTAIN FEES THAT APPLY TO OUR PRESERVER PLANS



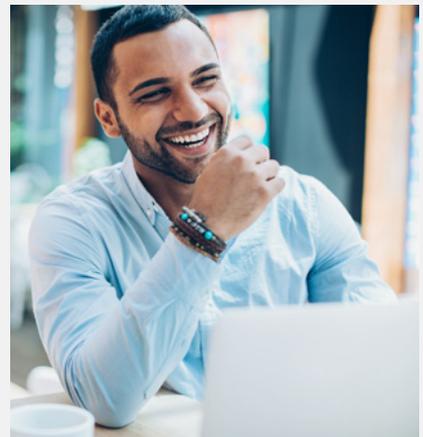
FEES TO DISCOVERY INVEST

There are no initial investment fees to Discovery Invest. We charge a yearly admin fee, which depends on the size of your investment.



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



FEES TO YOUR FINANCIAL ADVISER

Financial advisers will charge initial and ongoing advice fees for the advice they give.

Refer to the relevant Fact File for more information about all fees.

READ THE RELEVANT FACT FILE AND SPEAK TO YOUR FINANCIAL ADVISER

The details of the features we offer are set out in the relevant Fact File at

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

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For tailored financial advice, please contact your financial adviser. Discovery Life Investment Services (Pty) Ltd: Registration number 2007/005969/07, branded as Discovery Invest, is an authorised financial services provider. All life assurance products are underwritten by Discovery Life Ltd. Registration number: 1966/003901/06. An authorised financial service provider and registered credit provider, NCA Reg No. NCRCP3555. Product rules, terms and conditions apply.

LINKED PAGES

THIS IS HOW TAX WORKS

- **You don't pay tax on growth within the fund you earn until retirement.** There is no tax on interest, dividends income or rental income. There is no capital gains tax.
- **Up to R500 000 you take as cash at retirement is tax free,** plus the amount of any contributions that were not tax-deductible before. These concessions are only available once over a lifetime.
- We don't give tax advice. Please consult a tax practitioner to get tax advice.

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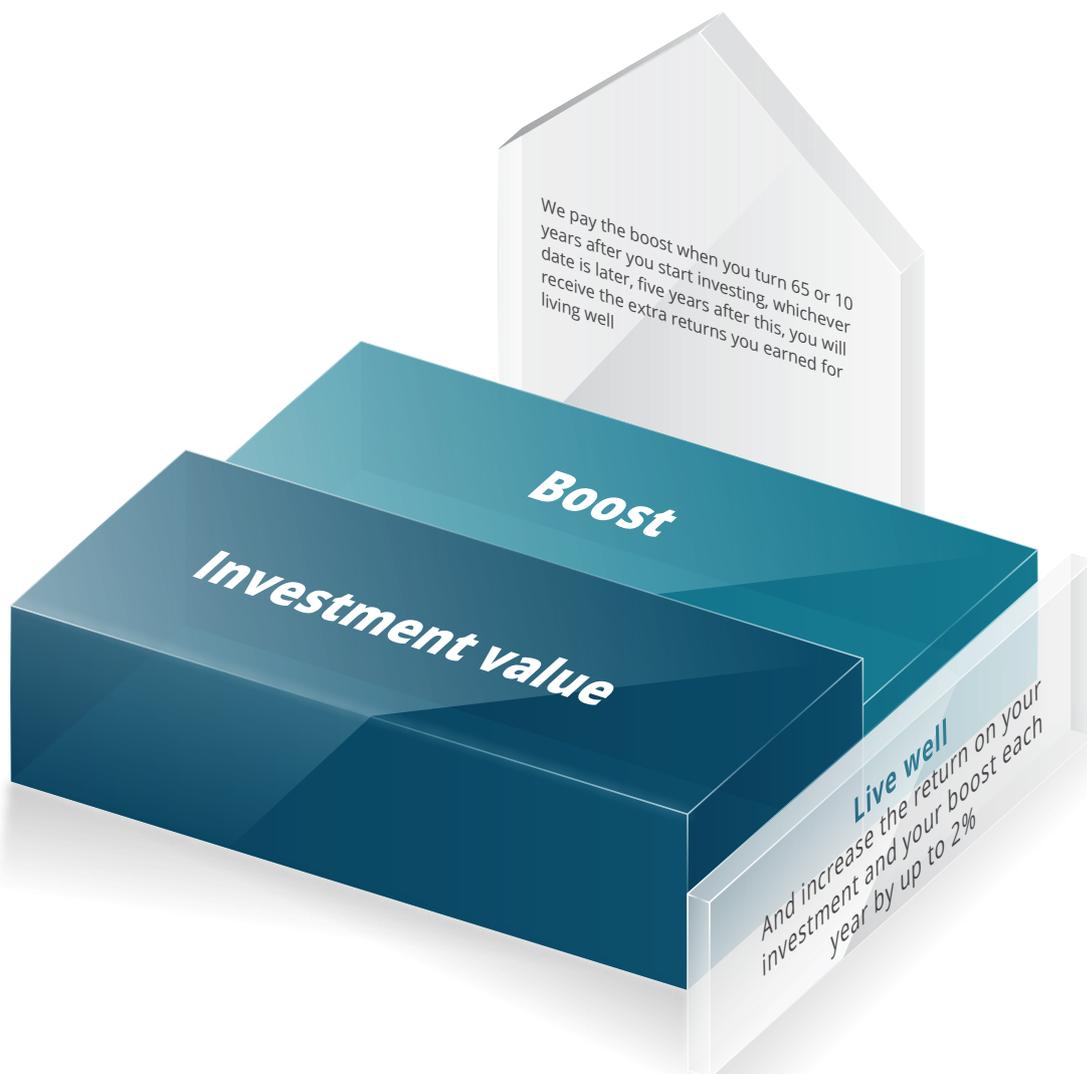
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BOOSTS ARE KEPT SEPARATELY FROM YOUR MAIN INVESTMENT

The boosts you receive from investing for longer and investing more are kept separate from your main investment. The boosts grow at the same rate as your underlying investment throughout your investment term. You can also earn an extra return of up to 2% each year on the portion of your investment in qualifying Discovery funds and your boosts by choosing to live well.

You can choose to keep your boost until you retire, or you can use it to pay for your fees. If you use your boost to pay for your fees, you won't get extra return from choosing to live well.

If you choose to keep your boost, we'll pay it into your investment when you turn 65 or 10 years after you start investing, whichever date is later. Five years later, you will receive the extra returns you earned for choosing to live well.



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UNIQUE DISCOVERY FUNDS

We have uniquely designed funds that make it easier for you to get what you want in retirement, such as:

- **Target Retirement Date Funds.** These funds are designed to invest in a diversified portfolio of assets that balances risk and potential reward with a particular retirement date in mind. They offer a lifetime investment strategy in a single fund. The Target Retirement Date Funds automatically adjust the asset allocation of your investment, without you having to adjust your risk profile.
- **The Discovery Medical Investment Funds** are designed to track the cost of your medical aid contributions in retirement.
- **Escalator Funds,** which have built-in protection if the markets fall. These Discovery funds guarantee that you will always get at least 80% of the highest unit price the fund has ever reached. This gives you the peace of mind that if the markets were to fall, your investment value would be protected.

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WHAT HAPPENS TO YOUR INVESTMENT WHEN YOU DIE?

The death benefit amount

When you die, we will switch the benefits in your investment to an interest-bearing account as soon as we've been informed.

The Pension Funds Act requires the Board of Trustees of the 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. We must receive your notification before your death. If we don't, the Trustees will not consider the notification.

If you die before your boost payment date, the boost and additional growth from choosing to live well falls away entirely.

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GUIDELINES FOR ACCESSING YOUR MONEY

When you turn 55, your options depend on the market value of your investment

If the market value is under R247 500	You can take the full investment in one cash payment, subject to tax.
If the market value is R247 500 or more	<ul style="list-style-type: none">■ If you have a Pension Preserver Plan, you can take up to one-third of the investment as a lump-sum cash payment. Of this amount, the first R500 000 is tax free. You must use the remaining two-thirds to buy an investment that gives you an income (for example, a living annuity or a fixed annuity).■ If you have a Provident Preserver Plan, you may take the full value of your investment as a lump-sum cash payment. Any contribution to a pension providing investment such as a living annuity or fixed annuity is voluntary.

Laws and figures are correct as at November 2018.

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SEE WHEN YOU CAN ACCESS YOUR MONEY BEFORE 55

You have limited access to your money until you turn 55

You may only make one withdrawal from your Preserver Plan before you turn 55. This restriction is set by the law and not by us. It encourages you to remain invested for longer.

There are exceptions

You can withdraw before age 55 if the market value of your investment is under R7 000, if you emigrate, or if you become permanently disabled and have to retire early.

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ADVISER

THINGS TO DISCUSS WITH YOUR FINANCIAL ADVISER

Longevity

We're living longer – and that has changed traditional retirement practice. A potentially longer retirement timeline means that you need to save more money and that you need to invest your money differently in the years leading up to retirement.

The unpredictable nature of markets

Markets are unpredictable. They can go up one day and down the next. These market changes are risks to your investment because if you have to withdraw your money while there is a market downturn, you might lose money on your investment. When you have a longer investment horizon you can afford more risk, but as retirement approaches you need to consider moving money to lower-risk investments.

The impact of inflation

Inflation is the rise in the cost of living. This means 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, such as equities (shares), bonds, property and cash. 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 like cash, bonds, property and equities have different levels of expected risk and return; cash has low levels of expected risk and return, while equity has high levels of expected risk and return.

ADVANTAGES OF USING A FINANCIAL ADVISER



Knowledgeable about managing money

Financial advisers are qualified in financial planning and can help you decide on – and keep track of – 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, passing regulatory examinations and undergoing training.



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, and they must be competent (professional and skilled) in the financial advice they provide.



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. It's essential that clients' best interests are at the heart of everything our advisers do so they must avoid or disclose any conflicts of interests. At the core of everything is treating clients fairly.

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DISCOVERY PURPLE INVESTMENTS

Our investments provide value beyond the performance of your funds, with rewards for taking responsibility for your financial future. With our Purple offering, clients get access to a range of exclusive benefits that enhance these rewards. The Purple Flexible Investment Plan is available to clients with a fund value of at least R5 million. Purple Retirement Annuities, Preserver Plans and Living Annuities are available to clients with an investment of R3.5 million or more.

Purple Invest clients can look forward to a range of additional benefits, including the following:

			
UP TO 75% OF ASSET MANAGEMENT FEES PAID BACK	CONVERT MORE LIFE COVER TO TAX-FREE CASH	BIGGER BOOSTS ON A WIDER RANGE OF FUNDS	INCOME BOOSTS FOR LIFE
You can get up to 75% of the asset management fees charged on your Flexible Investment paid into the boost on your lump-sum retirement savings.	For investing longer, you can convert up to 65% of the value of your retirement savings in your Discovery Retirement Optimiser into tax-free cash, from your life cover.	For investing longer, you can enjoy higher boosts on your pre-retirement lump-sum contributions into qualifying Discovery funds of up to 25% on your initial contribution and for investing more, you can get up to 35% on additional contributions ¹ . You also enjoy exclusive access to boosts on external funds of up to 12.5% on your initial contribution and up to 17.5% on additional contributions ¹ .	For making responsible income withdrawals and living a healthy lifestyle, you are rewarded with boosts of up to 50% to your monthly income in retirement on your investment in qualifying Discovery funds , for life. Purple Invest clients exclusively enjoy boosts on external funds of up to 15% .
Flexible Investments	Discovery Retirement Optimisers	Lump-sum Retirement Annuities and Preservers	Living Annuities

Vitality

¹ Additional contributions consist of ad-hoc contributions and reinvested Discovery Life PayBacks. Please note that additional contributions can't be made into Preserver Plans.

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For the Discovery Retirement Optimiser: the assets of the underlying Fund, the Discovery Retirement Annuity Fund, are invested in a policy of insurance that is underwritten by Discovery Life Limited, a registered insurer: Registration number: 1966/003901/06, an authorised financial service provider and registered credit provider, NCA Reg No. NCRCP3555. All benefits are offered through the insurer, Discovery Life Limited, and product rules, terms and conditions apply.