



EMPLOYEE BENEFITS

Retirement funds and group risk solutions for your employees

DISCOVERY FOR BUSINESS

The global retirement savings gap is expected to grow to \$400 trillion in 2050¹. The three main reasons why people don't have enough in retirement are:



Longer lives

People entering the workforce today will live on average 12 years longer than people retiring today.



Low contributions

Other financial needs, like housing and education, get priority over retirement saving.



Cashing out too soon

75% of employees take some or all of their retirement savings when leaving jobs.

The challenges employees face about their financial future can be addressed through our shared-value model. This model rewards healthy choices and encourages behaviours that will ensure a more comfortable retirement.





Encouraging the right savings behaviours can have a dramatic effect in helping to close the retirement savings gap.



For example, an employee contributes 10% of their income a year. They only start to preserve from age 30. If they increase their contribution by 3%, to a total of 13%, and they start preserving their retirement savings four years earlier, their fund value at retirement would be 70% more.

Introducing Employee Benefits

Tailored solutions for unique needs

Our solutions can be tailored to the unique needs of your business. You choose between a standard or customised package and employees make their own choices about retirement contributions, investment funds and risk benefits.

Comprehensive investment offering

Our range of investment options allows you to offer employees a full range of Discovery and external investment choices that include:

- Our Target Retirement Date Funds that are tailored specifically for retirement.
- Our Balanced Fund and Dynamic Asset Optimiser Fund of Funds range of funds that takes into account employees' risk appetites.
- A wider investment selection if employees prefer less guidance for their investment choices.

State-of-the-art administration and servicing

We offer dedicated support for installations and transfers, and simple onboarding processes.

Competitive fees

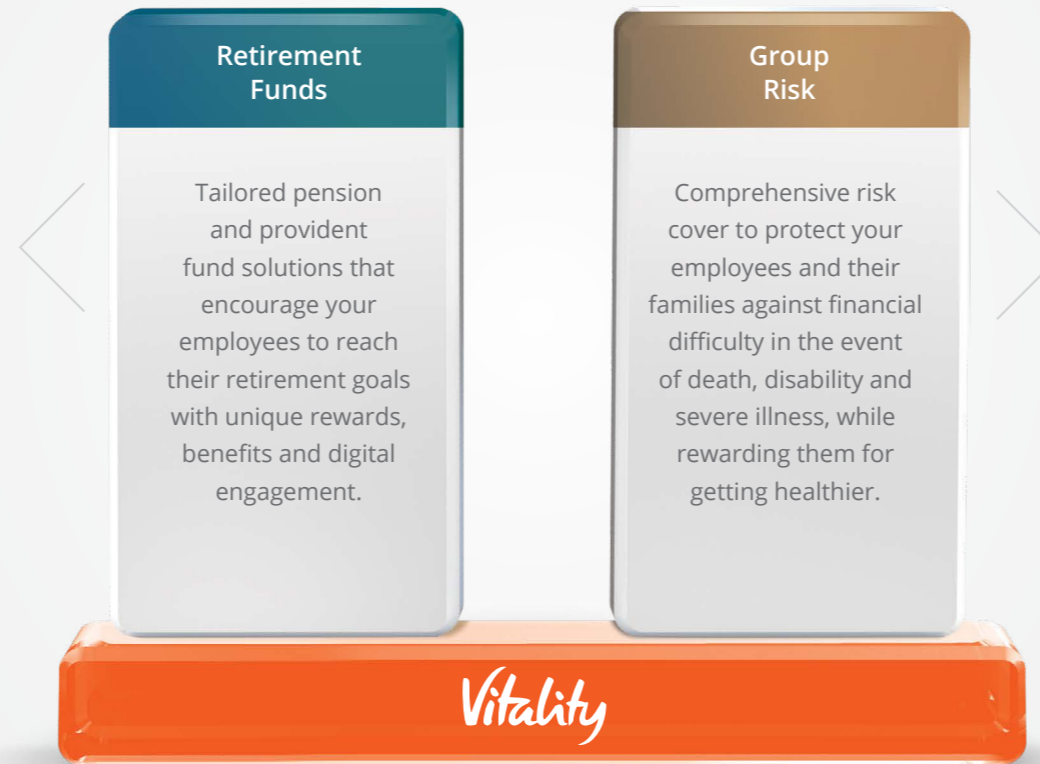
Our fees are among the lowest in the market and we offer discounted fees to lower income earners.

Digital employee engagement that empowers choices

We empower employees to make smarter financial decisions by allowing them to engage with us digitally, and we reward them when they complete their first online journey.

Shared-value retirement model

We show employees how they are tracking towards meeting their retirement goals and provide them with solutions and boosts to their retirement savings to help them achieve those goals.



Fastest-growing group insurer

We are the fastest growing group insurer², with a 96% retention rate. We also give cover to 20% of companies listed on the FTSE/JSE Top 40 Index.

Comprehensive risk cover

We offer a comprehensive range of risk cover benefits that includes life cover, local and international cover for educating your employees' children, severe illness cover, lump-sum and monthly disability protection, and funeral cover.

Market-leading wellness programme

Your employees can get access to Vitality, one of the most sophisticated wellness programmes in the world, with benefits for getting healthier.

Stable pricing

We use advanced risk management pricing techniques to offer premiums that are sustainable over the long term.

Dynamic, personalised pricing

By aligning with the medical schemes administered by Discovery Health as well as Vitality, we are able to reward healthier employees with paybacks that can increase their savings for retirement.

Increased cover

By encouraging your employees and their families to live healthier lives, we improve their quality of life and productivity, and reward them through increased cover.

Retirement Funds refer to the Discovery Life Pension Umbrella Fund and Discovery Life Provident Umbrella Fund

Retirement Funds

Our retirement solutions encourage your employees to make financial decisions that can lead to a more comfortable retirement.

Powerful behaviour | incentives



Boost to asset transfers



We boost the retirement savings employees transfer into the Fund to encourage them to stay invested and consolidate their savings when they join or leave the Fund.

The boost is held outside the Fund and grows at the same rate as the returns in the Fund. The boost will be added to the fund value at retirement. The size of the boost depends on how long the employee has until they retire, as shown in the table.

YEARS UNTIL RETIREMENT	BOOST TO RETIREMENT SAVINGS TRANSFERRED
10 to 15 years	5%
15 to 20 years	7.5%
20 to 25 years	10%
25 to 30 years	12.5%
30 or more years	15%

All boosts are offered through the insurer, Discovery Life Limited and only applies to investments in qualifying Discovery Funds if held until the retirement date. Early retirement, withdrawals or switches out of qualifying funds will impact the boosts. Product rules, terms and conditions apply.

Boost to contributions



Each boost has a maximum that depends on the term to normal retirement age, and no boost is allocated in the last five years. The boost is held outside the Fund and grows at the same rate as the returns in the Fund.

In addition, all employees can access the Vitality Move programme for free, and achieve up to 2% boosts for healthy living with Vitality Health Check outcomes.

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We boost the contributions, including additional voluntary contributions, that employees make to the Fund each month. As employees may be living longer, these boosts that reward healthy living and safe driving will supplement their retirement savings. The boost is related to the employees engagement in our various Vitality programmes and meeting their Active Rewards goals. They will also receive a launch offer boost of 6%.

STATUSES

		Blue	Bronze	Silver	Gold	Diamond
Vitality	Boost for healthy living	1.0%	1.5%	2.0%	3.0%	4.0%
	Boost for driving safely	0.5%	0.75%	1.0%	1.5%	2.0%

+

ACTIVE REWARDS (GOALS MET)

		1 week	2 weeks	3 weeks	4 weeks
Vitality	Boost for healthy living	-	1.0%	1.5%	2.0%
	Boost for driving safely	-	0.5%	0.75%	1.0%

+

LAUNCH OFFER

Employees can get a boost of 6% until 31 December 2018.

Boost to paybacks from group risk



Our paybacks from risk premiums, which can be up to 15%, reward employees for improving their health. To help employees accumulate the extra retirement savings for living longer, we double the payback amount that they reinvest into the Fund.

The boost is held outside the fund and grows at the same rate as the returns in the Fund, and will be added to the employees' investment value at retirement.

All boosts are offered through the insurer, Discovery Life Limited and only applies to investments in qualifying Discovery Funds if held until the retirement date. Early retirement, withdrawals or switches out of qualifying funds will impact the boosts. Product rules, terms and conditions apply.

Boost to income in retirement



The boost is only paid for the first 10 years. The increase depends on how much of retirement income is withdrawn, Vitality status and the percentage invested in qualifying Discovery funds.

Alternatively, employees can choose the Discovery Fixed Retirement Income Plan which provides peace of mind from knowing exactly what their income will be in retirement for the rest of their lives.

Our shared-value model extends into retirement even after employees have left their employer and retired. The Discovery Linked Retirement Income Plan gives your employees the flexibility to manage their income withdrawals (drawdowns) according to their individual circumstances, while giving an immediate income boost of up to 50% for responsible withdrawal levels and healthy living.

VITALITY STATUS

Income (yearly annuity %)	None	Blue	Bronze	Silver	Gold	Diamond
2.50% to 3.25%	20%	30%	35%	40%	45%	50%
3.26% to 4.00%	15%	17,5%	20%	25%	30%	35%
4.01% to 4.75%	10%	12,5%	15%	17,5%	20%	25%
4.76% to 5.50%	5%	7,5%	10%	12,5%	15%	17,5%
5.51% to 7.00%	2,5%	2,5%	5%	7,5%	10%	12,5%
7.01% to 8.50%	0%	0%	2,5%	5%	5%	7,5%
8.51% to 10.00%	0%	0%	0%	2,5%	2,5%	5%
10.01% to 17.50%	0%	0%	0%	0%	0%	0%

Investment options for you and your employees

We offer a wide range of investment options that can be tailored to suit the needs of your employees. You can also influence which options will be profiled to your employees.

They can choose between a range of funds that have been tailored for retirement savings, a risk-profiled range of Discovery funds, or a wider selection of Discovery and external investment choices if they don't find what they want on our shortlist of funds.



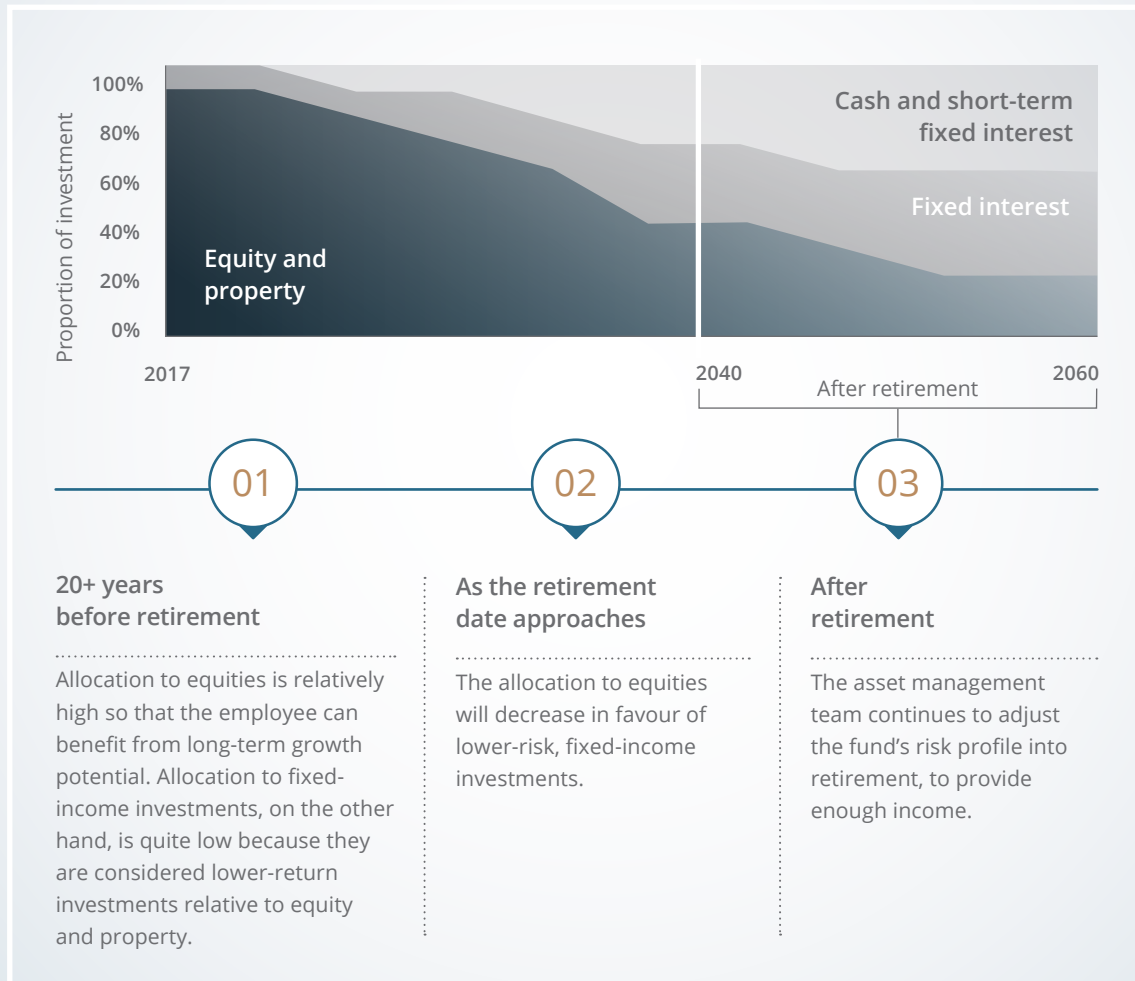
Our Target Retirement Date Funds provide a lifelong savings solution

We dynamically adjust the investment strategy to continually meet employees' needs in a single investment portfolio.

This means the employee doesn't have to switch between funds to address different life stages. As the graph shows, there is a smooth transition from growth to income investing as opportunities present themselves.

The range includes seven Target Retirement Date Funds, from 2020 to 2050, in five-year increments.

The graph below shows the asset class changes and dynamic asset allocation for an employee planning to retire in 2040.



Employee investment choice

You can choose which of these investment funds to profile when your employees want investment choice.

DYNAMIC ASSET OPTIMISER FUND OF FUNDS

This range of funds uses a sophisticated asset allocation model (developed by RisCura) to blend a diversified portfolio of Discovery funds to optimise returns at relevant risk levels on an ongoing basis. The range targets a certain CPI-related return and the targets are used to generate the optimal portfolios for each risk level when constructing and rebalancing the portfolios and funds.



BALANCED FUND RANGE

Our Balanced Funds invest in a blend of assets, such as equities, bonds, cash and property, allowing investors to take advantage of the benefits of diversification. We aim to keep the funds within specified risk ranges, and at the same time maximise the potential for growth. We offer three funds to suit investors' different appetites for risk: the Discovery Cautious Balanced Fund, the Discovery Moderate Balanced Fund, and the Discovery Balanced Fund.

The Discovery Balanced Fund has remained a favourite amongst investors as shown by its ranking in the top 10 takers of retail net flows in the unit trust market as per the Association for Savings and Investment South Africa (ASISA)³.

The Discovery Moderate Balanced Fund has been named as one of two finalists in the Best Moderate Allocation Fund category in the Morningstar Fund Awards South Africa 2018.

Competitive fees

Our admin fees are among the lowest in the market, starting from R25 per employee per month, and can be tailored around the processes and needs of your business. We reward you with fee discounts when you use mutually beneficial processes to engage with us.

REDUCED ADMIN FEES

Employees whose salaries are under R7 500 pay discounted admin fees.

MONTHLY INCOME	ADMIN FEE DISCOUNT
Less than R5 000	100%
R5 000 to R6 000	50%
R6 000 to R7 500	25%

REDUCED ASSET MANAGEMENT FEES

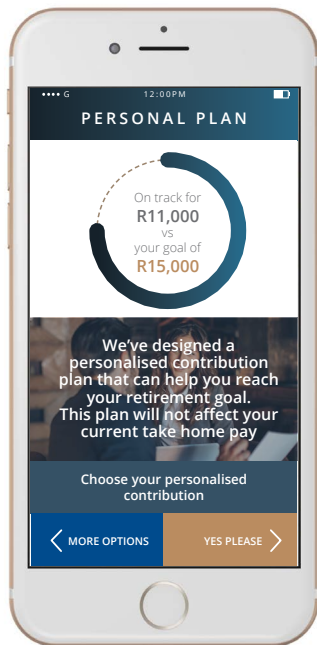
We offer institutional fees and tiered fee scales on our funds.

DISCOVERY LIFE OWNED PORTFOLIOS	FEE
Target Retirement Date funds (fee depends on employer assets)	0.8% to 1.2%
Balanced Fund	1%
Moderate Balanced Fund	0.90%
Cautious Balanced Fund	0.85%
Aggressive Dynamic Asset Optimiser Fund of Funds	1.15%
Moderate Dynamic Asset Optimiser Fund of Funds	1.05%
Conservative Dynamic Asset Optimiser Fund of Funds	1%

Terms and conditions apply and will be made available on request.

We empower employees to make smarter decisions

Our digital benefits dashboard helps employees set goals, understand their options and make choices that fit their individual circumstances.



Employees who are members of the Fund will also get instant rewards when they complete their first online journey.



*Digital engagement allows employees to take dynamic ownership
of their retirement investments*



Set financial goals and identify gaps: Employees can create personalised contribution plans to close gaps, through our *increased savings-over-time feature*. This feature allows them to automate contribution increases to align with their salary increases.



See benefits
at a glance



Update
personal details



Make changes
to retirement and risk
choices

Guidance and support

- Employees can receive online support at any time.
- Discovery's retirement specialists are available for those key decision moments, and to assist employees who are unable go online or prefer not to.

Group Risk

We offer a comprehensive range of risk cover benefits that includes life cover, local and international cover for your employees' children's education, severe illness cover, lump-sum and monthly disability protection, and funeral cover.

You can choose the amount of protection you want to provide to your employees, who can supplement the selected cover with more cover. Selected benefits are underpinned by Vitality and Corporate Wellness, which allows employees to receive additional rewards and wellness benefits, including our payback benefit, which rewards employees for improved health.

Unique features of our Group Risk Life Plan



Our **Global Education Protector** is automatically included for all employees whose life cover is at least two times their annual salary. The cover can also be extended to private schooling, depending on the employee's Vitality status, and even to selected overseas universities.



Our **Severe Illness Benefit** provides cover for a broad range of impairment conditions and we automatically include severe illness cover for children on the employee's cover.



The **Income Continuation Benefit** covers premiums for other Discovery products and contributions to any medical aid, a portion of the performance bonus payments earned before becoming disabled, mortgage payments, severe illness cover for spouses and children, Vitality HealthyLiving cash back, and an Uber benefit to assist with transport needs. This benefit also offers the option to include a lump sum to assist employees to adjust their lifestyle needs.

Payback from risk premiums



Your employees can receive a payback of up to 15% based on a percentage of all premiums paid for risk products.

The percentage paid depends on the employee's medical aid plan, health claims and Vitality status. Employees must complete their Vitality Health Checks every year to earn their payback for that year. Below is an example for a principal member who has any one of our Saver plans.

HEALTH PLAN TYPE - SAVER (PRINCIPAL MEMBER)

Health claims range	Vitality status				
	Blue	Bronze	Silver	Gold	Diamond
0 to 500	5.0%	7.5%	10.0%	12.0%	15.0%
501 to 3 138	4.5%	6.0%	7.5%	10.0%	12.0%
3 139 to 7 425	4.0%	4.5%	6.0%	7.5%	10.0%
7 426 to 21 300	0.0%	0.0%	4.5%	6.0%	7.5%
Above 21 300	0.0%	0.0%	0.0%	4.5%	6.0%

These paybacks will be doubled when reinvested in the Fund and held to retirement.

All paybacks are subject to the terms and conditions in the Group Risk Life Plan Guide. These tables will be updated every year.

A woman with long, wavy brown hair, wearing a grey blazer over a white collared shirt, is smiling warmly at a man whose profile is visible on the left. They appear to be in a professional setting, possibly a meeting. A laptop is open in the foreground, partially obscuring the bottom of the woman. The background is softly blurred, showing what might be a modern office or a meeting room with wooden accents.

DISCOVERY FOR BUSINESS

WE MAKE IT EASY
FOR YOU TO
provide
these
benefits
TO YOUR EMPLOYEES



01 Easy transfer of your scheme to us

We have a dedicated team to manage the transfer of your scheme. This team will keep you informed throughout the process and do everything possible to complete the process quickly and smoothly.



02 Simple onboarding

A team of installation experts brings you on board: From quote, to set up, to engaging with your employee management systems, we bring you on board with minimal stress and effort on your part.



03 Efficient admin

Our digitised processes allow us to be quick and efficient. Your employees can also interact with us directly on our online platform to make choices and complete information, reducing your paper and data capture burden.



04 Support and service

We're here to help you set up and manage processes and systems, engage and educate employees, and support your payroll and HR teams so they can reduce the time they spend on administration and support.



THINGS YOU
should
know

BOOST TO ASSET TRANSFERS

- This boost applies when an employee transfers retirement savings into the Fund from another employer's retirement savings or provident fund or preservation fund. All transfers are subject to the requirements prescribed by SARS.
- The further the employee is from the normal retirement age (as agreed with the employer as a condition of employment) when they transfer in, the larger the boost.
- There are no boosts for employees with terms of less than 10 years to retirement. So employees joining within 10 years before they reach the normal retirement age will have the option to defer retiring from the fund to a later date to qualify for the boosts.
- These boosts are held outside the Fund and grow at the same net fund returns as the lump-sum investments, and are paid into the employee's fund on the normal retirement age or the deferred date, as set out above.

PAYBACKS FROM RISK PREMIUMS

- The Group Risk payback is paid yearly. Employees who reinvest the payback into the Funds will receive an equal amount as a boost.
- These boosts are held outside the Fund and grow at the same net fund returns as the contributions, and are paid into the employee's fund on their actual retirement date.
- No boosts are paid if the employee leaves the fund within 10 years of joining.

BOOST TO CONTRIBUTIONS

- These boosts apply to contributions made after employees join the fund.

Employees can get boosts for:

- Statuses achieved in Vitality and Vitality drive (from the previous month)
- Number of Active Rewards goals met in the previous month
- Boosts are capped depending on the term to normal retirement age
- These boosts are held outside the Fund and grow at the same net fund returns as contributions, and are paid into the employee's fund on their actual retirement date.

YEARS UNTIL RETIREMENT	MAXIMUM MONTHLY BOOST TO CONTRIBUTION
0 to 5 years	0%
5 to 15 years	5%
15 to 20 years	7.5%
20 to 25 years	10%
25 to 30 years	12.5%
30 or more years	15%

- No boosts are paid if the employee leaves the fund within 10 years of joining.

All boosts and fees can be reviewed or changed as a result of regulation or tax.
Different classes of funds added in the future can also have different boost levels.



RETIREMENT FUNDS

- The Fund is an underwritten pension and provident umbrella Fund.
- You only need 20 employees to participate in the Fund.
- Each employer that participates in the Fund is governed by the general rules of the Fund, as well as their own special rules.
- Discovery Life Limited is the administrator of the Fund and is a registered insurer.
- The Fund assets are held separately in a policy of insurance issued by Discovery Life Limited.
- The Fund referred to in this brochure is the Discovery Pension Umbrella Fund or the Discovery Provident Umbrella Fund.

GROUP RISK

We offer approved and unapproved risk benefits

- Approved risk benefits
 - These policies are held in the name of the Fund itself and are subject to the rules of the Fund.
 - The premiums paid for the life cover qualify for a tax deduction.
 - The benefit is then taxed upon death and paid by the Fund.
- Unapproved risk benefits
 - These policies are owned by the employer and are therefore separate from the Fund.
 - The premiums are not tax deductible, but the proceeds are paid out tax free upon death to the nominated beneficiary.
- Discovery will not facilitate an external group risk policy for employers with fewer than 400 employees.

Sources

01 | World Economic Forum

02 | Swiss Re Group 2015

03 | As at 31 December 2017



RETIREMENT INCOME PLANS

Our Retirement Income Plans are post retirement financial products that offer employees the option to manage their post retirement portfolio the way they want to with our Linked Retirement Income Plan or our Fixed Retirement Income Plan. Employees must invest at least R60 000 to qualify for the Retirement Income Plans .

LINKED RETIREMENT INCOME PLAN

- This is a Living Annuity as defined in the Income Tax Act.
- Employees' lump sum contribution will be invested (after any initial fees) in their choice of investment options as offered by Discovery Invest.
- Employees annuity drawdowns are limited to income level between 2.5% and 17.5%
- Drawdown rates may only be changed on the policy anniversary date.
- On death, the annuity or lump sum benefit is paid to the annuitants' beneficiary.

FIXED RETIREMENT INCOME PLAN

- This plan is designed for people with no other income, who need income certainty for life.
- This plan gives employees a guaranteed regular income for the rest of their lives.
- Yearly increase to income are elected at inception of the annuity policy and cannot be changed at any time.
- Guaranteed income term is between five and twenty years.
- On death we will continue paying income to beneficiaries until the end of guarantee period.

 Contact centre 0860 222 999  retirementfunds@discovery.co.za  www.discovery.co.za

Speak to your financial adviser about the range of Discovery Employee Benefits products to suit your business needs. Discovery Life Limited. Registration number 1966/003901/06, is a registered long-term insurer, and an authorised financial services and registered credit provider, NCR Reg No. NCRCP3555. Discovery Health (Pty) Ltd, registration number 1997/013480/07, is an authorised financial services provider and administrator of medical schemes. Discovery Vitality (Pty) Ltd is an authorised financial services provider. Registration number: 1999/007736/07. Discovery Life Investment Services Pty (Ltd): Registration number 2007/005969/07, branded as Discovery Invest, is an authorised financial services provider. Limits, product rules, terms and conditions apply.