

<Owner Title> <Owner Initial> <Owner Surname>

<Address Line 1>

<Address Line 2>

<Address Line 3>

<Postal Code>

<System date>

Investment: <Product>

Investment number: <Policy number>

Dear <Owner Title> <Owner Surname>

## Your investment in the Discovery Dollar Capital+ (April 2016 tranche) is about to mature

You are currently invested in the Discovery Dollar Capital+ (April 2016 tranche), which is a five-year product that gives exposure to the performance of the European and US equity markets in US dollars. The product is a global portfolio comprising of the Eurostoxx 50 and S&P 500 price indices. If the global portfolio is flat or positive at the end of the five-year period, the Discovery Dollar Capital+ gives 40% growth<sup>1</sup> in US dollars before the effect of any administration fees, financial adviser fees and taxes, where applicable. The five-year period ends on 15 April 2021.

The cumulative return of the underlying basket of the Discovery Dollar Capital+ (April 2016 tranche) was **33.34%** on 31 January 2021. If this positive performance continues until 15 April 2021, you will receive 40% growth<sup>1</sup> in US dollars on your initial investment which will pay out in rands. On 31 January, this would have equated to 45.88% growth<sup>1</sup> in rands based on the exchange rate on that day. Please note that the actual rand return achieved will depend on the exchange rate on the day that the investment is converted back into rands.

<You have also received Rxxx>*Show if boost has been paid* <and are in line to receive a further Rxxx from the Upfront Investment Integrator<sup>2</sup>.> *Show if boost has been paid and client is still in line to receive*

<You are also in line to receive Rxxx from the Upfront Investment Integrator> *Show if client has not yet had boost paid and is in line to receive*

<sup>1</sup> Growth, downside protection or any other resulting return is before the effect of admin fees, advice fees, taxes and the boost. These fees, taxes and the boost will affect the final return outcome.

<sup>2</sup> Please read the fact file or your policy schedule for the full details and terms and conditions of the Upfront Investment Integrator.

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

### **Is there any further tax payable on the proceeds of the Discovery Dollar Capital+?**

All proceeds are treated as a capital gain for tax purposes and taxed at applicable tax rates, making this investment tax-efficient for the majority of clients. Importantly, Discovery will collect all tax on your behalf and pay this over to SARS. You currently have unpaid capital gains tax of R<xxx> on your investment that we will recover from your policy in June 2021 or on earlier withdrawal. This amount may change depending on the final settlement unit price.

### **What are the benefits of staying invested in my current endowment plan?**

If you withdraw your investment and invest the money in a new Discovery endowment, you may incur additional costs and a new endowment restriction period will apply. We will recover capital gains tax as well as any outstanding fees from the 100% allocation, from your policy on withdrawal. The remainder of the boost on your endowment will also fall away and we will not give any further boosts on the new Discovery endowment when you reinvest the money.

Staying in your investment will not only avoid these costs, but also give you access to the wide range of funds available on our platform. To see which funds you can switch into, go to [www.discovery.co.za](http://www.discovery.co.za) and look under **Investments > Funds and Fact sheets**.

### **What happens when my investment reaches 15 April 2021?**

On 15 April 2021, we will begin the process to convert your investment back into South African rands. We will do so at the prevailing exchange rate at that time and switch the proceeds into the Discovery Cautious Balanced Fund on your endowment plan. This process will take up to 12 business days from 15 April 2021 to complete. You will not earn interest while the investment proceeds are in transit. Thereafter, you can switch your proceeds into any fund of your choice.

### **When will the Discovery Dollar Capital+ mature?**

The term of your endowment started when your money was first allocated to your endowment. Your money was then converted into US dollars and switched into the Discovery Dollar Capital+ on 15 April 2016. Therefore, the term of the Discovery Dollar Capital+ Fund started on this date and ends five years later on 15 April 2021.

### **Where can I find the full terms and conditions of the Discovery Dollar Capital+?**

Please read the fund fact sheet for the full terms and conditions of the Discovery Dollar Capital Fund (April 2016 tranche). Log in to the Discovery website ([www.discovery.co.za](http://www.discovery.co.za)) select **Investments > Funds and Fact sheets**. Under the **Discovery Funds**, search for **Discovery Dollar Capital+ April 2016 Tranche**.

## Contact your financial adviser

Contact your financial adviser if you need any extra information. You can also call us on 0860 67 57 77 or email us at invest\_support@discovery.co.za.

Regards



Lance Geysers

**Chief Operating Officer**  
**Discovery Invest**

### Your financial adviser's details

<Financial adviser's name/s> <Financial adviser's surname>

<Intermediary House>

Cellphone: <Financial adviser's cellphone number>

Email: <Financial adviser's email address>

<Franchise name>

### FAIS notice and disclaimer

Discovery is not liable for any actions taken by any person based on the correctness of this information. For full details on the products, benefits and any conditions, please read the relevant brochure or fact file. Investors must be aware of the risks when purchasing a financial product, as past performance is not necessarily a guide to the future. No guarantees are given and the investor bears the full risk if BNP Paribas suspends its business, defaults (do not fulfil their duties) or if they are unable to meet their obligations or for any other reason whatsoever.

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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