

Discovery Structured Products

27 March 2020

Performance update

Discovery Capital 200+

The performance of the Discovery Capital 200+ depends on a global basket that is made up of 30% S&P 500 and 70% Eurostoxx 50 price indices. If the global basket is positive, the investor will get a minimum gross return of 100% before the deduction of fees and taxes. If the global basket is negative, the product is designed to provide some capital protection.

Capital protection depends on if the performance of the basket of indices falls below a certain level. If the global basket falls below this level, then the capital protection will fall away. The capital protection, as well as the conditions under which it applies, is different across the various tranches and is set out in the table on the next page.

If the capital protection does fall away, investors will receive the return of the global basket if it is negative. Please note that even in these cases, investors will still receive the minimum gross return of 100% if the global basket is positive at the end of the five-year term.

Investors may receive an enhanced return on their investment from Integration benefits that apply to some tranches issued. The October 2019 tranche of the Discovery Capital 200+ product is the only tranche where integration applied.

The following table summarises the protection and return characteristics of all tranches of the Discovery Capital 200+ products from their respective start dates to 17 March 2020.

Start date	Maturity date	Global basket performance (since start date)	When does capital protection fall away?	Has the capital protection remained intact?	What return are investors in line to receive at maturity?
27 Mar 2015	26 Mar 2020	-15.04%	When basket performance is below -50% at maturity	Yes	All tranches of the Discovery Capital 200+ are in line to provide investors with their capital back at maturity before the deduction of admin fees. If the basket performance improves to become equal to or greater than 0% from the start date, then investors will receive a 100%** return.
19 May 2017	19 May 2022	-18.76%	When basket performance is below -40% at maturity	Yes	
29 Sep 2017	29 Sep 2022	-20.61%	When basket performance is below -40% at maturity	Yes	
01 June 2018	15 June 2023	-20.96%	When basket performance is below -30% at maturity	Yes	
28 Sept 2018	28 Sept 2023	-21.85%	When basket performance is below -30% at maturity	Yes	
03 June 2019	18 June 2024	-18.68%	When basket performance is below -30% at maturity	Yes	
06 Sept 2019	06 Sept 2024	-23.85%	When basket performance is below -30% on any day before or at maturity	Yes	
31 Oct 2019*	31 Oct 2024	-25.88%	When basket performance is below	Yes	

**-30% on any day
before or at
maturity**

*Received integration

**Returns are quoted before the deduction of admin fees and taxes.

Discovery Enhanced Yield Fund

The performance of the Discovery Enhanced Yield Fund depends on the FTSE 100 price index. The product is designed to provide some limited protection to capital in times of market turmoil and to provide an enhanced return to investors when United Kingdom markets deliver a positive return.

The Discovery Enhanced Yield Fund has a term of up to five years and there are two potential outcomes on each anniversary. These are as follows:

- 1) The product matures and investors receive a positive return on the anniversary. The return depends on the term from the product's start date. This occurs when the FTSE 100 price index performance is equal to or above the initial level on any particular anniversary.
- 2) The product does not mature and rolls over into the next year if the FTSE 100 price index is below its initial level.

Capital protection is provided as long as the FTSE 100 price index does not fall below a certain level at any stage throughout the product term. If the FTSE 100 price index does fall below that level and does not recover on any anniversary, then investors will receive the performance of the FTSE 100 price index at maturity if it is negative.

The following table provides a summary of the protection and return characteristics of all tranches of the Discovery Enhanced Yield products from their respective start dates to 17 March 2020:

Start date	Potential maturity dates	Cumulative return at each maturity date if the FTSE 100 price index performance is positive	FTSE 100 price index performance (since start date)	When does capital protection fall away?	Has the capital protection remained in tact?	What return are investors in line to receive at maturity?
31 July 2018	31 July 2020	30%*	-33.47%	When FTSE 100 price index performance is below	No	If the FTSE recovers to above its initial level, investors will receive the cumulative return.
	31 July 2021	45%*				
	31 July 2022	60%*				
	31 July 2023	75%*				
6 Jan 2020	6 Jan 2021	17%*	-31.37%			
	6 Jan 2022	34%*				

6 Jan 2023	51%*	-30% on any day before maturity	If the performance remains negative on each anniversary and at maturity, investors will receive the performance of the FTSE 100 price index at maturity.
6 Jan 2024	68%*		
6 Jan 2025	85%*		

*Returns are quoted before the deduction of admin fees and taxes

Discovery Europe High Five Fund

The Discovery Europe High Fund depends on the performance of the five best-performing stocks included in a basket of 20 European stocks.

Capital protection remains intact as long as the equally weighted basket of 20 European stocks does not fall by more than 40% below the initial level of the basket on any particular day before or at maturity.

Discovery Europe High is a five-year product and at maturity of the product there are three potential outcomes. These are as follows:

- 1) Return of the top five best-performing stocks and each stock contributes equally to performance
- 2) A 0%* return if the performance of the basket of indices is greater than the barrier and less than 0%
- 3) Performance of the basket of 20 European stocks since the product start date if the basket performance breaches the barrier level

The following table summarises the protection and return characteristics of the Discovery Europe High Five product from its start date to 13 March 2020:

Start date	Redemption date	Underlying basket performance (Since start date)	When does capital protection fall away?	Protection provided	Comment
9 Oct 2015	9 Oct 2020	-20.99%	When the basket performance is below -40% on any day before maturity	Protection remains intact	Investors are in line to receive a return of 48.08% at maturity before the deduction of admin fees and taxes.

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