

<Owner Title> <Owner Initial> <Owner Surname>
<Address Line 1>
<Address Line 2>
<Address Line 3>
<Postal Code>

<System date>

Investment: <Product name>
Investment number: <Policy number>

Dear <Owner Title><Owner Surname> OR <Sir/Madam>

Your Discovery investment portfolio must comply with Regulation 28 of the Pension Funds Act

You are invested in a Discovery product that is regulated by the Pension Funds Act. This means your portfolio must be Regulation 28 compliant and the asset allocation of your portfolio must be within certain regulated limits.

Compliance checks as at end 30 September 2021, indicate that your overall portfolio was non-compliant. This is because, at that date, the asset allocation of your overall portfolio exceeded the regulated maximum limits permitted by Regulation 28. You are therefore required to rebalance your portfolio. You can do this by switching into alternative fund(s) offered on our platform to ensure that your portfolio's asset allocation is compliant.

How to switch into alternative funds

We recommend that you speak to your financial adviser before you choose alternative funds. This is to make sure the funds you choose match your personal investment needs and that your overall portfolio complies with Regulation 28. Your financial adviser will give you the forms that you need to complete.

Alternatively, you can visit our secure website at www.discovery.co.za and complete a switch instruction online.

What happens if you are not compliant by 15 February 2022

If your investment portfolio is non-compliant by 15 February 2021, Discovery Invest reserves the right to switch all or part of your investments that do not comply with Regulation 28. We will switch your investments into the Discovery Cautious Balanced Fund until we receive a completed switch instruction from you.

If you have switched funds to comply with Regulation 28 since the date of the compliance checks, then this letter does not apply to you and you can ignore it.

Contact us

For more information, please contact your financial adviser or call us on 0860 67 57 77. You can also email us at invest_support@discovery.co.za

Regards



Lance Geyser
Chief Operating Officer
Discovery Invest

Your financial adviser's details:

<Intermediary name(s)><Intermediary surname>
<Broker House>
Cellphone: <Intermediary telephone number>
Email: <Intermediary email address>
<Franchise name>

FAIS notice and disclaimer

Collective investment schemes in securities (CIS) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future and may not be repeated. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. All portfolios are valued on a daily basis on any business day at 16H00, with the exception at month end, when portfolios are valued at 17H00. Investments and repurchases will receive the same price for that day if received prior to 11H00 for the money market portfolio and 15H30 for the other portfolios. This portfolio may be closed in order to be managed in accordance with the mandate (if applicable). Different classes of units apply to the fund and are subject to different fees and charges. Quantifiable deductions are the initial fee whilst non-quantifiable deductions included in the net asset value price may comprise brokerage, MST, auditor's fees, bank charges, trustee and custodian fees. Commissions and incentives may be paid and if so, would be included in the overall costs. Performance figures are based on lump sum investment (if applicable). A schedule of fees and charges and maximum commissions is available on request from Discovery Life Collective Investments (Pty) Ltd. The TER shows the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees relating to the management of the portfolio. A higher TER ratio does not necessarily imply poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of the future TERs. During the phase in period Total Expense Ratios do not include information gathered over a full year. Transaction Costs ("TC") is a measure that can be used by investors and advisors to determine the costs incurred in buying and selling the underlying assets of a portfolio. This is expressed as a percentage of the daily NAV of the portfolio calculated over a period of three years on an annualised basis. Transaction Costs (TC) are a necessary cost in administering the fund and impacts the fund's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. Where a fund is less than one year old since inception, the TER and TC cannot be determined accurately because of the short life span of the fund and calculations are based on actual data where possible and best estimates where actual data is not available. Discovery Life Collective Investments (Pty) Ltd, the manager, is a member of the Association of Savings and Investment South Africa (ASISA).

The investor confirms that neither Discovery Life Collective Investments (Pty) Ltd or any staff provided him/her with any advice (as defined in the FAIS act) and that he/she has taken particular care to consider on his/her own or with the assistance of his/her intermediary whether the investment chosen is appropriate considering his/her individual needs, personal objectives and financial situation.