



CURRENT OFFER

Discovery Capital 200+

SEPTEMBER 2019 TRANCHE

Clients can double their initial investment¹

Valid from 24 July 2019 to 30 August 2019

¹Before the deduction of Discovery administration fees, advice fees and capital gains tax.

01 | Profile and strategy



100% return¹

The Discovery Capital 200+ is a five-year product providing clients with exposure to the performance of the European and US equity markets. The product is a global portfolio comprising of the Eurostoxx 50 and S&P 500 indices, with a minimum return of double the initial unit price if the global portfolio return is positive at the end of five years.

The minimum return of double the initial unit price is before the deduction of any Discovery administration fees, initial and ongoing financial adviser fees, withdrawal fees and taxes, where applicable.



Unlimited upside potential

If the global portfolio provides a higher value at the end of five years than double the initial unit price¹ invested, clients will also receive any upside above that level.



Conditional downside protection

If the global portfolio provides a negative return during the five year investment period, 100% capital protection¹ is provided for any falls in the global portfolio of up to 30%². The capital protection¹ falls away in cases of market falls of more than 30%² at any point during the five year period. Therefore, there is a risk of partial or total loss of the investment. Please note that this protection level is different from the previous tranche in which you were invested.



Currency protection

Although the global portfolio is based on offshore markets, it is unaffected by any rand appreciation or depreciation. Clients will therefore not be exposed to any risk of currency fluctuations.

¹ The 100% return and conditional downside protection are before the deduction of any Discovery administration fees, initial and ongoing financial adviser fees, withdrawal fees and taxes, where applicable.

² Figures are indicative. Final terms are subject to market conditions at date of trade. Investors are also subject to any default risk or restructure of the issuer, BNP Paribas Arbitrage Issuance B.V and the Guarantor BNP Paribas SA. This is explained fully on page 5.

At the end of the five-year period, the amount will be paid into your Lump-sum Discovery Endowment Plan and the current tranche of the Discovery Capital 200+ Fund will close. Discovery Invest will switch the proceeds into the Discovery Cautious Balanced Fund.



Any integration you previously qualified for in the Capital 200+ July 2014 tranche will continue. Normal integration rules apply.

02 | Who should invest?

The Discovery Capital 200+ has a moderate to high risk profile, and is most suitable for clients looking for an equity investment and expect markets to remain level or increase over a five-year period.



Low

Low-mod

Moderate

Mod-high

High

This fund is suited to clients who want the following:

- **Equity returns** - returns linked to equity markets with a high minimum return if markets are positive.
- **Diversified offshore exposure** - the investment portfolio is allocated to offshore equities, with diversified exposure across Europe and the US.
- **Long-term investment growth** - for clients with an optimistic view of the growth prospects for developed market equities and who would like to capture the long-term investment growth offered by these markets.
- **Boosted investment returns with protected downside** - a fund that offers the opportunity for enhanced positive returns after five years, with some capital protection¹ in negative market conditions.
- Exposure to foreign markets without exposure to currency fluctuation.

Clients should not invest in this fund if they:

- Need access to their capital within the next five years.
- Do not want any exposure to equity markets.
- Are not willing to risk a potential drop in their capital if the equity market falls by more than 30%².
- Want exposure to rand appreciation or depreciation in a global portfolio.

¹The 100% return and conditional downside protection are before the deduction of any Discovery administration fees, initial and ongoing financial adviser fees, withdrawal fees and taxes, where applicable.

² Figures are indicative. Final terms are subject to market conditions at date of trade. Investors are also subject to any default risk or restructure of the issuer, BNP Paribas Arbitrage Issuance BV and the Guarantor BNP Paribas SA. This is explained fully on page 5.

The Discovery Capital 200+ is based on a global portfolio invested in European and US markets

The global portfolio underlying the Discovery Capital 200+ is composed of an allocation of 70% to the Eurostoxx 50 and 30% to the S&P 500 price indices. Dividends from these indices are used to provide the enhanced payouts and guarantees at maturity and are therefore not included in the index returns. The final allocation between the two indices may change and will be determined as at the date of trade.

SCENARIO 01

100% return¹

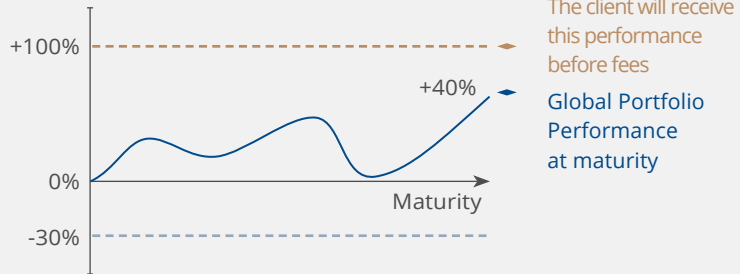
The client invests R1 000 000 in the Discovery Capital 200+:

After five years, the global portfolio has grown cumulatively by 40%. The client will therefore receive: (before fees)

$$\begin{aligned} &R1\ 000\ 000 + \\ &(100\% \times R1\ 000\ 000) \\ &= R2\ 000\ 000 \end{aligned}$$

Discovery administration fees, initial and ongoing financial adviser fees and taxes will also apply and will reduce the amount shown in this example.

Global Portfolio Performance



SCENARIO 02

Unlimited upside potential

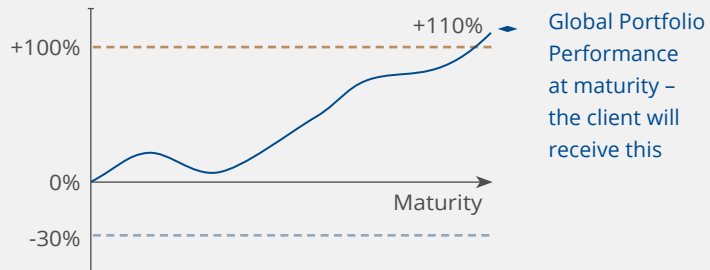
The client invests R1 000 000 in the Discovery Capital 200+:

After five years, the global portfolio has grown cumulatively by 110%. The client will therefore receive:

$$\begin{aligned} &R1\ 000\ 000 + \\ &(110\% \times R1\ 000\ 000) \\ &= R2\ 100\ 000 \end{aligned}$$

Discovery administration fees, initial and ongoing financial adviser fees and taxes will also apply and will reduce the amount shown in this example.

Global Portfolio Performance



SCENARIO 03

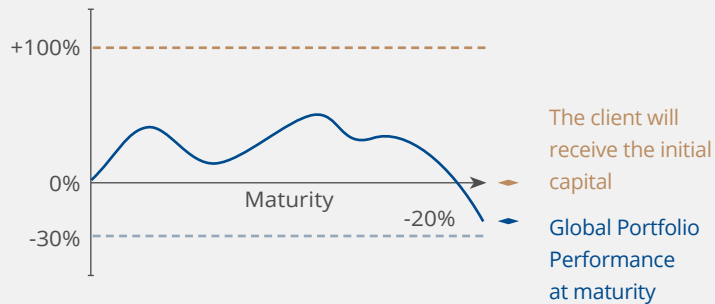
Conditional downside protection

If the return from the global portfolio becomes negative, but the fall in the global portfolio does not exceed 30% at any time over the five-year period, the client will receive the initial capital back at the end of five years.

If the client invests R1 000 000 in the Discovery Capital 200+:

After five years, the global portfolio has fallen by 20% and at no point fell by more than 30%. The client will receive the full R1 000 000 back at the end of the five-year term.

Global Portfolio Performance



Discovery administration fees, initial and ongoing financial adviser fees and taxes will also apply and will reduce the amount shown in this example.

SCENARIO 04

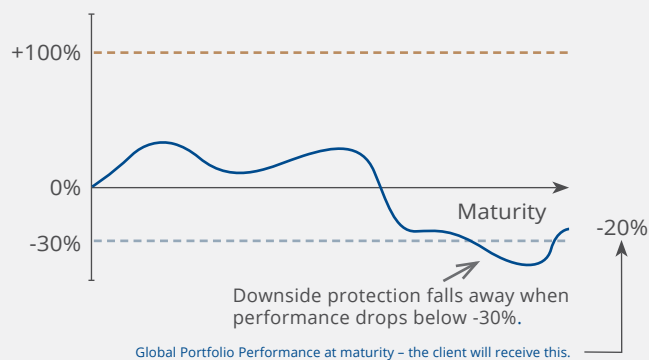
Downside – non-protected capital

If the global portfolio falls by more than 30%, at any point during the five years, the client will be exposed to the return of the global portfolio.

If the client invests R1 000 000 in the Discovery Capital 200+:

During the five years, the global portfolio fell by more than 30% and ended with a performance of -20%. At the point that the performance fell below -30%, the downside protection would have fallen away. The client will therefore receive R800 000 (= R1 000 000 x 80%) back at the end of the five-year term.

Global Portfolio Performance



Discovery administration fees, initial and ongoing financial adviser fees and taxes will also apply and will reduce the amount shown in this example.



Please note that all the examples above are indicative. They exclude tax and any Discovery Invest administration or financial adviser fees. Final terms are subject to market conditions as at date of trade.

Fund information



Availability

This tranche is available only to existing clients who were invested in the Capital 200+ (July 2014 tranche) who are reinvesting the maturity proceeds.



Minimum investment size

R100 000



Annual fund management fees

There are no initial fees or ongoing fund management fees in the global portfolio.



Offer closing date

There is limited capacity for the Discovery Capital 200+. This offer will expire when capacity runs out, but not later than 30 August 2019 (closing date for subscription). All investments must have switch forms completed and submitted by 30 August 2019.



Trade date

6 September 2019



Term

Five years from the trade date, maturing 6 September 2024.



Redemption date

20 September 2024



Fees

Lump-sum Discovery Endowment Plan administration fees and financial adviser fees apply. These will reduce the final return received. Refer to the fact file on www.discovery.co.za for further information on the level of fees.



Tax

The return of the Discovery Capital 200+ is considered capital gains under current tax practice. Tax is deducted within the Endowment Plan and will be paid on your behalf by Discovery Life. Tax will hence reduce the final return received on Endowment Plans.



Issuer and Guarantor

The Discovery Capital 200+ is an inward-listed certificate on the JSE and is issued by BNP Paribas Arbitrage Issuance BV (the Issuer) and guaranteed by BNP Paribas SA.



Maturity Proceeds

At the end of the five year period, the client's proceeds will be switched to the Discovery Cautious Balanced Fund.



Investors are subject to any default risk or restructure of the Issuer BNP Paribas Arbitrage Issuance BV and the Guarantor BNP Paribas SA.

The quoted guarantee levels, global basket constituents, fees, and minimum value after five years if the index is positive, are correct as at the time of printing this fund fact sheet.

Final terms are subject to market conditions at the date of trade and will be fixed at that time. The average of the last five working days' daily unit prices will be used to determine the final global portfolio value.

The return provided by the Discovery Capital 200+ is based on current taxation practices. Changes to taxation may affect the return provided. The Discovery Capital 200+ is backed by a certificate issued by BNP Paribas Arbitrage Issuance BV (the Issuer) and guaranteed by BNP Paribas SA. There is a risk of partial or total loss of capital in the case of bankruptcy or payment default by the Issuer or the Guarantor. BNP Paribas SA is one of the world's largest banking groups, with domestic markets in France, Italy, Belgium, Luxembourg, and retail operations in the USA, Turkey and Africa. BNP Paribas SA enjoys robust credit ratings of A/A1/A+.

Technical details

Investments before the trade date

Money invested in the Discovery Capital 200+ before the trade date will first be invested in a money market fund. Any interest earned together with the initial investment will then be moved into the Discovery Capital 200+ on the trade date, at which time the five year investment period will start. This may or may not coincide with your fifth policy anniversary.

Withdrawals before maturity

The Discovery Capital 200+ is a five-year product with the full upside potential and conditional downside protection only available to investors who remain invested for five years from the trade date. The Discovery Capital 200+ is not recommended for investors who will need their money within the five-year period. Withdrawals before the end of the five year period will receive the market value of the Discovery Capital 200+ at the time. This interim market value may differ from the value of the global portfolio and the final payout after five years. The conditional capital protection only applies as long as the portfolio does not fall by more than 30%². Should the portfolio fall by more than 30% at any point during the five year investment period, the conditional downside capital protection will fall away.

²Figures are indicative. Final terms are subject to market conditions at the date of trade.

Disclaimers

FAIS notice and disclaimer

The views and opinions expressed in this article are for information purposes only and should not be seen as advice as defined in the Financial Advisory and Intermediary Services Act. Discovery shall not be 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 refer to the relevant fact file. The performance figures are based on a lump sum investment over the respective periods shown. These performances will differ from the performance achieved on a Discovery policy due to Discovery's administration and policy fees or taxes (if applicable). Investors should be aware of the risks when purchasing a financial product as past performance is not necessarily a guide to the future. No guarantees are provided which means the investor bears the full risk if BNP Paribas SA suspends its business, defaults or is unable to meet its obligations or for any other reason whatsoever.

This is not a unit trust therefore this fund is not regulated by the Collective Investment Schemes Control Act.

Discovery Life Investment Services Pty (Ltd) branded as Discovery Invest is an authorised financial services provider. Registration number 2007/005969/07. 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.

Neither the Issuer nor the Guarantor have prepared the document and therefore accept no responsibility for its contents nor any losses in connection with the information contained herein.

Index disclaimer

EURO STOXX 50® Index

STOXX and its licensors (the "Licensors") have no relationship to BNP PARIBAS, other than the licensing of the EURO STOXX 50® Index and the related trademarks for use in connection with the Certificates. STOXX and its Licensors do not: Sponsor, endorse, sell or promote the Certificate; Recommend that any person invest in the Certificates or any other securities; Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Certificates; Have any responsibility or liability for the administration, management or marketing of the Certificates; Consider the needs of the Certificates or the owners of the Certificates in determining, composing or calculating the EURO STOXX 50® Index or have any obligation to do so. STOXX and its Licensors will not have any liability in connection with the Certificates. Specifically, STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about: The results to be obtained by the Certificates, the owner of the Certificates or any other person in connection with the use of the EURO STOXX 50® Index and the data included in the EURO STOXX 50® Index; The accuracy or completeness of the EURO STOXX 50® Index and its data; The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index and its data; STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50® Index or its data; Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur. The licensing agreement between BNP PARIBAS and STOXX is solely for their benefit and not for the benefit of the owners of the Certificates or any other third parties.

S&P 500 Index

The Product(s) is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). S&P makes no representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the S&P Indices to track general stock market performance. S&P's only relationship to the Licensee is the licensing of certain trademarks and trade names of S&P and of the S&P Indices which is determined, composed and calculated by S&P without regard to the Licensee or the Product(s). S&P has no obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the S&P Indices. S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Product(s). S&P does not guarantee the accuracy and/or the completeness of the S&P indices or any data included therein and S&P shall have no liability for any errors, omissions, or interruptions therein. S&P makes no warranty, express or implied, as to results to be obtained by the licensee, the parties to this transaction, or any other person or entity from the use of the S&P indices or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P indices or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages.



www.discovery.co.za



[@Discovery_SA](https://twitter.com/Discovery_SA)



[discoverySA](https://www.facebook.com/discoverySA)



[Discovery_SA](https://www.instagram.com/Discovery_SA)



[youtube/DiscoverySA](https://www.youtube.com/DiscoverySA)

The contents of this document should not be seen as financial advice; for any advice-related matters 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 registration number NCRCP3555. Product rules, terms and conditions apply.