

Discovery Medical 2045 Fund

Minimum Disclosure Document

31 July 2025



Fund Detail

| | |
|--------------------|--|
| Portfolio manager | Colourfield Liability Solutions |
| Launch date | 16 January 2017 |
| Benchmark | Post-Retirement Medical Aid Contribution Index |
| Fund size | R31 194 223 |
| NAV price | 10.17c |
| Class | A |
| Income declaration | Rolled up within unit price |
| TER | 1.67% |
| Transaction cost | 0.04% |
| Initial fees | 0.00% |
| Annual fees | 1.25% (excl. VAT) |

Fund Profile and Strategy

The Discovery Medical 2045 Fund is a uniquely structured fund designed specifically to meet the funding of postretirement medical aid contributions. The objective of the fund is to maximise the likelihood that there will be sufficient assets at retirement (around the year 2045) to provide for the required medical aid contributions for 20 years in retirement. To achieve its objective, the fund will aim to outperform the Post-Retirement Medical Aid Contribution Index.

The Fund is continually adjusted by Colourfield to ensure the correct balance between equity, comprised of the Discovery Top 40+ Fund managed by Discovery Life, and inflation-linked bonds, comprised of a long-duration bond fund and a short-duration bond fund, which are both managed by Colourfield. The ratio between the three funds, and therefore the risk profile of the fund, will vary over the investment term, following the group of investors who have a retirement date close to 2045.

Post-Retirement Medical Aid Contribution Index

The benchmark of the Discovery Medical 2045 Fund is the Post-Retirement Medical Aid Contribution Index, created by Colourfield and Discovery Invest. This unique tailor-made index is the first of its kind in South Africa and is endorsed by Nobel Laureate in Economics, Professor Robert Merton. The index tracks the value of the amount needed today to fund medical aid contributions for 20 years in retirement (after 2045). The calculation of the index takes into account Discovery Health Medical Scheme (DHMS) plan increases, inflation and long-term interest rates.

Contributions Required for Discovery Health Medical Scheme (DHMS) Plans

Shown below are the estimated lump-sum and recurring contributions required today in order to fund medical aid contributions for 20 years into retirement for either a principal only or a principal and spouse, assuming retirement in the year 2045. These figures will be updated from time to time in line with Discovery Health Medical Scheme plan increases and market performance. They can be used as an indication but are not guaranteed. They do not allow for the effects of Discovery Invest's Investment Integration, tax or financial adviser fees since these depend on personal circumstances, but we recommend that the amounts are adjusted to account for these.

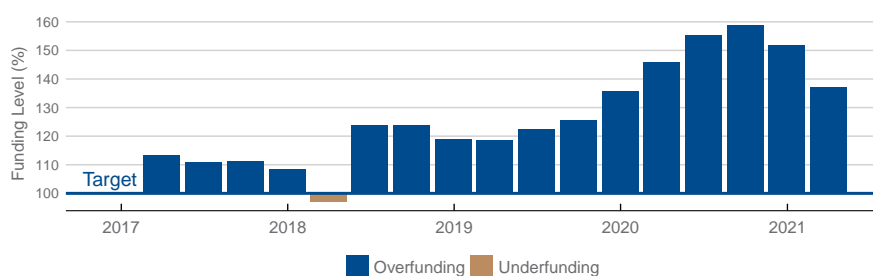
| Discovery Health Medical Scheme Plan | Principal only | | Principal and Spouse | |
|--------------------------------------|----------------|-----------|----------------------|-----------|
| | Lump-sum | Recurring | Lump-sum | Recurring |
| Executive | R1 751 084 | R7 163 | R3 502 169 | R14 326 |
| Classic Comprehensive | R1 437 312 | R5 880 | R2 796 565 | R11 440 |
| Classic Delta Comprehensive | R1 294 246 | R5 294 | R2 519 391 | R10 306 |
| Essential Comprehensive | R1 368 978 | R5 600 | R2 661 945 | R10 889 |
| Essential Delta Comprehensive | R1 233 079 | R5 044 | R2 397 568 | R9 808 |
| Classic Smart Comprehensive | R1 392 524 | R5 696 | R2 677 813 | R10 954 |
| Classic Priority | R920 586 | R3 766 | R1 646 664 | R6 736 |
| Essential Priority | R896 529 | R3 667 | R1 601 620 | R6 552 |
| Classic Saver | R779 312 | R3 188 | R1 394 060 | R5 703 |
| Classic Delta Saver | R622 682 | R2 547 | R1 114 582 | R4 559 |
| Essential Saver | R702 276 | R2 873 | R1 229 240 | R5 028 |
| Essential Delta Saver | R560 234 | R2 292 | R983 033 | R4 021 |
| Coastal Saver | R659 536 | R2 698 | R1 155 275 | R4 726 |
| Classic Smart | R617 307 | R2 525 | R1 104 345 | R4 518 |
| Essential Smart | R441 994 | R1 808 | R883 988 | R3 616 |
| Classic Core | R773 425 | R3 164 | R1 383 566 | R5 660 |
| Classic Delta Core | R619 099 | R2 533 | R1 107 160 | R4 529 |
| Essential Core | R664 654 | R2 719 | R1 162 953 | R4 757 |
| Essential Delta Core | R531 058 | R2 172 | R930 567 | R3 807 |
| Coastal Core | R615 004 | R2 516 | R1 076 704 | R4 404 |

Disability Protector

Upon early retirement due to a disability event, investors may be underfunded for their medical aid liability. The Disability Protector assists investors by providing a boost to their investment of up to 150%. The boost is calculated based on the value in the Discovery Medical 2045 Fund six months prior to the disability event. The size of the boost, shown in the table below, is dependent on the fund value and age at the time of disability, and is paid into the fund.

| Medical Fund(s) value upon disability | Age upon event of disability | | |
|---------------------------------------|------------------------------|---------------|---------------|
| | 40 or younger | From 41 to 55 | From 56 to 65 |
| First R250 000 | 150% | 100% | 50% |
| Next R250 000 | 100% | 60% | 35% |
| Next R250 000 | 50% | 35% | 20% |
| Next R250 000 | 25% | 20% | 10% |
| Next R500 000 | 15% | 10% | 5% |

Historical Funding Level



Funding Level Statistics

| Statistic | Fund |
|---------------------------------|---------|
| Current Funding Level | 137.14% |
| Liability Tracking Error (Ann.) | 36.85% |

Discovery Medical 2045 Fund

Minimum Disclosure Document

31 July 2025



Top 10 Holdings

| Description | Weight |
|------------------------------|--------|
| Naspers -n | 13.7% |
| Goldfields Ltd | 7.6% |
| Firststrand | 6.0% |
| Anglo Gold Ashanti | 5.5% |
| Capitec | 4.8% |
| Stanbank | 4.7% |
| Mtn Group | 4.7% |
| Prosus Nv | 4.5% |
| British American Tobacco Plc | 3.3% |
| Anglo | 2.6% |

Asset Class Returns - 1 year

| Asset Class | Return |
|-----------------|--------|
| SA Equity | 23.2% |
| SA Bonds | 17.0% |
| SA Cash | 8.0% |
| SA Property | 24.4% |
| Offshore Equity | 15.2% |
| Offshore Bonds | 3.0% |

Who Should Invest

The Fund is suited to investors looking to target their postretirement medical aid liability for 20 years in retirement.

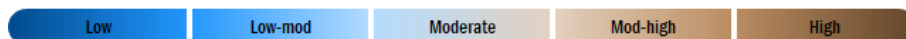
Why You Would Select This Fund

Personalised investment approach - to meet your medical aid contributions for you and your family upon reaching your retirement age. The Fund is dynamically managed in order to maximise the likelihood of providing the postretirement medical aid contributions for 20 years starting on or around 2025. This means that the fund is rebalanced on an ongoing basis to allocate between an equity component and an inflation-linked bond component based on changes in fund performance, inflation, actual Discovery Health Medical Scheme (DHMS) increases and long-term interest rates.

Investment expertise - the manager of the liability-driven investment strategy, Colourfield Liability Solutions, is the largest provider of liability-driven investment strategies in South Africa.

Regulation 28 compliant - the fund complies with Regulation 28 of the Pension Funds Act which governs the maximum allocation a fund may have to risky asset classes.

Risk Profile



Historical Performance Of Lump Sum Investment



Historical Performance Table

| Period | Fund |
|---------------------|--------|
| 1 year (Ann.) | 17.15% |
| 3 year (Ann.) | 11.58% |
| 5 year (Ann.) | 10.40% |
| 10 year (Ann.) | - |
| Since Launch (Ann.) | 6.47% |
| Since Launch (Cum.) | 70.56% |

Risk Statistics Table

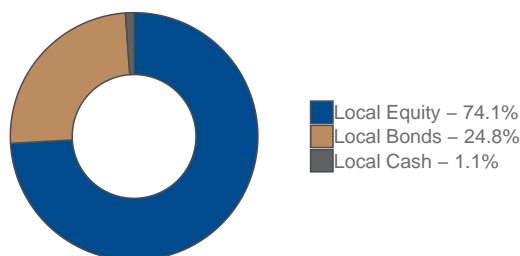
| Statistic | Fund |
|--------------------------------|---------|
| Volatility (Last 3 Years Ann.) | 12.28% |
| Maximum Drawdown | -30.27% |
| Best Annual Return | 27.20% |
| Worst Annual Return | -15.36% |
| Sharpe Ratio (Rf = 0%) | 0.65 |
| Information Ratio | - |

Performance figures are calculated using the Total Returns Index (TRI) for a lump sum investment. The TRI is calculated by purchasing and reinvesting units on the declaration date at the Net Asset Value (NAV) price as at the reinvestment date. The TRI on any day is adjusted for NAV movements and dividend declarations. The performance is shown as net of asset management fees.

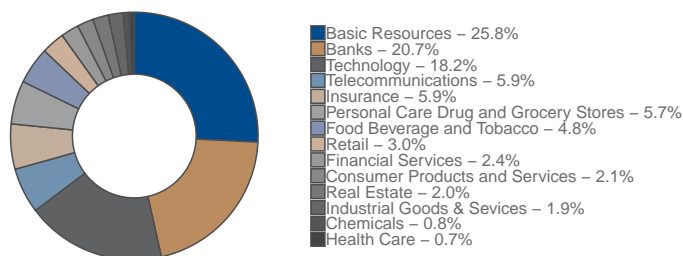
Monthly Returns Table - Last 5 Years

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| 2025 | 2.0% | 1.1% | 2.2% | 2.1% | 3.0% | 1.3% | 1.9% | - | - | - | - | - |
| 2024 | -2.3% | -1.9% | 2.5% | 2.4% | 0.1% | 3.7% | 2.5% | 1.7% | 1.9% | -0.3% | -0.7% | -0.2% |
| 2023 | 4.0% | -0.9% | -0.4% | 2.4% | -2.9% | 1.0% | 3.1% | -3.8% | -2.8% | -3.5% | 8.6% | 0.9% |
| 2022 | 0.3% | 2.2% | -0.5% | -1.7% | -0.4% | -4.4% | 0.9% | 0.1% | -4.2% | 2.7% | 6.1% | 0.7% |
| 2021 | 1.5% | 2.5% | 0.9% | 0.7% | 2.2% | -2.2% | 2.3% | -0.9% | -2.4% | 3.6% | 2.1% | 3.8% |

Asset Allocation Chart



Sector Allocation Chart



Discovery Medical 2045 Fund

Minimum Disclosure Document

31 July 2025



Boosts, Benefits and Protectors

To see what benefits this fund qualifies for, click [here](#).

Contact Us

Discovery

Discovery Life Limited

Physical address 1 Discovery Place, Sandton, 2196
Postal address PO Box 653574, Benmore, 2010
Contact centre 0860 67 5777
Fax number 011 539 5777
Website www.discovery.co.za

Discovery Life Limited, registration number 1966/003901/06, is a licensed insurer, and an authorised financial services and registered credit provider, NCR Reg No. NCRCP3555.

Asset Manager

Colourfield Liability Solutions

Physical address 3 Melrose Boulevard, Melrose Arch, Johannesburg, 2196

Colourfield Liability Solutions is an authorised financial services provider.

Information You Need to Know about Your Investment in this Product

What is the investment?

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

You understand that your investment may go up or down

1. Past performance is not necessarily a guide to future performance.
2. All returns quoted are after deduction of fund management fees.
3. All returns are in Rands.

Fees and charges for this investment

There are fees and other charges for this investment.

Funds are classified according to annual service fees so each class has its own fee structure.

Performance fees are not applicable.

You decide about the suitability of this investment for your needs

By investing in this Fund, you confirm that:

- Discovery Invest did not provide you with any financial and investment advice about this investment.
- you have taken particular care to consider whether this investment is suitable for your own needs, personal investment objectives and financial situation.
- this information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended.
- Discovery Life shall not be liable for any actions taken by any person based on the correctness of this information.

Specific risks of this investment

- Default - there is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.
- Derivatives - the use of derivatives may increase the overall risk in the Fund by multiplying the effect of both gains and losses. This may lead to large changes in the value of the Fund and potentially large financial loss.
- Interest rate - the value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.
- Third party operational - the Fund's operations depend on third parties. Investors in the Fund may suffer disruption or financial loss in the event of third-party operational failure.

This document was published on 14 August 2025.