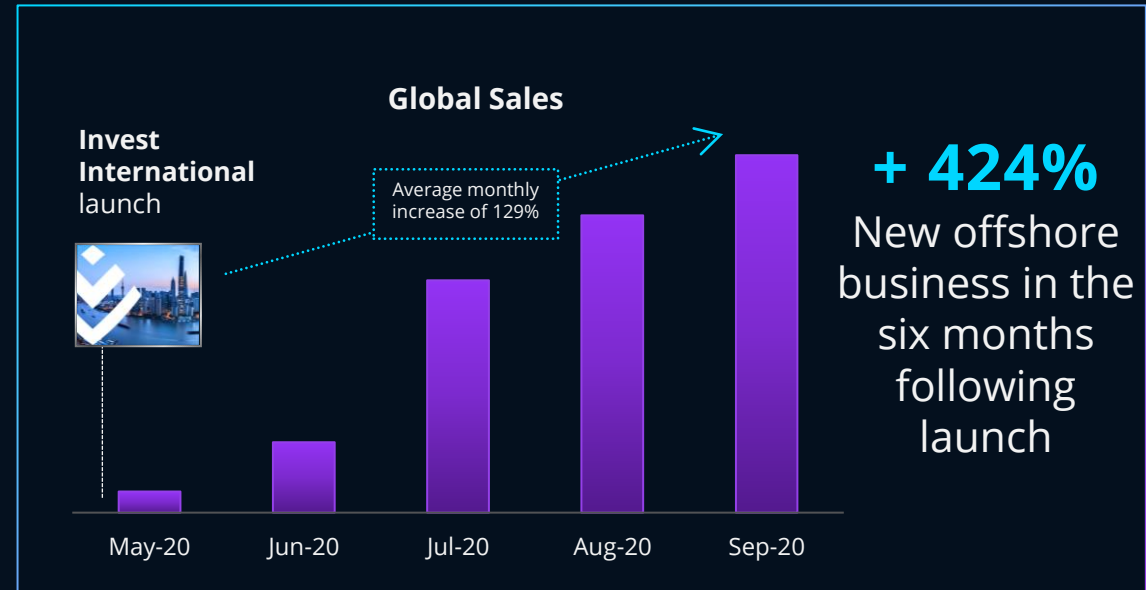
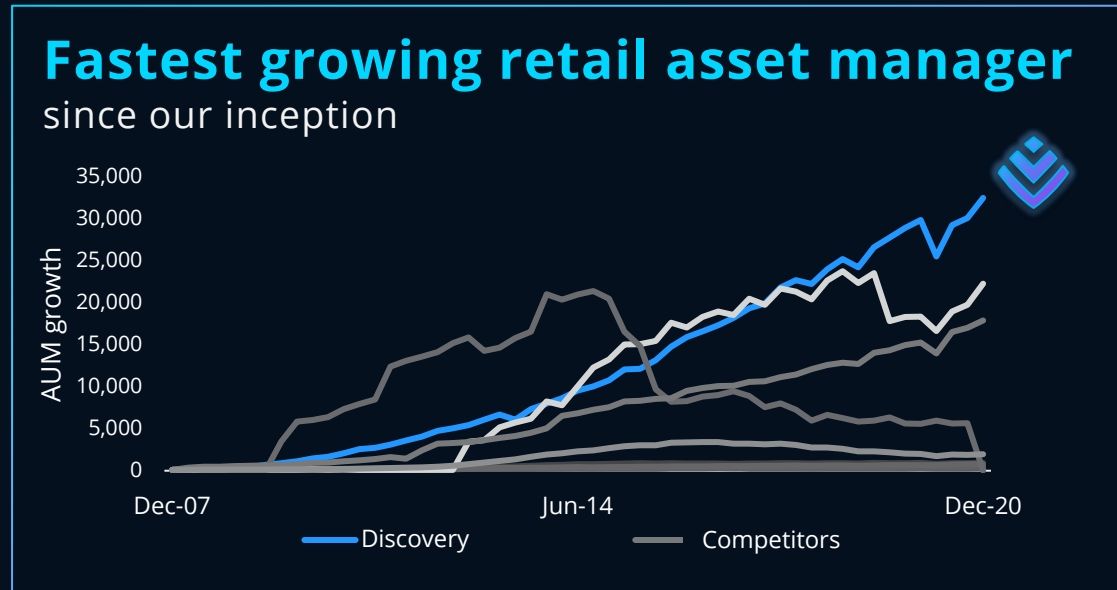
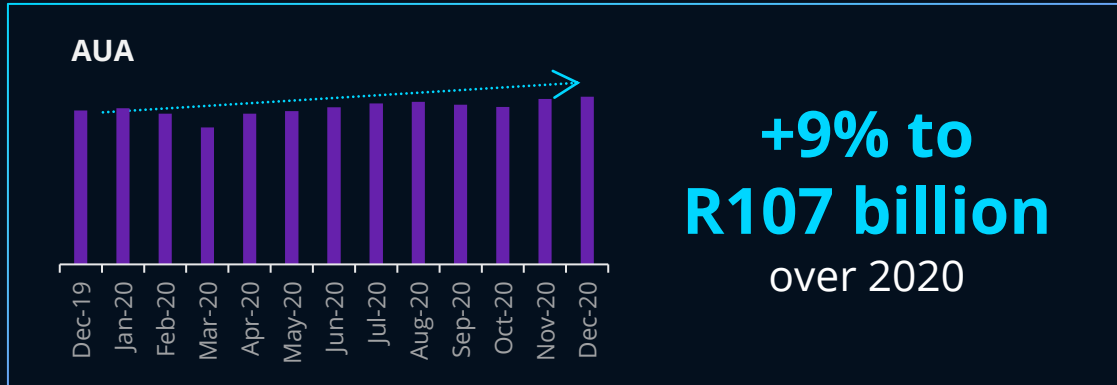




**DISCOVERY INVEST**  
**BUSINESS UPDATE**



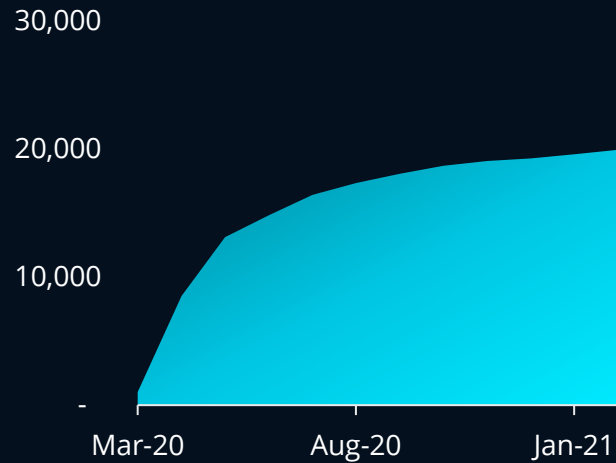
# BUSINESS UPDATE



# SHARED VALUE MODEL DRIVES RESILIENCE

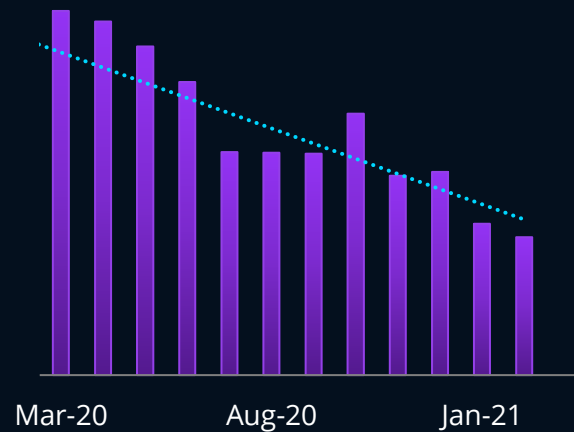
## Contribution holidays

More than  
**83%**  
back in payment



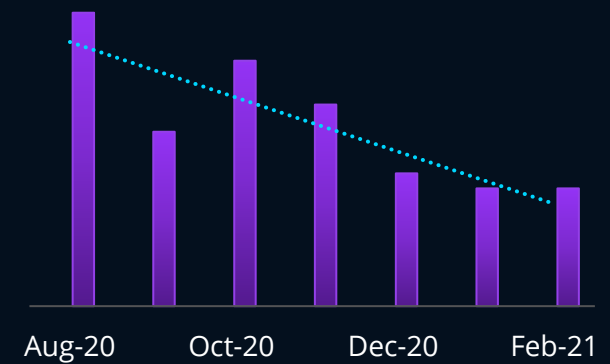
## Withdrawals

Down  
**23%**  
since Mar 2020

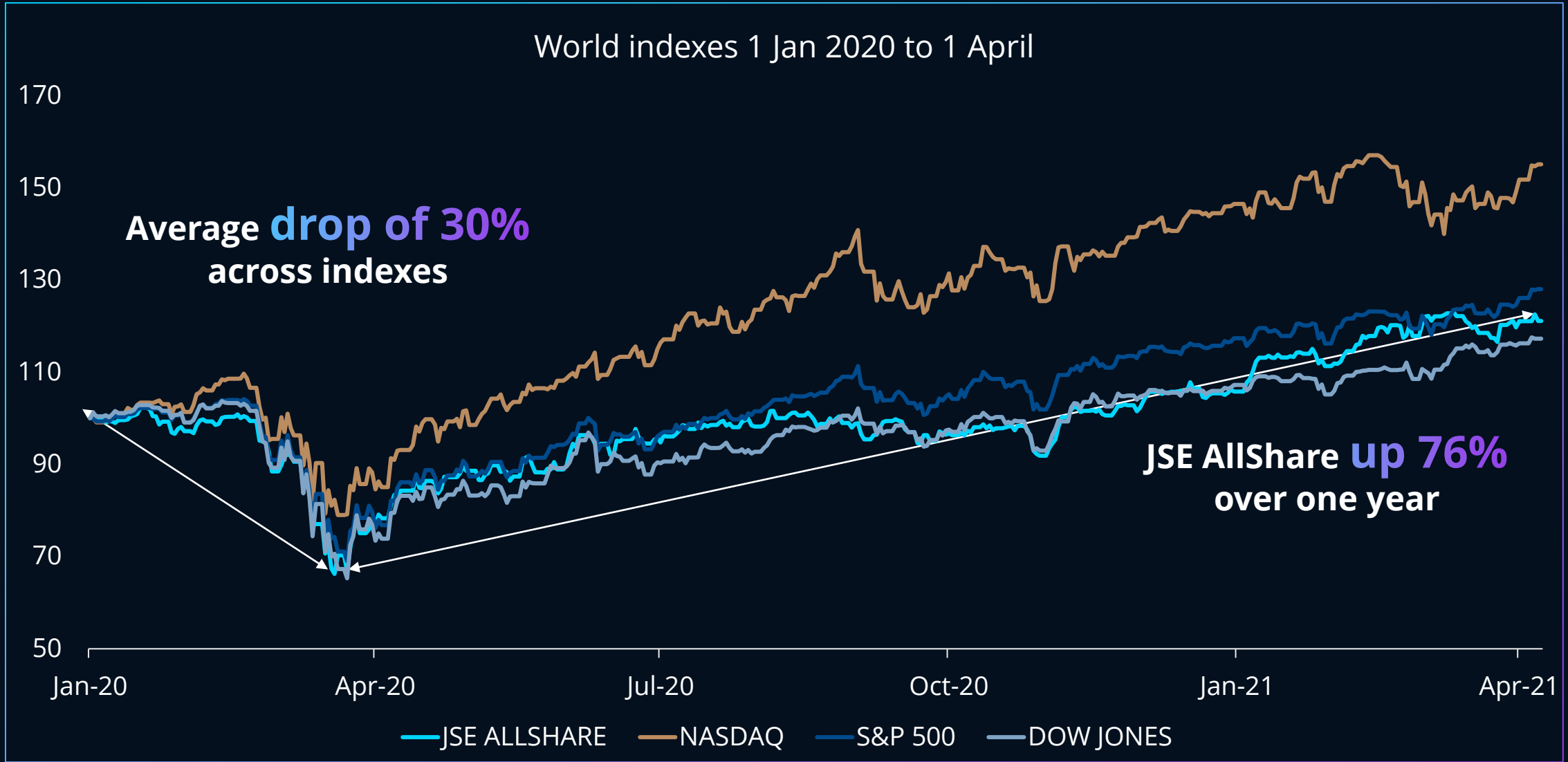


## Lapses

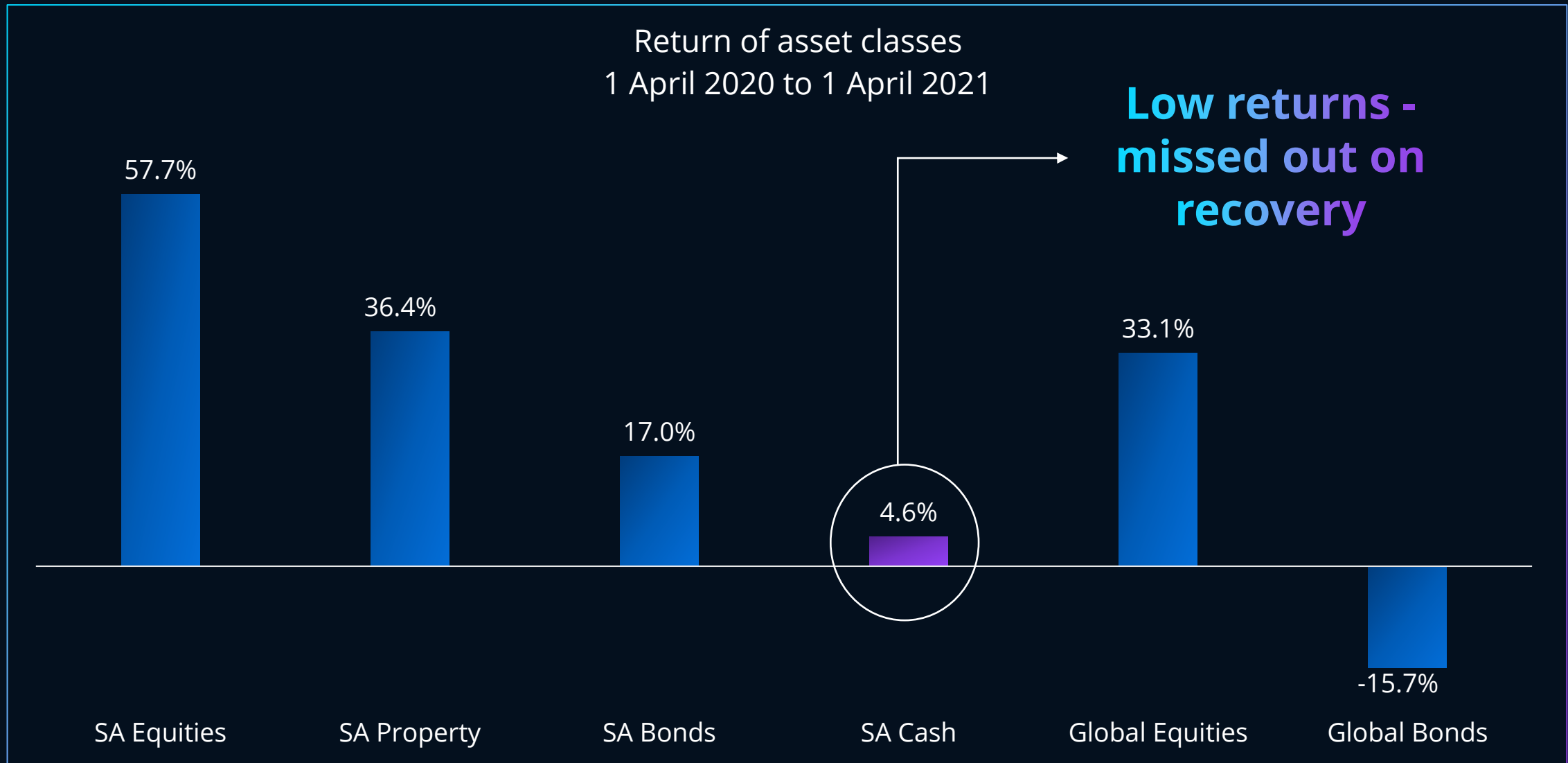
Down  
**33%**  
since Aug 2020



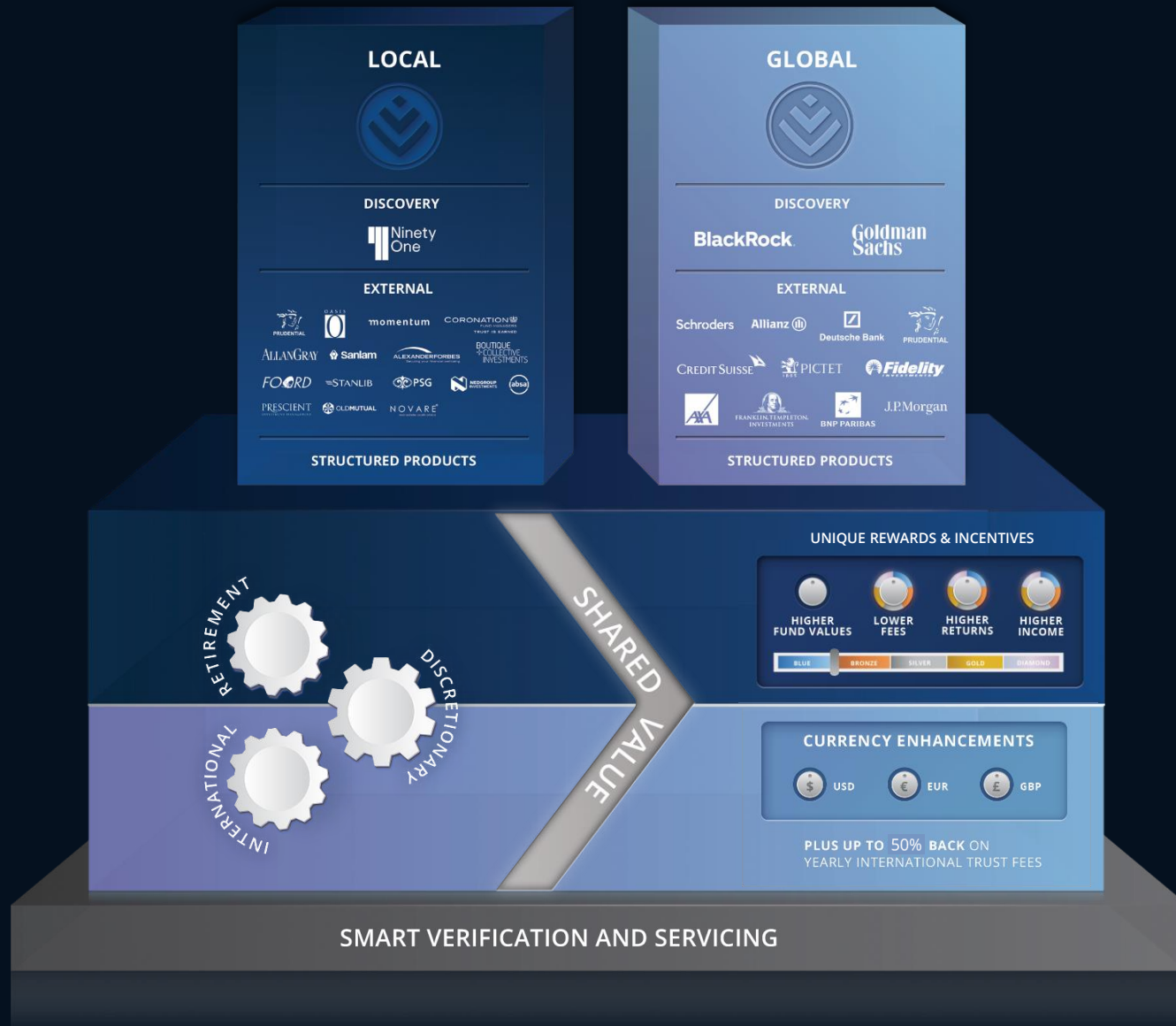
# COVID-19 SAW AN UNPRECEDENTED MARKET DROP AND RECOVERY



# RECORD NET INDUSTRY INFLOWS IN 2020 – 86% TO INTEREST-BEARING

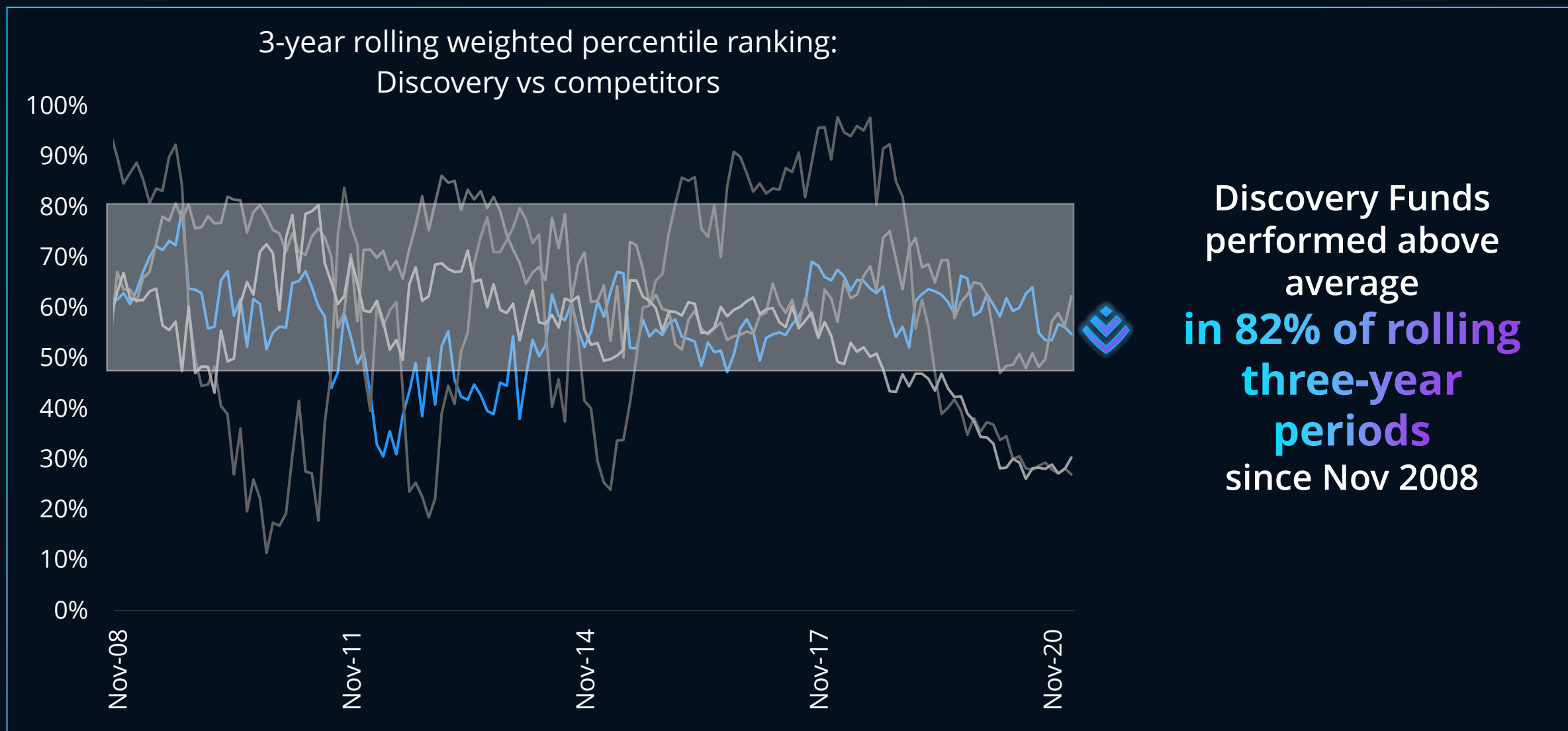


# OUR BUSINESS MODEL



**Brilliant asset management  
with leading partnerships**

# DISCOVERY FUNDS AIM TO CONSISTENTLY OUTPERFORM PEERS



# STRONG PERFORMANCE ACROSS OUR FUND RANGE

## Multi-asset range

### Performance quartile

	Six months	One year	Three year	Five years
<b>Discovery Dynamic Asset Optimisers</b>				
Conservative	1	2	1	1
Moderate	1	1	1	1
Aggressive	1	1	1	1

### Discovery Balanced Funds

Balanced	2	2	2	2
Moderate Balanced	2	2	2	1
Cautious Balanced	2	2	2	1

## Local single asset-class

### Equity

**37%**

over one year



over three and five years

### Flexible Property

**43%**

over six months



over three and six months

## Global equity funds

### Value

**59%**

over one year



over three & six months, one year

### Equity Feeder

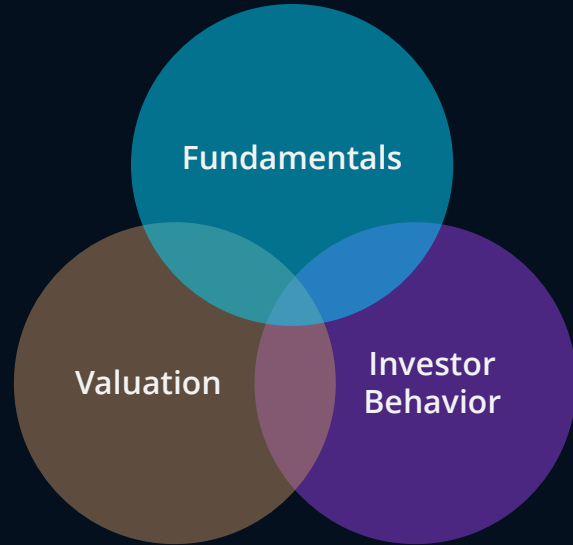
**26%**

over one year



over **ALL** investment periods

## Holistic investment approach



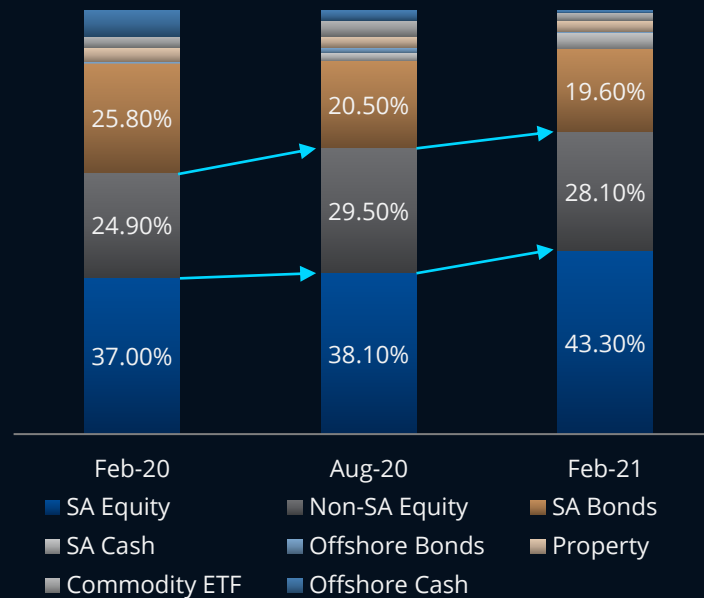
Global team with 15 years working together

Only globally integrated allocation approach in SA

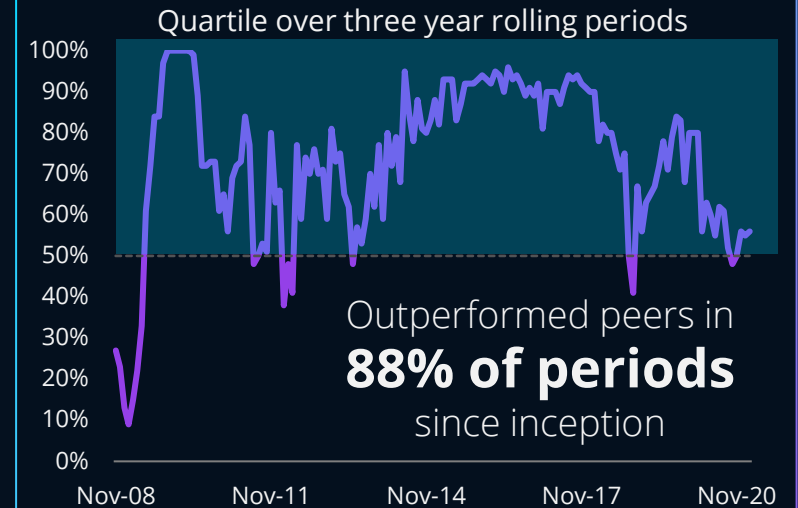
## Asset allocation adjusted for growth

### 9.5% increase in equity exposure over one year

Asset allocation since February 2020



## Consistent out-performance



**Up 35%**  
over 1 year to 1 April 2021

**4<sup>th</sup> largest**  
high-equity balanced fund in SA

# DISCOVERY GLOBAL EQUITY FEEDER FUND MANAGED BY



## Experienced management team

More than **32** specialists across



Global sectors



Regions



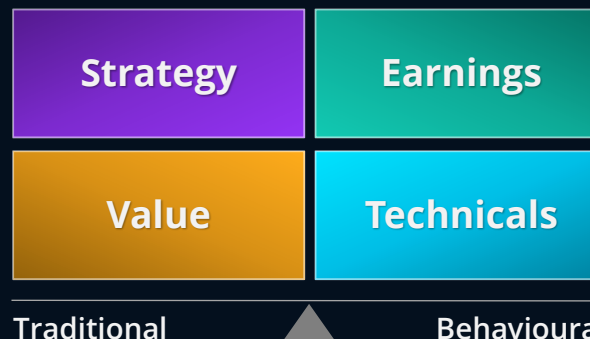
Factor research

With over **500** years of combined experience globally

Focused on different economies and sectors around the globe



## In depth 4Factor approach



Harnessing tech and research to narrow portfolio to selected, strong stocks

- 1 4Factor screen**  
Proprietary technology to identify stocks with strong fundamentals **> 3,500**
- 2 Fundamental analysis**  
Deep understanding of company business drivers **700-900**
- 3 Portfolio construction**  
Within defined investment guidelines **80-120**

## Fund portfolio & performance

Top five holdings following themes of Technological disruption



➤ P/E ratio of 14X – positioned for growth



➤ 2<sup>nd</sup> highest contributor to 12-month return



Microsoft

Alphabet

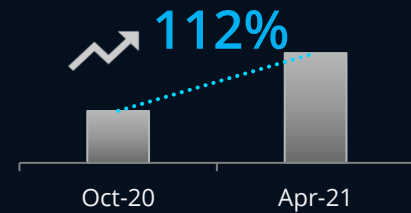
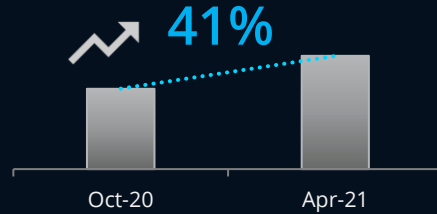


One-year return of the **Discovery Global Equity Feeder Fund:**

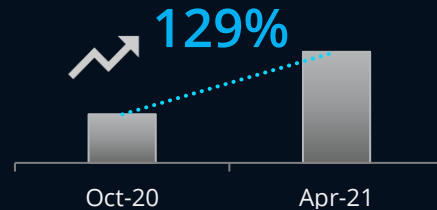
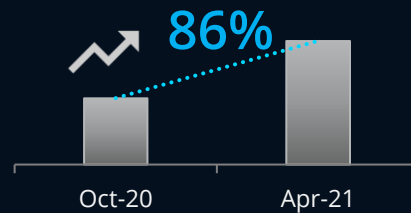
**26%**

Large exposure to "reopening stocks"

Booking.com



easyJet



Drove substantial returns




Up 50% in USD  
over six months




Up 85% in USD  
since market crash






# THE DISCOVERY DYNAMIC ASSET OPTIMISER FUND RANGE

## Dynamic asset allocation managed by RISCURA

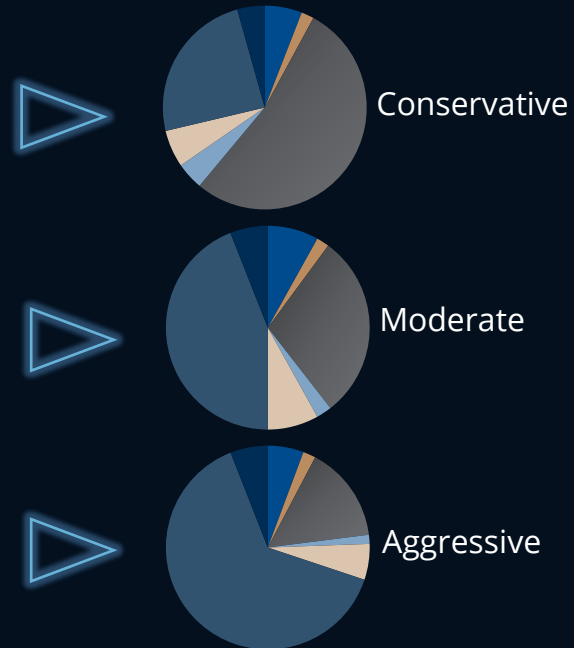
 16 years average experience

 Extensive global knowledge

### Discovery funds

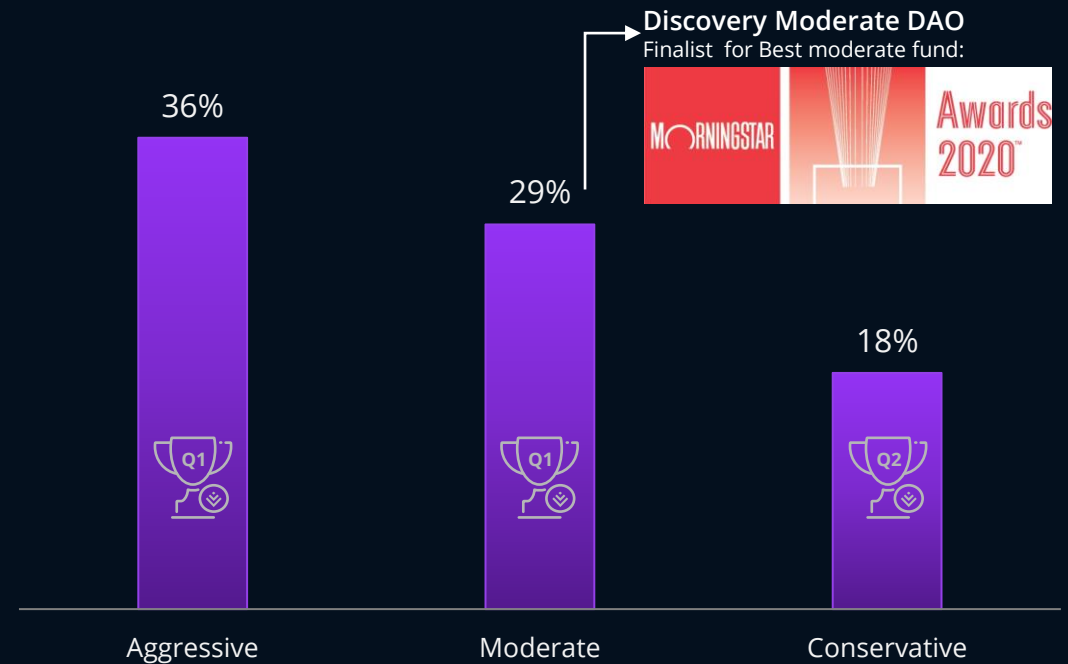
-  Global Value Equity
-  Global Real Estate
-  Strategic Bond
-  Diversified Income
-  Global Equity
-  Equity
-  Flexible Property

### Dynamic Asset Optimisers



## Award winning performance

One-year return of Discovery Dynamic Asset Optimisers



**WITH PRIMEFLEX CLIENTS CAN GET AWARDED DISCOVERY MILES THROUGH VITALITY**

# DISCOVERY GLOBAL MULTI-ASSET PORTFOLIOS

**BlackRock**<sup>®</sup>

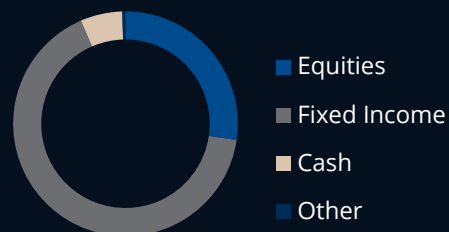
## Top performing active-passive portfolios

### CONSERVATIVE



Up 3% in USD  
over six months

Asset allocation

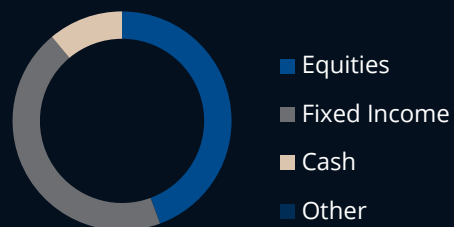


### MODERATE



Up 7% in USD  
over six months

Asset allocation

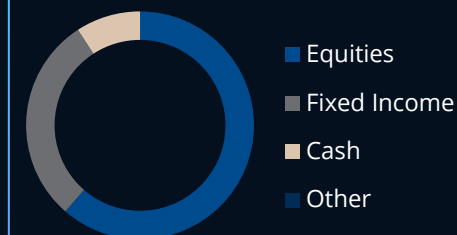


### GROWTH



Up 10% in USD  
over six months

Asset allocation



17 funds and ETFs from 9 managers  
across both developed and emerging markets

# DISCOVERY GLOBAL SHARE PORTFOLIOS | STRONG RETURNS IN USD TO DATE

Goldman  
Sachs

## Asset Management



GLOBAL GROWTH

**38% return in USD**

over one year

**+8.75%**

on MSCI World



25-40 high  
quality stocks



Emphasis  
on valuation



Alphabet



Boston  
Scientific



NORTHERN  
TRUST

Honeywell

AstraZeneca



Share sample as at 31 January 2021



GLOBAL MILLENNIAL

**>50% return in USD**

over one year

**+25%**

on MSCI ACWI Growth



fundamentally solid  
companies...



... that service tech-  
focused millennials

Alphabet

amazon



Tencent

腾讯

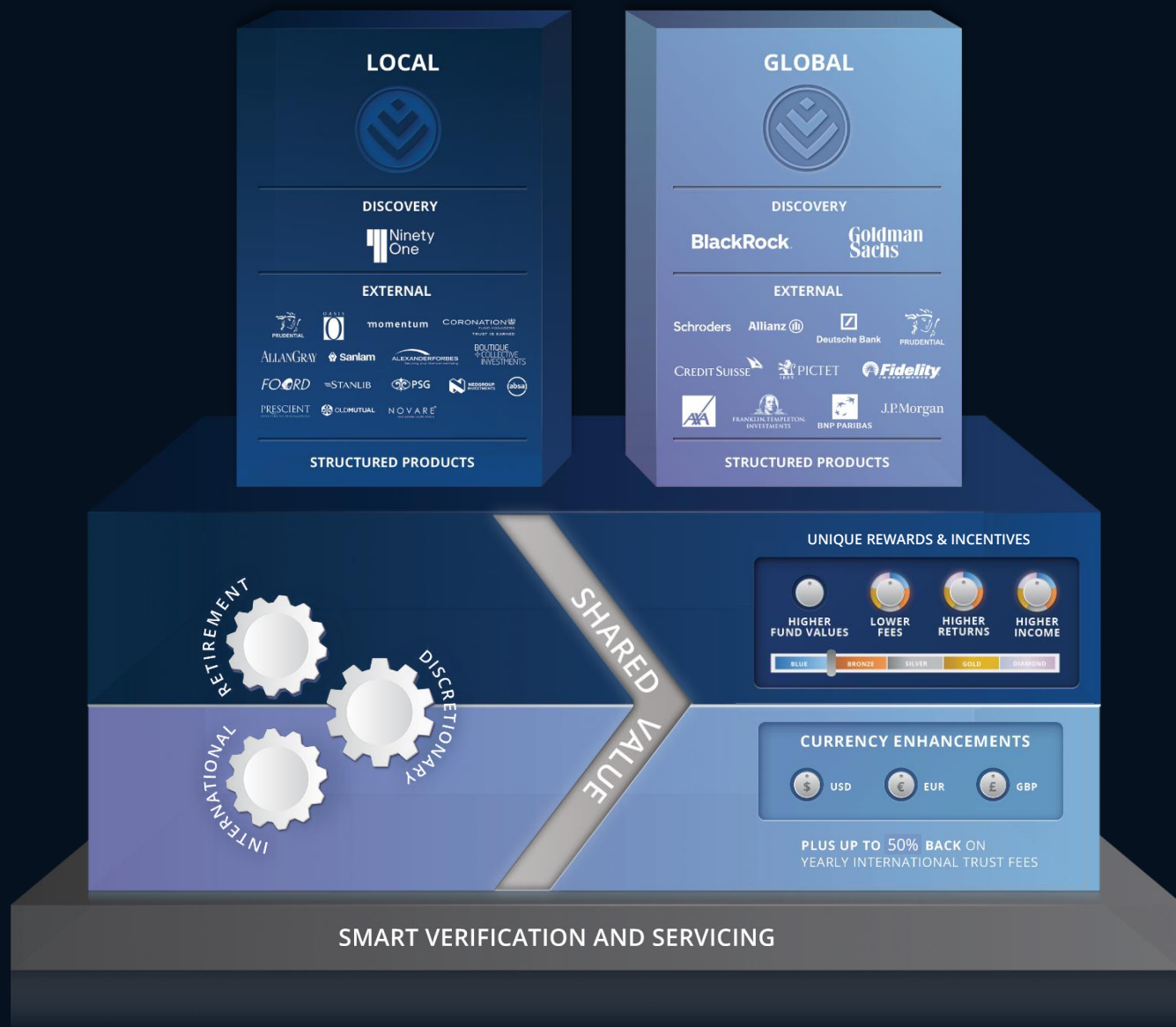


NEXTERA  
ENERGY



Share sample as at 31 January 2021

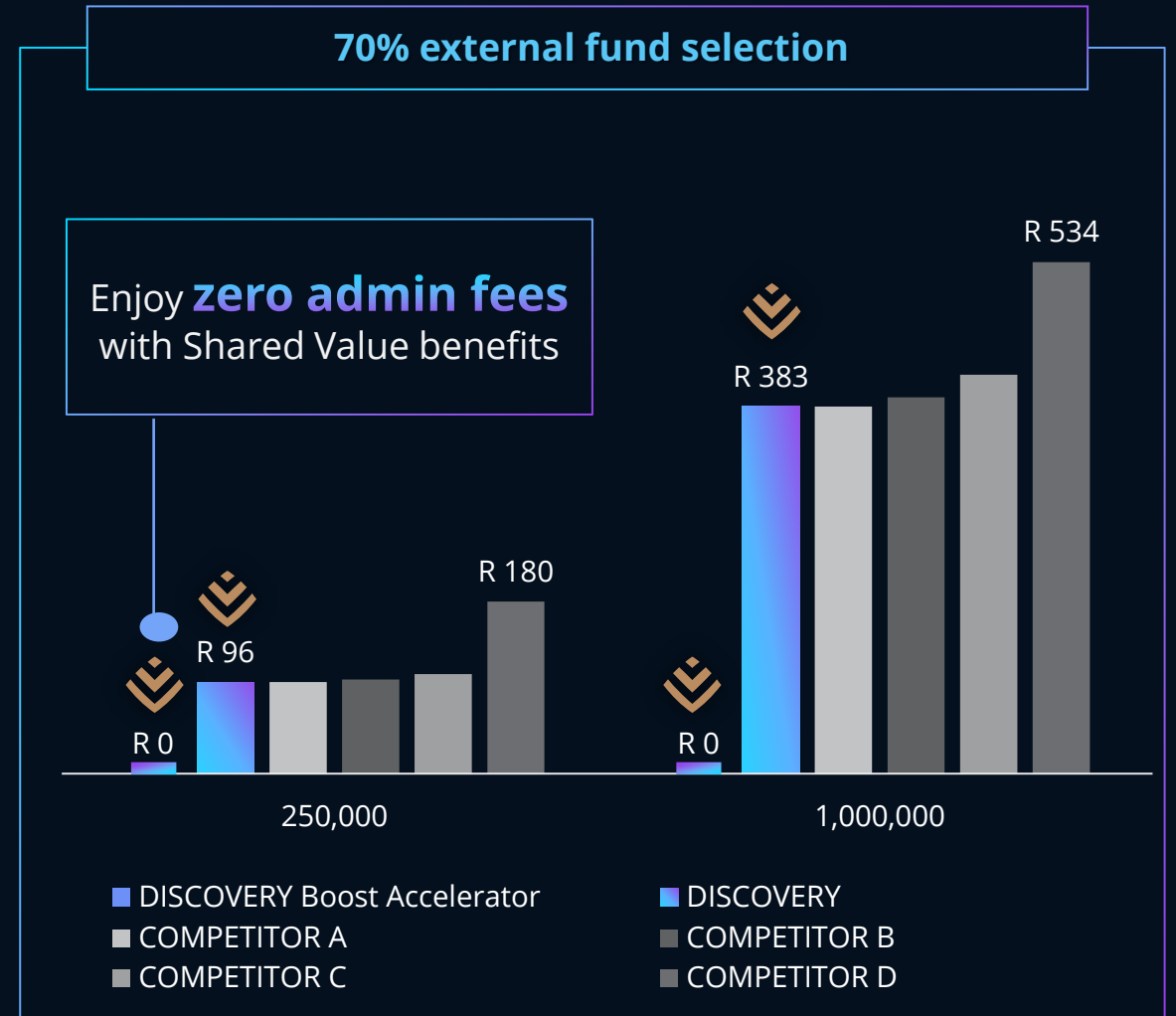
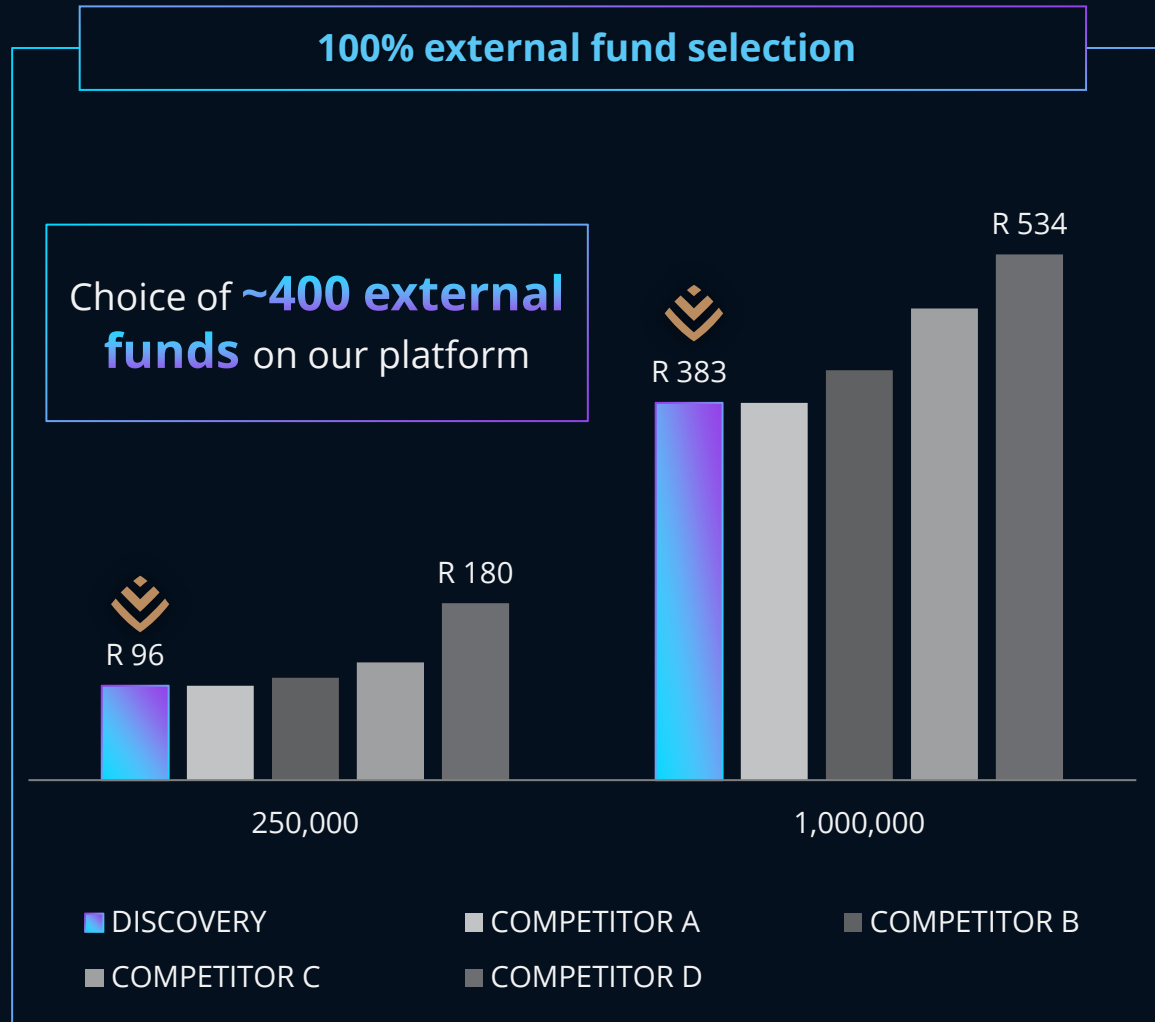
# OUR BUSINESS MODEL



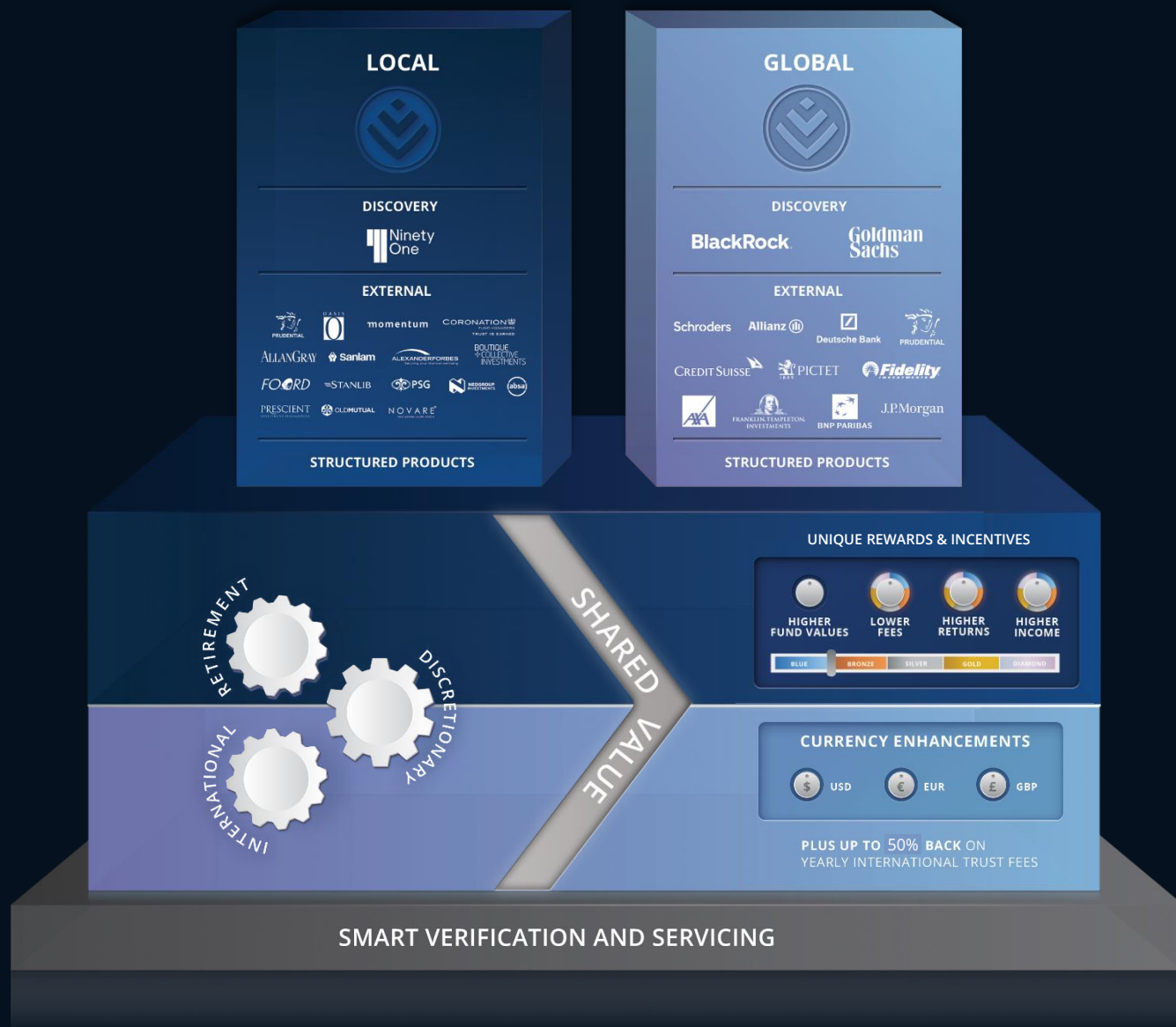
**Brilliant asset management  
with leading partnerships**

**Competitive platform for  
all fund choices**

# LUMP-SUM RETIREMENT ANNUITIES & PRESERVERS MONTHLY ADMIN FEES



# OUR BUSINESS MODEL



**Brilliant asset management with leading partnerships**

**Competitive platform for all fund choices**

**Unmatched outcomes using behavioural economics**

# SHARED VALUE GIVES EXTRA VALUE AND ENHANCES OUTCOMES ACROSS WRAPPERS

**INCOME BOOST OF UP TO**

**50%**

on our  
Living Annuity



**19%**

average income boost

**BOOST OF UP TO**

**20%**

on lump-sum  
Retirement Annuities



**90%**

chance of benefits  
exceeding all admin fees

**BOOST OF UP TO**

**20%**

on our  
local Endowment



**22%**

more likely to remain  
invested through the 2020  
market crash

# BEST PRODUCT OUTCOMES FOR CLIENTS AND ADVISERS

## Improves client outcomes

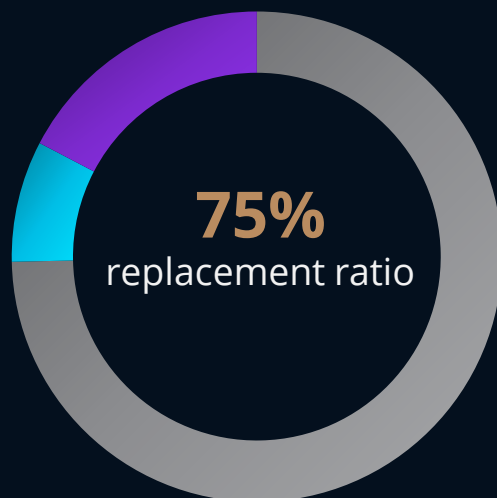
### Pre-retirement

fund

boost

behaviour

Average client receives an **upfront boost of 11%** and **invests 3 years longer**



### Post-retirement

Average client gets



**19% more income**

OR



**seven years more income**

## Improves adviser outcomes

Results in **+44%** in Adviser fees from investing longer and 10% adhoc every 5 years

Results in **+53%** in Adviser fees from lower drawdowns

# BRAND AND SHARED VALUE MODEL RESONATE WITH THE CONSUMERS

## Brand Health Research 2020



askafrika  
decisioneering through facts

>4,000 people surveyed

## Discovery Invest brand is leading the industry



**in overall brand satisfaction**

versus four other major platforms



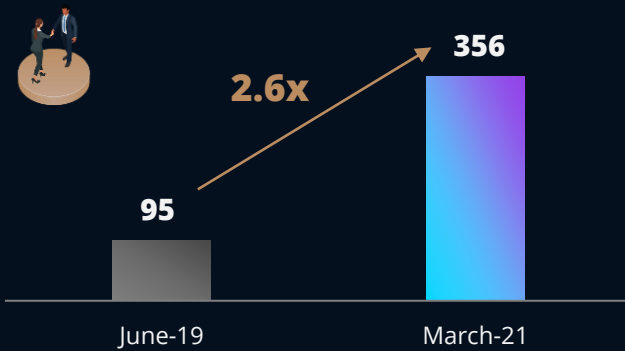
**76% of clients likely to promote**

beating most platforms

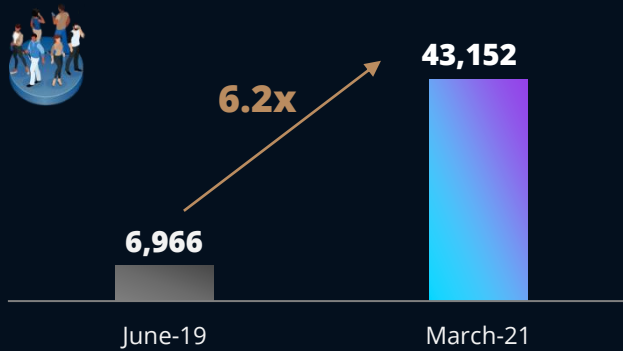
# SAME SHARED VALUE MODEL IN UMBRELLA IS SEEING STRONG TRACTION

## Rapid growth since launch in July 2018

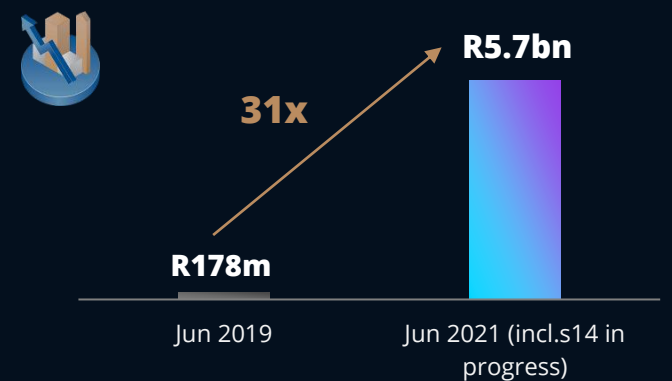
### Schemes



### Members



### Assets under management

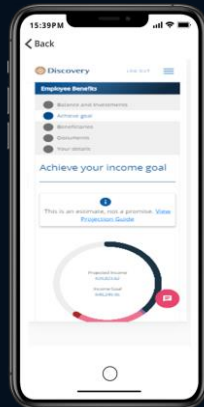


## Attractive benefits

Up to 15%  
boost

to members' assets

## Distinct digital offerings



- Contribution Optimiser
- Straight through switching
- Daily balances
- Real time member documents
- Online beneficiary nomination

## Including major schemes



SNC • LAVALIN



# Simpler. More cost-effective. New opportunities.



Highest paying  
Living Annuity now  
enhanced even further



Investment opportunity to  
capture global megatrends



More cost-effective  
offshore investing

# Simpler. More cost-effective. New opportunities.



Highest paying  
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Investment opportunity to  
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More cost-effective  
offshore investing

# HIGHEST PAYING LIVING ANNUITY NOW ENHANCED EVEN FURTHER



More competitive **admin fees on all funds**



Simplified **income boost structure**



Higher income **on every fund**



# MORE COMPETITIVE ADMIN FEES ON ALL FUNDS

## Lower annual admin fee

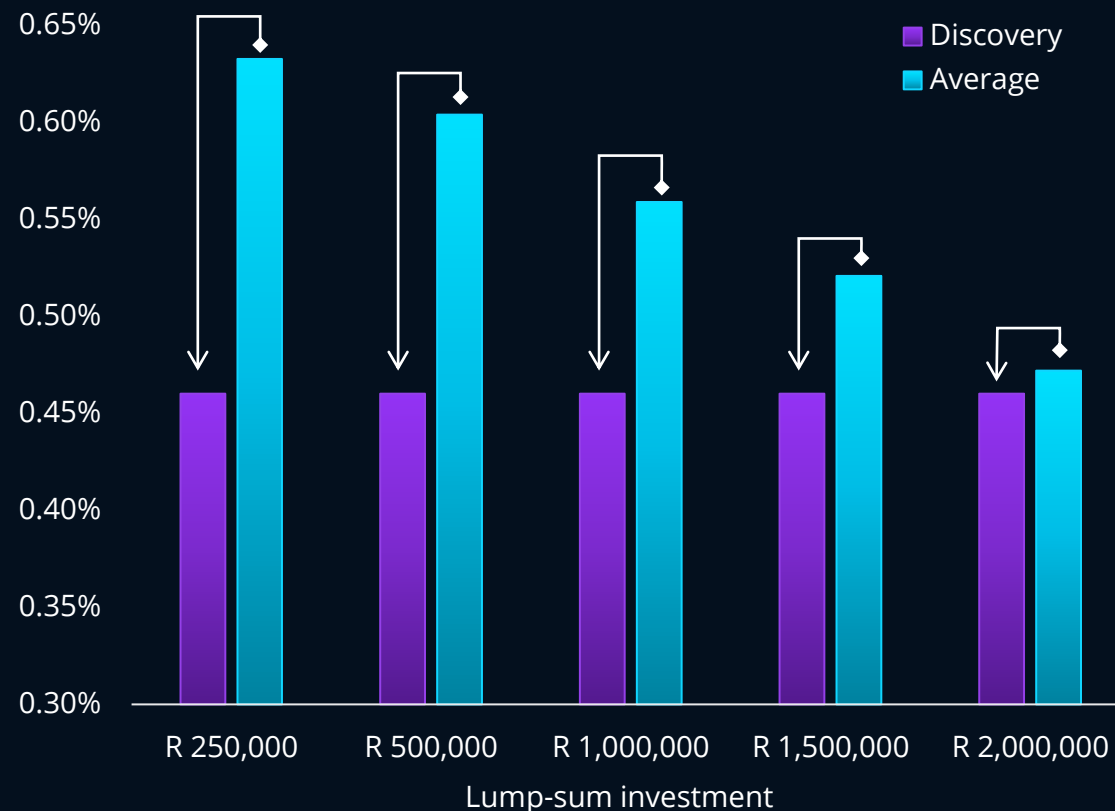
Fund size	Current annual admin fee
First R1,500,000	0.55%+VAT
Next R2,500,000	0.35%+VAT
Above R4,000,000	0.20%+VAT



## Fund size Annual admin fee

First 2,000,000	0.40%+VAT
Next 3,000,000	0.35%+VAT
Above 5,000,000	0.20%+VAT





## Cost-effective with 100% external funds



## One simple fee structure across Retirement Annuities, Preservers & Living Annuities

# CURRENT INCOME BOOST STRUCTURE – DISCOVERY FUNDS

Yearly retirement income %	Vitality Status					
	None	Blue	Bronze	Silver	Gold	Diamond
2.50% - 3.00%	10%	12.5%	15%	20%	25%	<b>30%</b>
3.01% - 3.50%	5%	7.5%	10%	12.5%	15%	20%
3.51% - 4.00%	2.5%	2.5%	5%	7.5%	10.5%	15%
4.01% - 4.50%	1.5%	1.5%	2.5%	5%	7.5%	10%
4.51% - 5.25%	0.5%	0.5%	1.5%	2.5%	5%	7.5%
5.26% - 6.00%	0.25%	0.25%	0.5%	1.5%	2.5%	5%
6.01% - 8.00%	0%	0%	0.25%	0.5%	1.5%	2.5%
8.01% -10.0%	0%	0%	0%	0.25%	0.5%	1.5%
10.01% +	0%	0%	0%	0%	0%	0%

Yearly retirement income %	   					Max boost from VHG
	Activity	Health checks	Healthy Food	Medicine adherence		
2.50% - 3.00%	10%	5%	5%	5%	<b>20%</b>	
3.01% - 3.50%	7.5%	3.75%	3.75%	3.75%	15%	
3.51% - 4.00%	6%	2%	2%	2%	10%	
4.01% - 4.50%	5%	1.5%	1.5%	1.5%	8%	
4.51% - 5.25%	3%	1.5%	1.5%	1.5%	6%	
5.26% - 6.00%	2%	1%	1%	1%	4%	
6.01% - 8.00%	1%	0.5%	0.5%	0.5%	2%	
8.01% -10.0%	0.5%	0.25%	0.25%	0.25%	1%	
10.01% +	0%	0%	0%	0%	0%	



## Activity

Achieve at least 2 activity goals from Active Rewards per month



## Health checks

Complete health checks by the time of the income payment



## Healthy Food

Meet monthly Healthy Food targets from Active Rewards



## Medicine adherence

Meet weekly and monthly medicine adherence goals from Active Rewards

# NEW, SIMPLIFIED INCOME BOOST STRUCTURE ON DISCOVERY FUNDS

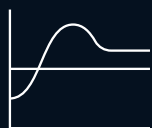
Yearly retirement income %	Vitality status					
	None	Blue	Bronze	Silver	Gold	Diamond
2.50% - 3.00%	12.5%	12.5%	20.0%	30.0%	40.0%	<b>50.0%</b>
3.01% - 3.50%	7.5%	7.5%	13.5%	20.0%	25.0%	35.0%
3.51% - 4.00%	5.0%	5.0%	10.0%	13.5%	16.5%	20.0%
4.01% - 4.50%	3.5%	3.5%	7.5%	10.0%	12.5%	15.0%
4.51% - 5.25%	2.5%	2.5%	5.0%	7.5%	7.5%	10.0%
5.26% - 6.00%	0.0%	0.0%	3.5%	5.5%	5.5%	7.5%
6.01% - 8.00%	0.0%	0.0%	2.0%	3.5%	3.5%	4.5%
8.01% - 10.00%	0.0%	0.0%	0.0%	2.0%	2.0%	2.5%
10.01%+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# NEW, SIMPLIFIED INCOME BOOST ON EXTERNAL FUNDS

**Now available to all clients, provided they invest at least 50% in Discovery funds**

Yearly retirement income %	Vitality status					
	None	Blue	Bronze	Silver	Gold	Diamond
2.50% - 3.00%	7.5%	7.5%	10.0%	12.5%	12.5%	<b>15.0%</b>
3.01% - 3.50%	5.0%	5.0%	7.0%	7.5%	8.5%	10.5%
3.51% - 4.00%	3.5%	3.5%	3.5%	5.0%	5.5%	7.5%
4.01% - 4.50%	2.5%	2.5%	2.5%	3.5%	4.0%	5.0%
4.51% - 5.25%	1.5%	1.5%	1.5%	2.0%	3.0%	3.5%
5.26% - 6.00%	0.0%	0.0%	0.5%	1.5%	2.0%	2.5%
6.01% - 8.00%	0.0%	0.0%	0.0%	0.5%	1.0%	1.5%
8.01% - 10.00%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
10.01%+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Available on:**



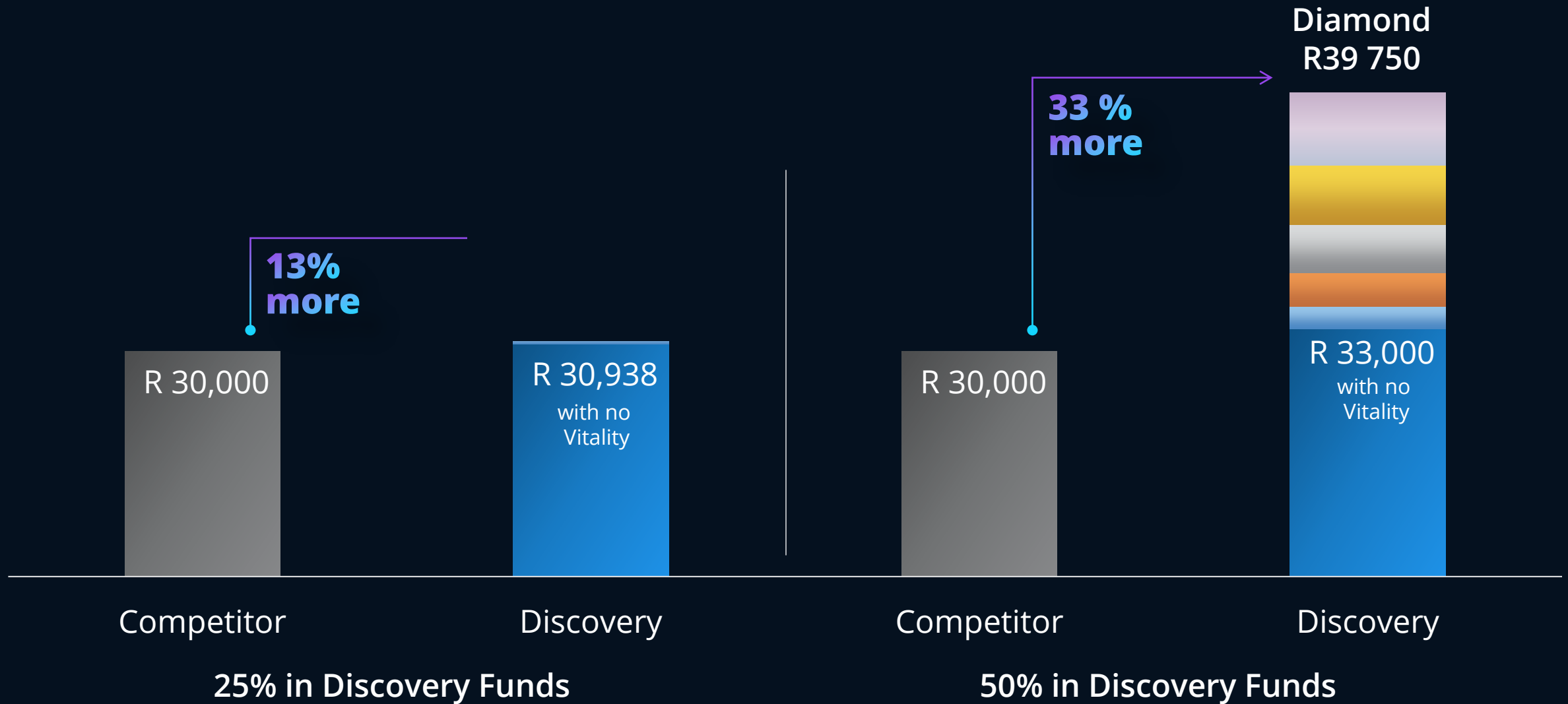
All external funds



Qualifying model portfolios and white labelled broker funds

# EXTRA MONTHLY INCOME ON ANY FUND FOR LIFE

## Highest paying living annuity in South Africa



The above example is for illustrative purposes only. Assumes lump-sum of R12 million, client draws down at 3%.

# LIVING ANNUITY QUOTE ENHANCED TO ASSIST IN RETIREMENT PLANNING

Informed decision-making in retirement with new actuarial & medical insights:



How likely you are to live to **90/100 years old**



Your life expectancy based on your **Vitality Status**

**Discovery**

## Living Annuity

### Managing your health in retirement

Below are some key health metrics that you should be aware of as you start your retirement journey. These metrics are based off a study of hundreds of 58-year-old males. Please note that this is just an indication, and your individual mortality will depend on your personal health and lifestyle characteristics.

- On average, a 58-year-old male with **Bronze** Vitality status is expected to live until age **89.1**.
- Six in ten** individuals with these metrics live until age 90, and
- two in ten** live to age 100 or beyond.

These odds increase for healthier individuals. Below, you'll see the life expectancy and probability of living to age 100 of individuals with different Vitality statuses. As you improve and maintain your Vitality status, your chances of living a long, happy life increase.

Vitality Status	Life expectancy (Male, 58)	Probability of living to age 100 (Male, 58)
None	83.7	3.1%
Blue	85.7	6.8%
Bronze/Silver	89.1	18.0%
Gold/Diamond	92.3	34.5%

# Simpler. More cost-effective. New opportunities.



Highest paying  
Living Annuity now  
enhanced even further

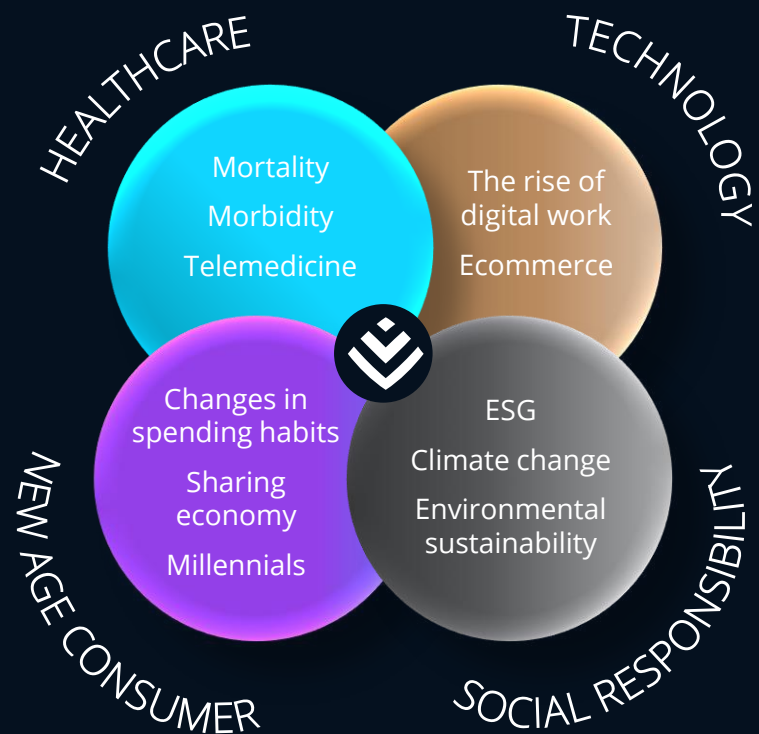


Investment opportunity to  
capture global megatrends



More cost-effective  
offshore investing

# FOUR MEGATRENDS HAVE BEEN ACCELERATED BY COVID-19



1



**Technology**

The AI market to grow to **\$190 billion by 2025**

2



**Environment**

**Need for green alternatives** - UN predicts a 40% shortfall in global water supply in 2030

3



**Health Care**

The cost of genome sequencing decreased by **99.99% since 2000**

4



**New Age Consumer**

'Sharing economy' companies (e.g. Uber, WeWork, AirBnB) to increase their market share **to 50% by 2025**

# THE DISCOVERY GLOBAL MEGATRENDS FUND ADVISED BY



Asset Management

## GOLDMAN SACHS GLOBAL EQUITY PORTFOLIOS

**Tech Advancement**  
Future Technology Leaders

**Environmental Sustainability**  
Environmental Impact

**Future of Health Care**  
Future Healthcare

**New Age Consumer**  
Millennials

## TOP 5 HOLDINGS:

mercado libre, servicenow, MEDIANTEK, MARVELL

25%

ECOLAB, DS Smith, Schneider Electric, infineon, NEXTERA ENERGY RESOURCES

25%

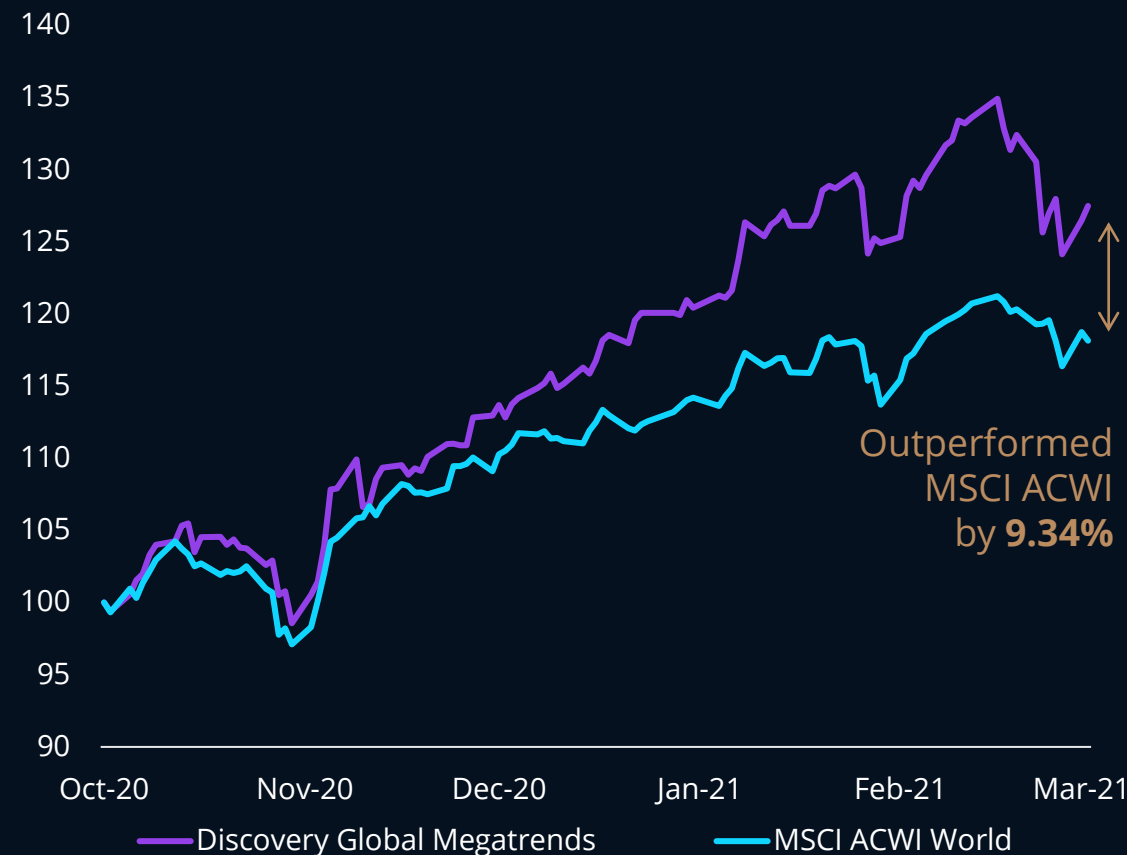
GUARDANT HEALTH, Catalent, neurocrine BIOSCIENCES, PerkinElmer, Lilly

25%

NEXTERA ENERGY RESOURCES, amazon, Tencent 腾讯, Alphabet, Facebook

25%

## Backtesting The Discovery Global Megatrends Fund



Available in USD or ZAR on all investment wrappers excluding flexible investments from 17 May 2021

# Simpler. More cost-effective. New opportunities.



Highest paying  
Living Annuity now  
enhanced even further



Investment opportunity to  
capture global megatrends



More cost-effective  
offshore investing

# WE'VE RECALIBRATED SHARED VALUE & THE CURRENCY ENHANCER TO LOWER FEES


## Lower admin fees and access fees

Investment size	Previous admin fee	
	Internal funds	External funds
First USD 50,000	0.70%	0.80%
Next USD 50,000	0.60%	0.70%
Next USD 100,000	0.50%	0.60%
Next USD 100,000	0.40%	0.50%
Next USD 200,000	0.30%	0.40%
Above USD 500,000	0.20%	0.30%



Investment size	Admin fee
First USD 200,000	0.575%
Next USD 200,000	0.35%
Next USD 200,000	0.25%
<b>Above USD 600,000</b>	<b>0.20%</b>

## Optimised Global Endowment

- Currency enhancer ✓ Average  rate over 2020 **R1.13/\$ below market**
- Cost-effective trust ✓ **>90% discount** to stand-alone trust fees
- Tax savings ✓ **Up to 33% tax savings** versus flexible investments
- Liquidity ✓ **100 contracts** For liquidity in first 5 years

\*We assume fees per Zedra Trust Company Limited standard stand-alone trust fees, a competitive international trust provider

# MAKING THE DISCOVERY GLOBAL ENDOWMENT MORE COST-EFFECTIVE THAN EVER

**Clients can invest below the prevailing exchange rate**



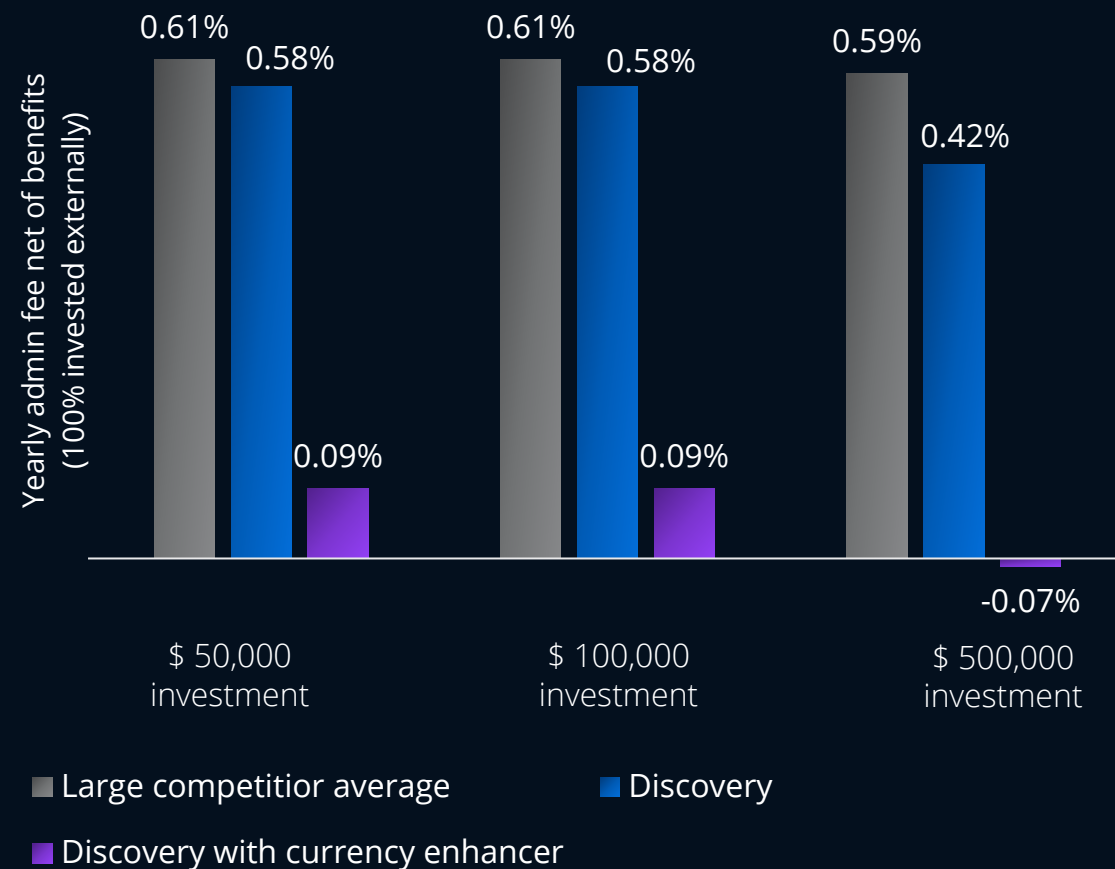
**Market rate**

**Discovery Rate**

R14.89/\$	R14.18/\$
R20.28/£	R19.31/£
R17.24/€	R16.42/€

**The currency enhancer represents up to 5% additional fund value\***

**Benefits can exceed all admin fees over ten years**



# SUMMARY



Highest paying  
Living Annuity now  
enhanced even further



*Lower admin fees*



*Simplified boost structure*



*Boosts on ANY fund*

**19 April 2021**



Investment opportunity to  
capture global megatrends

*Advised by*

**Goldman  
Sachs**

**Asset  
Management**

**17 May 2021**



More cost-effective  
offshore investing



*Lower admin fees*

**0%**

*Zero access fees*

**19 April 2021**

DISCOVERY CAPITAL 200+ APRIL 2021 TRANCHE – ONLY 1 WEEK LEFT!

# Get growth of 100% before fees and taxes over 5 years

if global share portfolio is flat or positive

OFFER VALID UNTIL 23 APRIL 2021



**Unlimited upside potential** above 100% growth



**Downside protection** provided the global portfolio does not fall by more than 30% during the five years



Qualifies for the **boost of up to 20%** on our lump-sum Endowment

Global share portfolio of established stocks



All tranches currently in force on track to receive 100% growth before fees and taxes

DISCOVERY INVEST

**Simple.**

**Cost-effective.**

**More opportunities.**

**THANK YOU**

