

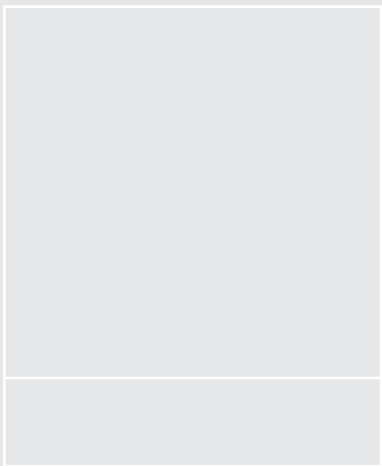
DISCOVERY

# RETIREMENT ANNUITY

---

# CONTENTS

RETIREMENT ANNUITY





# WHAT IS A RETIREMENT ANNUITY?

*A retirement annuity is an investment that helps you save for retirement. It offers significant tax advantages to encourage saving, and you can invest a lump sum or make regular contributions. You can use it as your main investment for retirement or in addition to your employer's retirement fund.*

## Features of a Retirement Annuity



Tax advantages that make your investment grow faster.



No withdrawals until age 55, which means that you preserve your savings for retirement.



Guidelines and limits on how you can access your money when you retire to ensure your savings last as long as possible in retirement.



There are regulatory guidelines about where you can invest your retirement savings.

# AT A GLANCE

*With the lump-sum retirement annuity, we reward you for choosing positive financial behaviours: investing for longer, investing more and choosing to live well. This helps you to grow your retirement savings faster and gives you the opportunity to get the retirement you want.*

*If you choose to make recurring contributions to a retirement annuity, you can get fee refunds and protection for you and your beneficiaries if you die, become severely ill or disabled before retirement.*

## INVESTMENT TERM



## MINIMUM INVESTMENT AMOUNT

Age	Lump-sum	Recurring
If you are under 30	R5 000	R500 a month
If you are 30 or over	R60 000	R500 a month

## INVESTMENT GUARANTEES

- No guarantee of performance
- Do you and poor market conditions? from life events

## TAX

- Tax-free investment growth
- Contributions can be deducted from your taxable income

## FEES

- Discovery fees
- Financial adviser fees
- Investment manager fees

## READ THE RELEVANT FACT FILES FOR DETAILS OF:

- How you can get boosts to your investment
- How the fees work
- What happens to your investment on your death



# DECIDING HOW TO INVEST

## A LUMP-SUM OR RECURRING CONTRIBUTIONS

Our Retirement Annuities have minimum investment amounts, depending on your age and the investment frequency.

### MINIMUM INVESTMENT AMOUNT

Age	Lump sum	Recurring
If you are under 30	R5 000	R500 a month
If you are 30 or over	R60 000	R500 a month

If you invest **R100 000** or more, you can also choose to buy against poor market performance, tax payments at retirement, and early disability or death.

And if you invest more than **R3.5 million**, you get even more rewards as a

The Discovery Purple Collection is an exclusive suite of risk, wealth and wellness products designed to deliver our most comprehensive benefits and unsurpassed rewards.

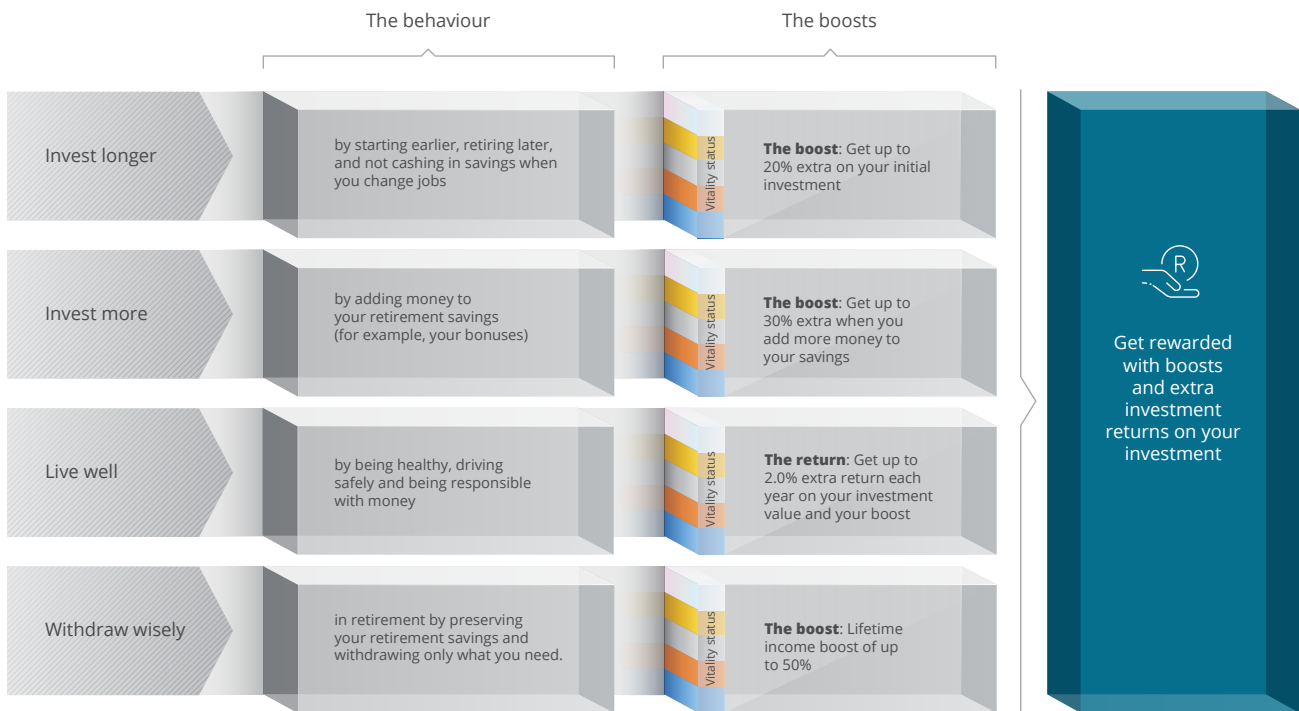


# WHY THE DISCOVERY RETIREMENT ANNUITY?

## UNIQUE BENEFITS OF OUR LUMP-SUM CONTRIBUTION

Our Retirement Annuities give you more than conventional retirement solutions. You also get rewarded for living well.

When you choose positive financial behaviours – investing for longer, investing more and choosing to live well – we reward you by adding boosts and extra investment returns to your investment.





Different boost percentages apply depending on the term you invest for and the portion you invest in qualifying Discovery funds.

Read the Retirement Annuity Fact File relevant to your investment

## INVEST FOR LONGER, MORE AND LIVE WELL- LUMP SUM

With our Retirement Annuity, you can get boosts added to your investment for investing longer, investing more and living well. Your boosts are held separately to your investment and will grow with your investment.

	Your behaviour	What you get
 <p><b>Invest longer</b></p>	<ul style="list-style-type: none"> <li>You invest from as early as possible</li> </ul>	<ul style="list-style-type: none"> <li>You get a boost of up to 20% of your initial lump-sum investment.</li> </ul>
 <p><b>Invest more</b></p>	<ul style="list-style-type: none"> <li>You add more money (ad hoc contributions) to your retirement savings</li> <li>You take out a Flexible Investment Plan from Discovery Invest</li> <li>You invest paybacks from your Discovery Life Plan</li> </ul>	<ul style="list-style-type: none"> <li>You get a boost of up to 25% on the extra contributions you make to your investment.</li> <li>You get up to 50% of the investment management fees you pay for the Flexible Investment Plan back as additions to your retirement boost.</li> <li>You get a boost of up to 30% to paybacks from your Discovery Life Plan that you choose to add to your retirement savings.</li> </ul>
 <p><b>Live well</b></p>	<ul style="list-style-type: none"> <li>You live healthily, drive well and manage your money</li> </ul>	<ul style="list-style-type: none"> <li>You get an extra return of up to 2% each year on your investment and your boost.</li> </ul>

You can leave this boost until you retire, or you can use it now to pay for the fees on your investment.

## EXTRA PROTECTION BENEFITS FOR LUMP-SUM INVESTMENTS

If you invest R100 000 or more, you can also benefit from our protectors for a yearly premium of 1.2% of your investment value.

### THE PROTECTION WE OFFER

### HOW IT WORKS



Protector against fund underperformance

If the Discovery funds you chose are not in the top 25% of their sector, we'll add up to 20% to your returns at the end of every five years. If you own a Discovery Life Plan, we will increase this to up to 30%.



Protector against your Target Retirement Date Fund underperforming its inflation target

If your has performed below its inflation-linked target at the end of every five years, we'll add to your savings in the Target Retirement Date Fund.



Protector that pays out if you become disabled before retirement

If you become permanently disabled and have to retire early, you are protected from the potential loss of future investment returns. We add a boost to your investment value, depending on how many years until you turn 65.



Protector to pay out at the highest Escalator Fund price when you retire

We'll increase your Escalator Fund guarantee to 100% of the highest unit price that the fund has ever reached when you retire.



Protector to pay out at the highest Escalator Fund price when you die

We'll increase your Escalator Fund guarantee to 100% of the highest unit price that the fund has ever reached if you die before your retirement date.



Protector against tax payable at retirement

We increase your investment value when you retire to help you fund the tax you must pay if you withdraw one-third of your investment in cash.



## RECURRING CONTRIBUTIONS

If you choose to make recurring contributions to a retirement annuity, you can get fee refunds and protection for you and your beneficiaries if you die, become severely ill or disabled before retirement.

### HERE ARE SOME EXAMPLES:



#### FEE PAYBACK

Up to 55% of your yearly admin fees paid back into your investment



#### PROTECTION FOR BENEFICIARIES IF YOU DIE

A boost to your investment value for your beneficiaries if you die before retirement



#### PROTECTION IF YOU BECOME SEVERELY ILL OR DISABLED

A contribution waiver that continues to pay your contributions if you suffer a severe illness or disability (for an extra premium)

The details of the increases, fee discounts and protection we offer are set out in the Fact File relevant to your investment at [factfile.com](#). You can also speak to your financial adviser for advice.



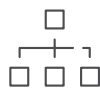
# A WIDE CHOICE OF FUNDS TO INVEST IN

## YOUR PLAN IS A COLLECTION OF FUNDS

*Once you have chosen your investment plan, you decide which funds to invest your money into. Your decision should align with the investment strategy that you and your financial adviser agreed on and the investment goals you have.*

We offer you access to a range of unit trust funds across various investment managers through a single entry point. This means you can invest in our investment plans and choose investment funds that are managed by leading investment managers. Discovery funds (with the exception of the Discovery Money Market Fund) qualify for boosts and additional growth from living well on your investment. The list of qualifying funds may be updated from time to time and can be seen on individual fund fact sheets available at

## THERE ARE ALMOST 200 FUNDS TO CHOOSE FROM



You can invest in Discovery funds where our investment managers pick the right blend of asset classes (shares, bonds, cash, property and so on) to reach your investment goals. We have [Discovery Funds](#) that make it easier for you to get what you want from your investment.



You can invest in funds managed by top external investment managers.



We offer both local and offshore investment opportunities.

# FEES FOR YOUR INVESTMENT

THERE ARE CERTAIN FEES THAT APPLY TO OUR RETIREMENT ANNUITIES



## FEES TO DISCOVERY INVEST

There are no initial investment fees to Discovery Invest. We charge a yearly admin fee, which depends on the size of your investment and whether you have chosen a lump sum or recurring investment.



## FEES TO THE INVESTMENT MANAGER


Investment managers may charge initial and ongoing fees. You can find these fees on the relevant fund fact sheets available at



## FEES TO YOUR FINANCIAL ADVISER

Financial advisers will charge initial and ongoing advice fees for the advice they give.

Refer to the relevant Fact File for more information about all fees.

A photograph of a young man and woman smiling and embracing each other. The man is wearing a blue denim jacket over a maroon shirt, and the woman is wearing a tan leather jacket over a plaid shirt. They are outdoors, with a blurred background of buildings and a motorcycle.

## READ THE RELEVANT FACT FILE AND SPEAK TO YOUR FINANCIAL ADVISER

The details of the features we offer are set out in the relevant Fact File at

Speak to your financial adviser to help you make informed decisions about your investments. If you don't have a financial adviser, you can contact our call centre on 0860 67 57 77.

### Discovery Invest

---

[www.discovery.co.za](http://www.discovery.co.za)

---

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

# LINKED PAGES

## THIS IS HOW TAX WORKS

- **Your contributions into the Retirement Annuity are tax-deductible.** This means you can deduct your contributions from your taxable income (the amount you must pay tax on). There are limits to how much you can subtract: **27.5% of the higher of your taxable income and your remuneration with an overall cap at R350 000 a year.**
- **You don't pay tax on growth you earn within the fund until retirement.** There is no tax on interest, dividends income or rental income. There is no capital gains tax.
- **Up to R500 000 you take as cash at retirement is tax free,** plus the amount of any contributions that were not tax-deductible before. **Amounts above that are taxed on a sliding scale from 18% up to 36% on amounts above R1 050 000. These concessions are only available once over a lifetime.**
- **We don't give tax advice.** Please consult a tax practitioner to get tax advice.

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

## GUIDELINES ON WHEN YOU CAN ACCESS YOUR MONEY

When you turn 55, your options depend on the market value of your investment

### If the market value is under R247 500

You can take the full investment in one cash payment, subject to tax.

### If the market value is R247 500 or more

- You can take up to one-third of the investment as a lump-sum cash payment. (Of this amount, the first R500 000 is tax free.)
- You must use the remaining two-thirds to buy an investment that gives you an income (for example, a living annuity or a fixed annuity). There is tax on the income you receive after retirement.

### In both cases

- You can **delay your retirement** by leaving your money invested in the your retirement annuity until you decide you want to take it out (and invest it in an investment that gives you an income).
- You can use the full amount (three-thirds) to invest in an investment that gives you an income (for example, a living annuity or a fixed annuity)

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

## GUIDELINES ON WHEN YOU CAN ACCESS YOUR MONEY BEFORE 55

### You have limited access to your money until you turn 55

You may only make one withdrawal from your Preserver Plan before you turn 55. This restriction is set by the law on retirement annuities and not by us. It encourages you to remain invested for longer.

### There are exceptions

You can withdraw before age 55 if the market value of your investment is under R7 000, if you emigrate, or if you become permanently disabled and have to retire early.

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

---

# ADVISER

## THINGS TO DISCUSS WITH YOUR FINANCIAL ADVISER

### Longevity

We're living longer – and that has changed traditional retirement practice. A potentially longer retirement timeline means that you need to save more money and that you need to invest your money differently in the years leading up to retirement.

### The unpredictable nature of markets

Markets are unpredictable. They can go up one day and down the next. These market changes are risks to your investment because if you have to withdraw your money while there is a market downturn, you might lose money on your investment. When you have a longer investment horizon you can afford more risk, but as retirement approaches you need to consider moving money to lower-risk investments.

### The impact of inflation

Inflation is the rise in the cost of living. This means you will pay more for the same goods and services tomorrow than you do today. When you are investing for your future, it's important that the money you invest grows at the same or higher rate than inflation.

### Compound interest

Because of compound interest, the more time you have available to invest, the greater your benefits will be in retirement.

### Diversifying

It's important to spread your investments among different asset classes, such as equities (shares), bonds, property and cash. This will ensure that your risk is spread – so if one asset class performs poorly, the value of your other investments can make up for this.

### How much risk you can afford to take

Your investment strategy starts with understanding your attitude to risk. Generally, the higher the potential risk of an investment, the higher the potential return. Different asset classes like cash, bonds, property and equities have different levels of expected risk and return; cash has low levels of expected risk and return, while equity has high levels of expected risk and return.

## ADVANTAGES OF USING A FINANCIAL ADVISER



### Knowledgeable about managing money

Financial advisers are qualified in financial planning and can help you decide on – and keep track of – your investment goals, savings strategies and retirement options.



### High standards of competence

To give expert financial advice, financial advisers need to meet certain standards of competence, including professional qualifications, passing regulatory examinations and undergoing training.



### Licensed to sell certain products

We only allow financial advisers who are registered with the Financial Sector Conduct Authority (FSCA) to sell you specific financial products. They are required to have extensive knowledge of the product they are recommending to you, and they must be competent (professional and skilled) in the financial advice they provide.



### Objective advice

Our code of conduct for financial advisers is strict: our advisers must be able to give clients objective advice about the products they buy so that they can make informed decisions. It's essential that clients' best interests are at the heart of everything our advisers do so they must avoid or disclose any conflicts of interests. At the core of everything is treating clients fairly.

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.



## BENEFITS YOU CAN RECEIVE FROM OUR PURPLE PLANS

*The Discovery Purple collection is an exclusive suite of risk, wealth and wellness products designed to deliver our most comprehensive benefits and unsurpassed rewards*

### WITH A LUMP-SUM PURPLE RETIREMENT ANNUITY:

- Get a boost to your initial lump-sum investment of up to 25%.
- Get boosts on extra contributions you make (ad hoc contributions) of up to 30%.
- Enjoy zero admin fees from day one if you decide to use your boost amount to pay for the fees on your investment and get a further yearly rebate amount of 0.2% to offset investment management fees.
- Get boosts on reinvested Life Plan Paybacks of up to 35%.
- Get up to 75% of the investment management fees you pay on the Flexible Investment Plan back as additions to your retirement boost.

### WITH OUR PURPLE FLEXIBLE INVESTMENT PLANS:

- Get up to 75% of the investment management fees you pay on the Flexible Investment Plan back as additions to your retirement boost.

### WITH A LUMP-SUM PURPLE PRESERVER PLAN:

- Get a boost to your initial lump-sum investment of up to 25%.
- Enjoy zero admin fees from day one if you decide to use your boost amount to pay for the fees on your investment and get a further yearly rebate amount of 0.2% to offset investment management fees.
- Get up to 75% of the investment management fees you pay on the Flexible Investment Plan back as additions to your retirement boost.

### YOU CAN RECEIVE FURTHER BENEFITS IF YOU HAVE A PURPLE DISCOVERY LIFE PLAN

- You may qualify for an enhanced Life Plan Optimiser percentage on your Discovery Retirement Optimiser.

This brochure is meant for information purposes only and should not be taken as financial advice.

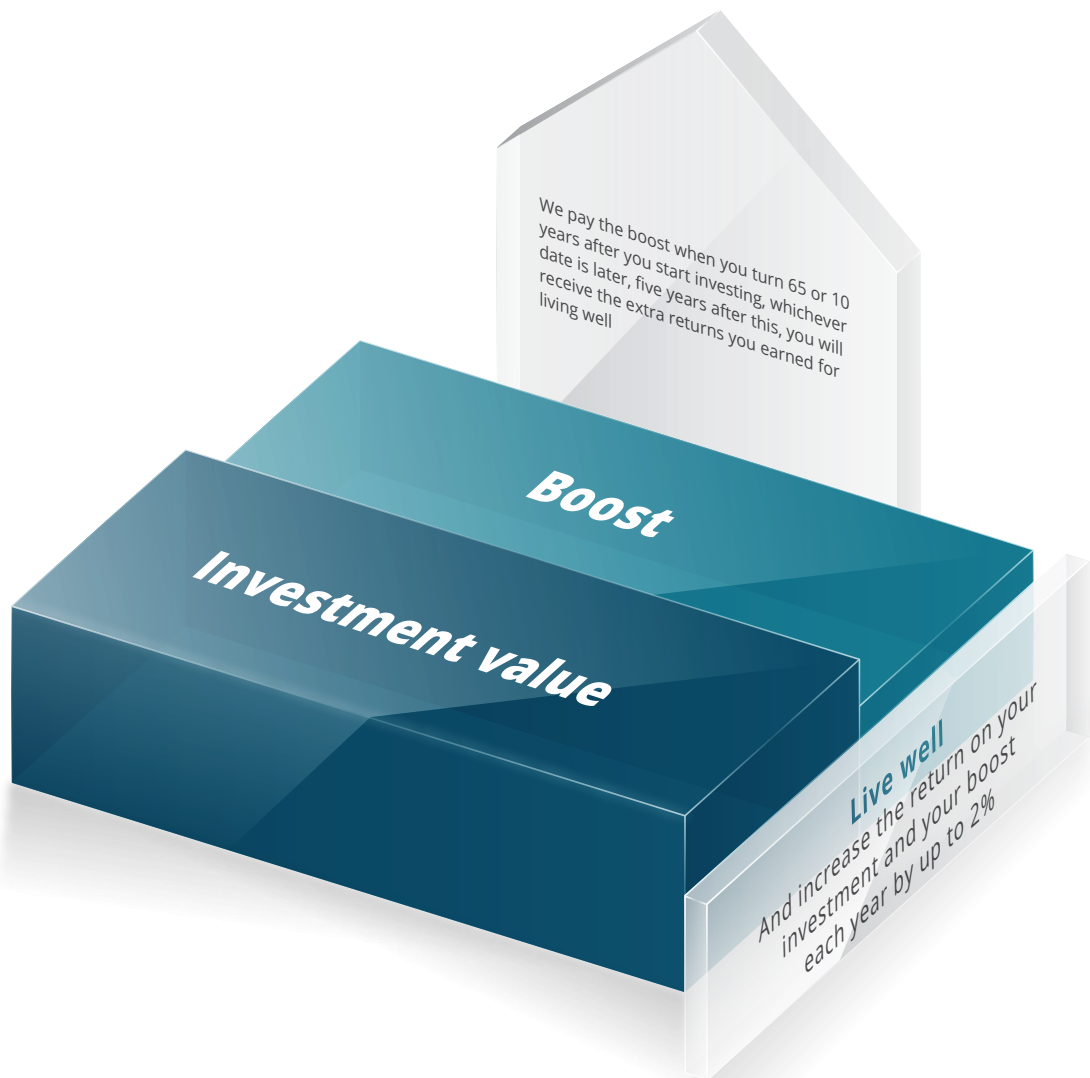
For tailored financial advice, please contact your financial adviser. Discovery Life Investment Services (Pty) Ltd: Registration number 2007/005969/07, branded as Discovery Invest, is an authorised financial services provider. All life assurance products are underwritten by Discovery Life Ltd. Registration number: 1966/003901/06. An authorised financial service provider and registered credit provider, NCA Reg No. NCRCP3555. Product rules, terms and conditions apply.

## BOOSTS ARE KEPT SEPARATELY FROM YOUR MAIN INVESTMENT

The boosts you receive from investing for longer and investing more are kept separate from your main investment. The boosts grow at the same rate as your underlying investment throughout your investment term. You can also earn an extra return of up to 2% each year on the portion of your investment in qualifying Discovery funds and your boosts by choosing to live well.

You can choose to keep your boost until you retire, or you can use it to pay for your fees. If you use your boost to pay for your fees, you won't get extra return from choosing to live well.

If you choose to keep your boost, we'll pay it into your investment when you turn 65 or 10 years after you start investing, whichever date is later. Five years later, you will receive the extra returns you earned for choosing to live well.



This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

## WHAT HAPPENS TO YOUR INVESTMENTS WHEN YOU DIE

**Once Discovery Invest has been notified of your death, we will switch the benefits in your investment to an interest-bearing account.**

Section 37C of the Pension Funds Act then requires the Board of Trustees of the Fund to distribute your benefits equitably between your dependants (whether nominated as beneficiaries or not) and nominated beneficiaries, within 12 months of your death.

You can change your beneficiary nomination at any time by notifying Discovery Invest in writing. Notification must reach Discovery Invest before your death, failing which the Trustees will not consider the notification.

If you die before your boost payment date, the boost and extra investment growth from living well falls away entirely.

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

## UNIQUE DISCOVERY FUNDS

We have uniquely designed funds that make it easier for you to get what you want in retirement, such as:

- **Target Retirement Date Funds.** These funds are designed to invest in a diversified portfolio of assets that balances risk and potential reward with a particular retirement date in mind. They offer a lifetime investment strategy in a single fund. The Target Retirement Date Funds automatically adjust the asset allocation of your investment, without you having to adjust your risk profile.
- **The Discovery Medical Investment Funds** are designed to track the cost of your medical aid contributions in retirement.
- **Escalator Funds**, which have built-in protection if the markets fall. These Discovery funds guarantee that you will always get at least 80% of the highest unit price the fund has ever reached. This gives you the peace of mind that if the markets were to fall, your investment value would be protected.

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.

## UNIQUE DISCOVERY FUNDS

We have uniquely designed funds that make it easier for you to get what you want in retirement, such as:

- **Target Retirement Date Funds.** These funds are designed to invest in a diversified portfolio of assets that balances risk and potential reward with a particular retirement date in mind. They offer a lifetime investment strategy in a single fund. The Target Retirement Date Funds automatically adjust the asset allocation of your investment, without you having to adjust your risk profile.
- **The Discovery Medical Investment Funds** are designed to track the cost of your medical aid contributions in retirement.
- **Escalator Funds**, which have built-in protection if the markets fall. These Discovery funds guarantee that you will always get at least 80% of the highest unit price the fund has ever reached. This gives you the peace of mind that if the markets were to fall, your investment value would be protected.

This brochure is meant for information purposes only and should not be taken as financial advice.

For tailored financial advice, 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 Reg No. NCRCP3555. Product rules, terms and conditions apply.