



CURRENT OFFER

Discovery Capital 200+

MAY 2019 TRANCHE

Clients can double their initial investment

Valid from 11 March 2019 to 24 May 2019

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 at the end of five years, 100% capital protection¹ is provided for any falls in the global portfolio of up to 30%². The capital protection¹ does not apply in cases of market falls of more than 30%² and only applies at the end of the five-year term to the unit price. Therefore, there is a risk of partial or total loss of the investment.



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.



Please note that the Discovery Capital 200+ Fund does not qualify for the Upfront Investment Integrator.

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.

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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

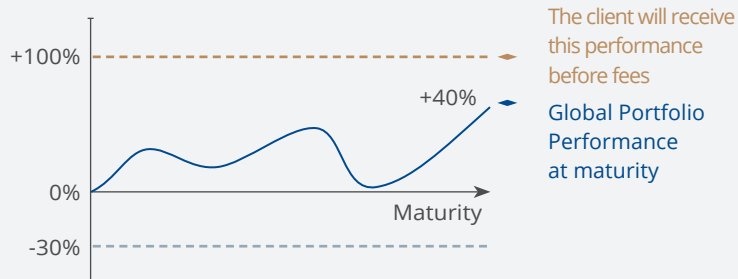
100% return¹

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)

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

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 02

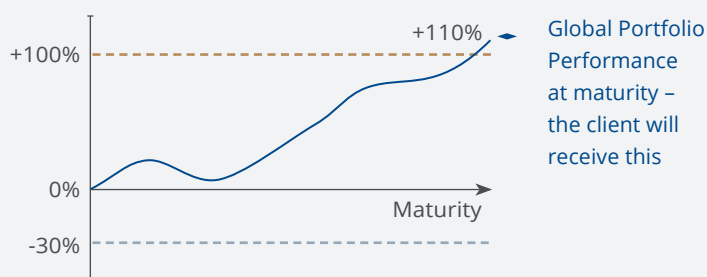
Unlimited upside potential

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:

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

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 03

Conditional downside protection

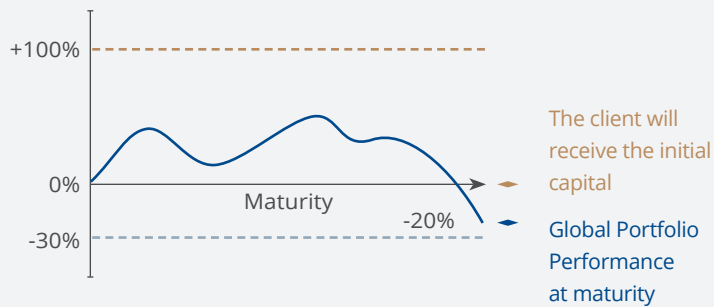
If the return from the global portfolio is negative, but the fall in the global portfolio is not more than 30% over the five-year period, the client will receive the initial capital back at the end of five years.

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

After five years, the global portfolio has fallen by 20%. The client will receive the full R1 000 000 back at the end of the five-year term.

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 04

Downside - non-protected capital

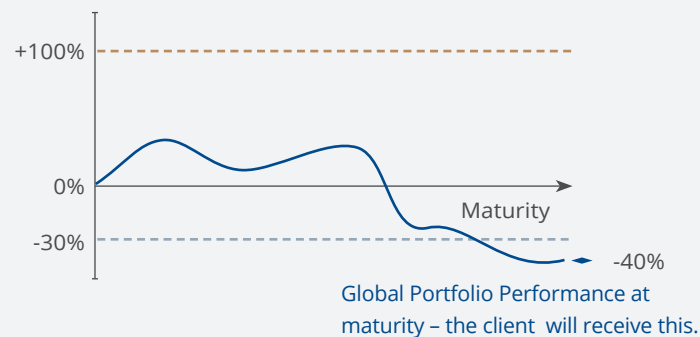
If the global portfolio falls by more than 30%, at the end of five years the client will be exposed to the return of the global portfolio.

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

After five years, the global portfolio has fallen by 40%. The client will therefore receive R600 000 (= R1 000 000 x 60%) back at the end of the five-year term.

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



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

The Discovery Capital 200+ is available for a limited offer on the lump-sum Discovery Endowment Plan.



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 24 May 2019 (closing date for subscription). All investments must have fully completed applications as well as deposits submitted by 24 May 2019.



Trade date

3 June 2019



Term

Five years from the trade date, maturing 3 June 2024.



Redemption date

18 June 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 at maturity and as long as the portfolio has not fallen by more than 30%².

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

Disclaimers

FAIS notice and disclaimer

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

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S&P 500 Index

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