

Recurring Dollar Endowment Plan - Technical Details

- The Recurring Dollar Endowment Plan is available to clients of all ages and clients are not required to own a Dollar Life Plan.
- The minimum monthly contribution for the Recurring Dollar Endowment Plan is \$200 and clients' contributions increase annually at the US CPI rate.
- The maximum monthly contribution for the Recurring Dollar Endowment Plan is \$4 000. This is to ensure that the client remains below the annual R1 million Single Discretionary Allowance (SDA). This may be changed from time to time.
- There is no maximum entry age, clients may enter the Recurring Dollar Endowment Plan at any age.
- There is no fixed term associated with the plan and contributions will continue until the client requests for them to stop.
- No initial fees are charged by Discovery Invest.
- Discovery Invest charges an annual administration fee of 1.5% of the investment value. This includes the cost of upfront commission payable.
- Fees from the underlying risk-profiled funds are embedded in the fund prices.
- It is your clients' responsibility to keep track of their overall offshore spending and investing to ensure they remain below the annual SDA in aggregate.
- Discovery Invest will pay five-year upfront commission as well as ongoing commission on each contribution for the life of the plan to the financial adviser.
- A switching fee of 0.25% of the amount switched (up to a maximum of \$50) applies.
- As this is an endowment policy, clients will be allowed one withdrawal during the first five years of their policy.
- The maximum withdrawal amount during the restriction period is limited to contributions in US dollars plus 5% interest, compounded per year.
- If your clients withdraw from their Recurring Dollar Endowment Plan, reduce their monthly contributions or make their policy paid-up within the first five years from their policy start date, they will pay an early exit fee. This early exit fee will be up to 15% of their investment value in the first month and will reduce linearly to 0% over a five-year period.
- Lump-sum ad-hoc contributions will not be allowed on the Recurring Dollar Endowment Plan. These will have to be invested through a standard Offshore Endowment Plan where the normal new business restrictions will apply.
- Standard offshore endowment tax applies.
- Contribution increases in excess of 120% of US dollar contributions made in each of the previous two years, will result in a new five-year restriction period.



Collective investment schemes in securities (CIS) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Fund prices are published each business day (with a 3 day lag) on www.discovery.co.za. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Forward pricing is used. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. All portfolios are valued on a daily basis on any business day at 16:00, with the exception at month end, when portfolios are valued at 17:00. Investments and repurchases will receive the same price for that day if received prior to 11:00 for the money market portfolio and 15:30 for the other portfolios. This portfolio may be closed in order to be managed in accordance with the mandate (if applicable). Different classes of units apply to the fund and are subject to different fees and charges. Quantifiable deductions are the initial fee whilst non-quantifiable deductions included in the net asset value price may comprise brokerage, MST, auditor's fees, bank charges, trustee and custodian fees. Commissions and incentives may be paid and if so, would be included in the overall costs. Performance figures are based on lump sum investment (if applicable). A schedule of fees and charges and maximum commissions is available on request from Discovery Life Collective Investments (Pty) Ltd. The total expense ratio (TER) shows the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees relating to the management of the portfolio. A higher TER ratio does not necessarily imply poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of the future TERs. During the phase in period Total Expense Ratios do not include information gathered over a full year. Transaction Costs ("TC") is a measure that can be used by investors and advisors to determine the costs incurred in buying and selling the underlying assets of a portfolio. This is expressed as a percentage of the daily NAV of the portfolio calculated over a period of three years on an annualised basis. Transaction Costs (TC) are a necessary cost in administering the fund and impacts the fund's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. Where a fund is less than one year old since inception, the TER and TC cannot be determined accurately because of the short life span of the fund and calculations are based on actual data where possible and best estimates where actual data is not available. The TER and TC shown are the latest available figures. Discovery Life Collective Investments (Pty) Ltd, the manager, is a member of the Association of Savings and Investment South Africa (ASISA). The investor confirms that neither Discovery Life Collective Investments (Pty) Ltd or any staff provided him/her with any advice (as defined in the FAIS Act) and that he/she has taken particular care to consider on his/her own or with the assistance of his/her intermediary whether the investment chosen is appropriate considering his/her individual needs, personal objectives and financial situation.

The Recurring Dollar Endowment Plan is issued by Discovery Life International, the Guernsey branch of Discovery Life Limited (South Africa). Discovery Life International is licensed by the Guernsey Financial Services Commission, under the Insurance Business (Bailiwick of Guernsey) Law 2002, to carry on long-term insurance business. The South African Long-term Insurance Act of 1998 also applies to the Recurring Dollar Endowment Plan. Discovery Life is a registered long-term insurer and an authorised financial services provider, registration number 1966/003901/06. The Recurring Dollar Endowment Plan is administered by Discovery Life Investment Services (Pty) Limited trading as Discovery Invest, a subsidiary of Discovery Limited. Discovery Invest is an authorised financial services provider. The trustee appointed by the Branch must hold the licensed insurer's assets representing at least 90% of planholder liabilities in trust. This is a standard condition on the license of the Insurer under section 12 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended). The information given in this document is based on our understanding of current law and practice in South Africa and Guernsey. We do not accept responsibility for the effect of any future legislative or regulatory changes.