

Benefit from
tomorrow's hindsight
today

 **Discovery
Invest**

The formula for
successful investing

Discovery Europe High Five Fund

August 2015 Tranche

Choosing stocks with the benefit of hindsight

The Discovery Europe High Five Fund allows you to benefit from the return of whichever five shares provide the highest return over a five year period. At the end of the five year term, the best performing five shares are selected from an equally weighted global portfolio of the 20 largest European equity shares based on their market capitalisation. You will then receive an equal weighting of the five year performance of these top five shares.

Capital protection

If an equal weighting of the top five performing shares provides a negative return at the end of five years, some capital protection is provided. Capital protection is only provided if the global portfolio has not fallen by more than 40% at any stage during the five year term.

Please note that you will not receive the performance of the top five shares (even if this performance is positive) or capital protection, if the global portfolio has fallen by more than 40% at any stage during the five year term. In this case you will receive only the performance of the global portfolio.

Who should invest?

The Discovery Europe High Five Fund is most suitable if you are looking for a European equity investment and expect markets to increase over a five year period.

You should not invest in this fund if you

- Need access to your capital within the next five years or you are not willing to risk a potential drop in your capital should there be a large fall in the global portfolio
- Do not want exposure to the European equity market
- Want exposure to rand appreciation or depreciation in a global portfolio

Please note that the Discovery Europe High Five Fund does not qualify for the Upfront Investment Integrator or the As and When Investment Integrator.

Dividends are utilised to provide both the capital protection and benefits of hindsight. Dividends are therefore not included in the returns you receive.

Currency protection

Although the global portfolio is based on offshore investment markets, it is unaffected by any rand appreciation or depreciation. You will therefore not be exposed to any risk of currency fluctuations.

Why you would select this fund

- You want exposure to the best performing large European shares
- You have an optimistic view on the growth prospects for European equities
- You want a fund that offers the potential of high positive returns after five years, with some capital protection in negative market conditions
- You do not want to be exposed to currency fluctuations



Return scenarios

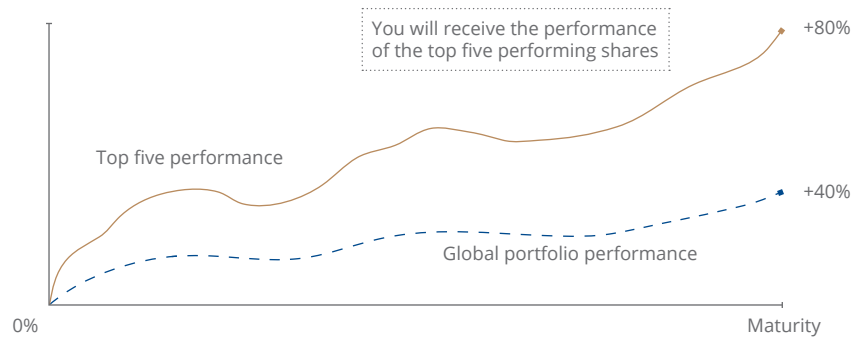
Scenario 1: Receive the top five shares with the benefit of hindsight

If you invest R1 000 000
in the Discovery Europe
High Five Fund:

After five years, the global portfolio
grew by 40% while the top five
performing shares in the global
portfolio grew by 80%.

You will therefore receive:

$$\begin{aligned} &R1\ 000\ 000 + 80\% \times R1\ 000\ 000 \\ &= R1\ 800\ 000 \end{aligned}$$



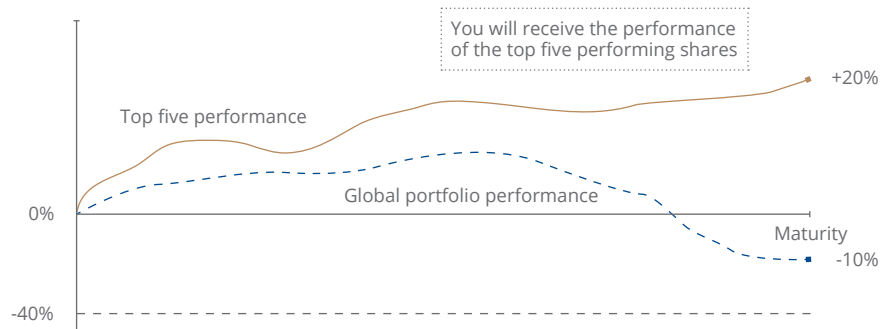
Scenario 2: Receive the top five shares with the benefit of hindsight

If you invest R1 000 000
in the Discovery Europe
High Five Fund:

After five years, the global portfolio
reduced by 10% while the top five
performing shares in the global
portfolio grew by 20%.

You will therefore receive:

$$\begin{aligned} &R1\ 000\ 000 + 20\% \times R1\ 000\ 000 \\ &= R1\ 200\ 000 \end{aligned}$$



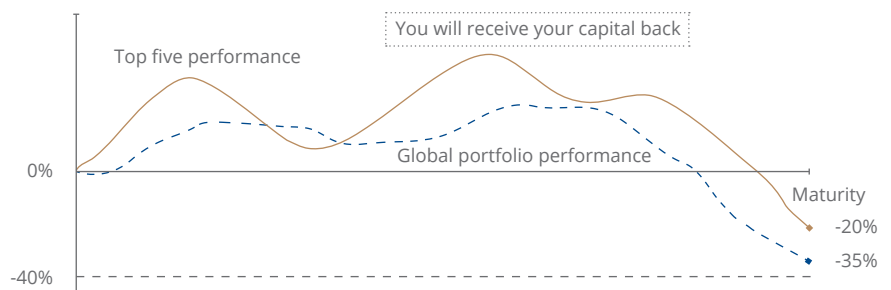
Scenario 3: Your capital is protected

If you invest R1 000 000
in the Discovery Europe
High Five Fund:

After five years, the global portfolio
reduced by 35% while the top five
performing shares in the global
portfolio reduced by 20%.

You will therefore receive:

$$\begin{aligned} &R1\ 000\ 000 + \text{Max}(-20\% \times R1\ 000\ 000; 0) \\ &= R1\ 000\ 000 \end{aligned}$$



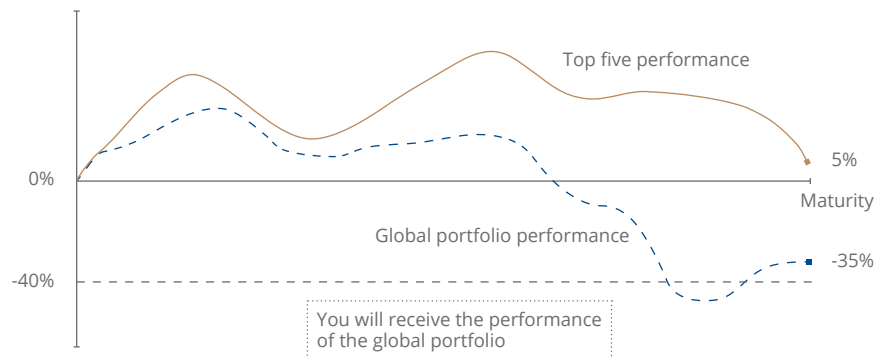
Scenario 4: Capital protection and top five performance falls away

If you invest R1 000 000
in the Discovery Europe
High Five Fund:

During the five year term, the global portfolio reduced by more than 40% during the term and ended down 35%. The top five performing shares in the global portfolio grew by 5%. Because the global portfolio has fallen by more than 40%, you will receive the return of the global portfolio.

You will therefore receive:





















$$R1\ 000\ 000 + -35\% \times R1\ 000\ 000 = R650\ 000$$



Please note that all the examples above are indicative and exclude tax as well as any Discovery administration or financial adviser fees which will reduce the returns in each of the scenarios above. Final terms are subject to market conditions at date of trade. Investors are subject to the credit risk of Absa Bank Limited.

European equity shares

The global portfolio is made up of an equal weighting of the 20 largest European shares as at 1 August 2015. The shares are as follows:

	Allianz SE		ING Group NV
	Anheuser-Busch InBev NV		L'Oreal SA
	AXA SA		LVMH Moët Hennessy Louis Vuitton SE
	Banco Santander SA		Sanofi
	BASF SE		SAP SE
	Bayer AG		Siemens AG
	BNP Paribas		Telefonica SA
	Daimler AG		Total SA
	Deutsche Telekom AG		Unilever NV
	Inditex SA		Volkswagen

The top 20 shares may change if they are affected by a merger, consolidation, amalgamation, takeover, delisting, nationalisation, insolvency or any other similar event. In this case, the effected shares may be substituted with others if appropriate.

Fund information

Availability	The Discovery Europe High Five Fund is available as a limited offer on the Discovery Endowment Plan. Please note that this fund does not qualify for the Upfront Investment Integrator or the As and When Investment Integrator.
Term	Five years from trade date.
Minimum investment size	R100 000
Annual management fees	There are no ongoing fees in the global portfolio or the top five shares.
Offer closing date	There is limited capacity for the Discovery Europe High Five Fund. This offer will expire when capacity runs out but not later than 2 October 2015
Trade date	9 October 2015
Fees	Lump sum Discovery Endowment Plan administration fees and financial adviser fees apply. These will reduce the final return received.
Tax	Returns are taxed as capital gains based on current tax practices. This tax is deducted within the Endowment Plan and paid on your behalf by Discovery Life. Tax will reduce the final return received.
Issuer	Absa Bank Limited

The quoted protection levels, underlying shares and fees 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 point in time. The return provided by the Discovery Europe High Five Fund is based on current taxation practices. Changes to taxation may affect the return provided. The Discovery Europe High Five Fund is backed by a listed security issued by Absa Bank Limited. There is a risk of partial or total loss of capital in the case of bankruptcy or payment default by the Issuer.

Technical details

Investments before the trade date

Money invested in the Discovery Europe High Five Fund before the trade date will first be invested in a cash holding account. Any interest earned together with the initial investment less any fees paid will then be moved into the Discovery Europe High Five Fund on the trade date, at which time the five year investment period will start. The end of this five year period may or may not coincide with your fifth policy anniversary.

How to invest

Please contact your financial adviser for more information. Alternatively, you can call us on 0860 67 5777. Our lines are open Monday to Friday from 08:00 to 17:00.

Interim market value

The Discovery Europe High Five Fund 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 fund 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 underlying investment instruments at the time. This interim market value may differ from the value of the Discovery Europe High Five Fund and the final payout after five years. The capital protection or the performance of the top five shares only applies at the end of the five year period and as long as the fund has not fallen by more than 40%.

The views and opinions expressed in this document are for information purposes only and should not be seen as advice as defined in the Financial Advisory and Intermediary Services Act. Discovery shall not be liable for any actions taken by any person based on the correctness of this information. For full details on the products, benefits and any conditions, please refer to the relevant fact file. The performance figures are based on a lump sum investment over the respective periods shown. The investor confirms that neither Discovery Life nor any Discovery staff provided him/her with any advice (as defined in the FAIS act). Each investor must consult their own financial adviser to advise them whether the investment chosen is appropriate considering his/her individual needs, personal objectives and financial situation.

Investors should be aware of the risks when purchasing a financial product. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Returns are dependent on performance of underlying assets and other variable market factors. No guarantees are provided. This means the investor bears the credit risk for the following events; Bankruptcy, Failure to Pay, Obligation Default, Repudiation/Moratorium and Restructuring on Absa Bank Ltd.

This is not a unit trust therefore this fund is not regulated by the Collective Investment Schemes Control Act. Discovery Life is a registered long term insurer and an authorised Financial services provider Discovery Life Investment Services (Pty) Ltd is an authorised financial services provider.

Discovery Invest is an authorised financial services provider. Registration number 2007/005969/07