Discovery Invest

Lifespan Linked Income Plan

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Enjoy income boosts to enhance your retirement lifestyle, a guaranteed income for life to ensure your savings last, and the ability to transfer your remaining wealth to your nominated beneficiaries.

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Features of this plan

With our Lifespan Linked Income Plan, you get both a living annuity and a specially designed fixed annuity providing guaranteed income for life. A living annuity allows you to manage your retirement savings the way you want to and gives you the flexibility to choose your income each year.

If you choose not to receive the guaranteed income for life, you can invest in our Living Annuity only.

Features of a living annuity

You can withdraw an income of between 2.5% – 17.5% a year.

You need to manage your investment so that it lasts throughout your retirement.

You can transfer your wealth value to your nominated beneficiaries when you die.

Features of the guaranteed income

A guaranteed income is payable from the later of age 80 and 15 years from the start of your investment. This income comes from a specially designed fixed annuity.

Exclusive to the Lifespan Linked Income Plan

Sources of funds you can use to invest in this plan

- Pension funds
- Provident funds
- Preservation funds
- Retirement annuities
- Transfer from an existing living annuity

Tax

Income payments (annuities) are taxed as gross income. All investment growth on the investment fund you choose is tax-free under current tax practice.

Summary of this plan

Enjoy income boosts to enhance your retirement lifestyle, a guaranteed income for life to ensure your savings last, and the ability to transfer your remaining wealth to your nominated beneficiaries.

You can choose between investing in the Lifespan Linked Income Plan, or only investing in our Living Annuity.

The benefits

Income boost

Get rewarded with up to 50% income for life for healthy living and withdrawing wisely. If you close a Personal Health Pathways ring, you will be treated as a minimum of Gold status when your income boost is calculated in the following month.

A guaranteed income

Exclusive to the Lifespan Linked Income Plan

A set portion of your investment is used to provide guaranteed income in the future, giving you peace of mind against the risk of outliving your savings. Speak to your financial adviser about the ways to fund this guaranteed income.

Wealth transfer to nominated beneficiaries

You can transfer all remaining assets to your nominated beneficiaries when you die. For living healthily, we increase your investment value by up to 15% if you die as a result of an accident within the first five years of your investment.

Learn more about Personal Health Pathways

Minimum investment amount:

- R300,000 for the Lifespan Linked Income Plan
- R75,000 for the Living Annuity only
  (R100,000 when investing in Cogence funds)

Fees for your investment

- Discovery fees
- Financial adviser fees
- Investment manager fees

A wide range of investment funds

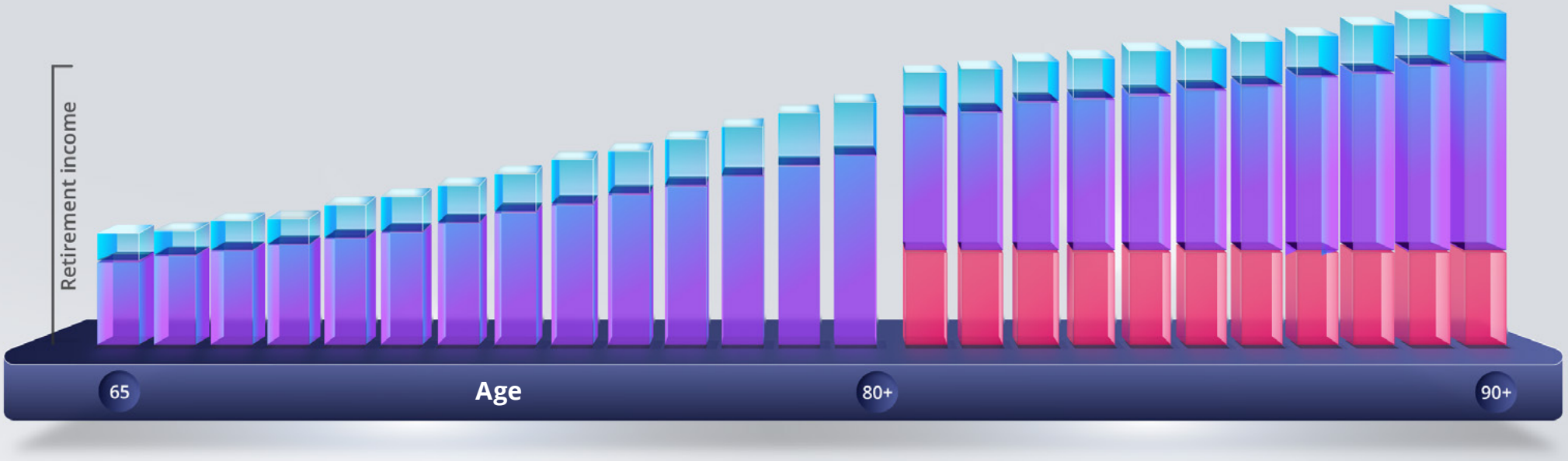
You can tailor your investment to your own personal investment goals. We have a wide range of funds available for investment, with almost 200 funds from leading investment managers to choose from.

Ask your financial adviser for the relevant fact file for details of:

- How you can get boosts to your income
- What happens to your investment on your death
- How the fees work
- How the guaranteed future income works
- What to discuss with your financial adviser

Why the Lifespan Linked Income Plan?

A new category of annuity: Market growth, income flexibility, boosted income and a guaranteed income.



- **Income boosts** of up to 50% for managing your health and withdrawals
- **Flexible income** of 2.5% - 17.5% of your investment fund value
- **Guaranteed income** from the later of age 80 and 15 years from the start of your investment

A wide choice of funds to invest in

There are over 200 funds to choose from, managed by leading investment managers. You can choose from either Discovery funds or external funds, giving you the diversification you need.

You have access to a wide range of funds

We offer you access to a range of unit trust funds across various providers 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. The income boost you receive depends on the funds you choose. Please note that some funds may be excluded from any income boosts. See the most recent fund list available on **www.discovery.co.za**

You can invest in a wide range of Discovery funds, covering any need. From single-asset class funds (shares, bonds, cash, property etc), to funds where the managers pick and dynamically blend the allocation to different asset classes.

You can also invest in an extensive selection of funds managed by top external investment managers.

We offer both local and offshore investment opportunities.

Competitive fees for your investment

There are certain fees that apply to our retirement income plans.

Fees to Discovery Invest

There is a yearly admin fee based on the size of your 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 **www.discovery.co.za**

Fees to your financial adviser

Your financial adviser may charge initial and ongoing fees for giving financial advice.

Things to discuss with your financial adviser

Key considerations

Longevity

We're living longer – and that has changed traditional retirement practice. A potentially longer retirement means that you need to save more money.

The unpredictable nature of markets

Markets can go up one day and down the next. These changes are risks to your investment because you might lose money on your investment if you withdraw during a market downturn. With a longer investment horizon, you can afford more risk.

The impact of inflation

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. 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 have different levels of expected risk and return.

Advantages of a financial adviser

Knowledgeable about managing money

Financial advisers are qualified in financial planning and can help you decide on 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.

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.

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.

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