

Discovery Cautious Balanced Fund



Minimum Disclosure Document

31 January 2019

Fund Detail

Portfolio manager	Chris Freund and Samantha Hartard
Asset manager	Investec Asset Management
Launch date	07 March 2011
Sector	South African - Multi Asset - Low Equity
Benchmark	Peer Review
Fund size	R2 150 022 378
NAV price	147.40c
Class	A
Income declaration	Bi-annually (end of June and December)
Historic one-year yield	3.88%
TER	1.62%
Transaction cost	0.10%
Initial fees	0.00%
Annual fees	1.25% (excl. VAT)

Fund Profile and Strategy

The Discovery Cautious Balanced Fund uses a stand-alone multi-asset strategy with prudential international exposure. The investment process is based on a balanced research process.

The Fund may invest in JSE listed companies, listed gilts and interest bearing securities, money market instruments, listed property companies or securities, listed derivative instruments, participatory units in collective investment schemes and foreign investments.

The Fund limits equity exposure to 40% of the portfolio and international exposure to 30%.

Who Should Invest

This fund is suitable for investors looking to access a diversified mix of asset classes, with an emphasis on capital protection and low risk.

Why You Would Select This Fund

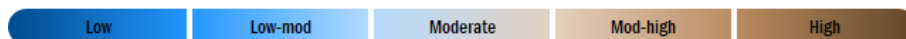
Low risk - you want to invest in a fund that is focused on capital protection.

Diversification - you want exposure to a range of local and global asset classes.

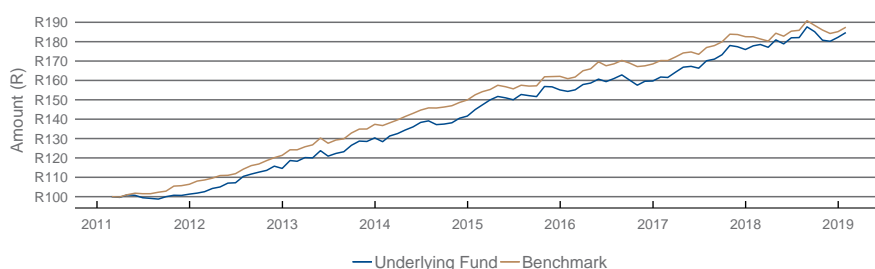
Stable returns - you want to benefit from stable returns over the short to medium term.

Leading investment expertise - the manager of this fund, Chris Freund, has over 2 decades of experience in investment management. Chris works for Investec Asset Management and holds a Bachelor of Commerce degree from the University of Cape Town and a Bachelor of Computations (Honours) (Certificate in Theory of Accounting) degree from the University of South Africa. He is a qualified CA (SA) and a CFA charterholder.

Risk Profile



Historical Performance Of Lump Sum Investment



Historical Performance Table

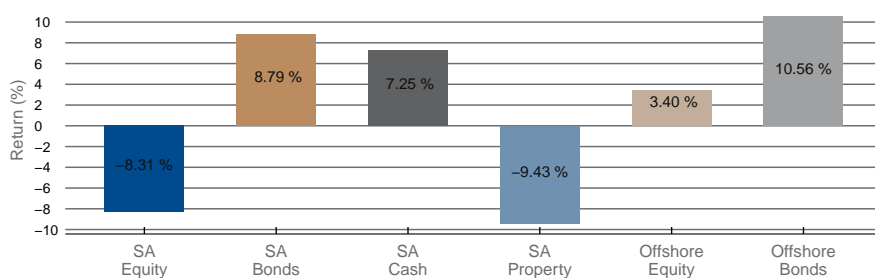
Period	Fund	Benchmark
1 year (Ann.)	3.85%	2.71%
3 year (Ann.)	6.17%	5.23%
5 year (Ann.)	7.55%	6.52%
10 year (Ann.)	-	-
Since Launch (Ann.)	8.07%	8.27%
Since Launch (Cum.)	84.70%	87.46%

Risk Statistics Table

Statistic	Fund
Volatility (Ann.)	4.44%
Maximum Drawdown	-4.95%
Best Annual Return	16.51%
Worst Annual Return	0.43%
Sharpe Ratio (Rf = 0%)	1.81%
Information Ratio	-0.09%

Performance figures are calculated using the Total Returns Index (TRI) for a lump sum investment. The TRI is calculated by purchasing and reinvesting units on the declaration date at the Net Asset Value (NAV) price as at the reinvestment date. The TRI on any day is adjusted for NAV movements and dividend declarations.

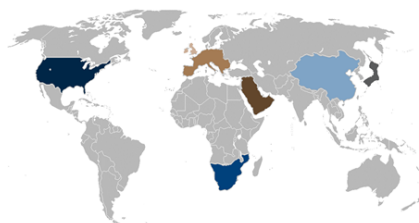
Asset Class Returns - 1 year



Monthly Returns Table - Last 5 Years

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	1.3%	-	-	-	-	-	-	-	-	-	-	-
2018	1.1%	0.4%	-0.8%	2.2%	-1.2%	1.8%	0.1%	3.0%	-1.3%	-2.4%	-0.3%	1.1%
2017	1.3%	-0.1%	1.7%	1.6%	0.3%	-0.6%	2.3%	0.5%	1.3%	2.8%	-0.4%	-0.8%
2016	-0.5%	0.5%	1.8%	0.5%	1.3%	-0.8%	1.0%	1.2%	-1.6%	-1.7%	1.3%	0.1%
2015	2.4%	1.6%	1.8%	1.2%	-0.5%	-0.7%	1.8%	-0.4%	-0.3%	3.4%	-0.1%	-1.0%

Geographic Exposure



Region	Allocation
Emerging Markets	68.7%
Europe ex. UK	3.4%
Far East Ex. Japan	1.5%
Japan	2.3%
North America	5.3%
United Kingdom	8.1%
Other	10.7%

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Top 10 Holdings

Description	Weight
Naspers Ltd	2.3%
Bhp Billiton Plc	1.9%
Sasol Ltd	1.7%
Africa Palladium Debentures	1.5%
Anglo American Plc	1.5%
Standard Bank Group Ltd	1.3%
Absa Group Limited	1.2%
British American Tobacco Plc	1.1%
Mondi Plc	1.1%
Mtn Group Ltd	0.9%

Income Distribution - Last 12 Months

Date	Amount
31 December 2018	2.88c
30 June 2018	2.88c

Specific Fund Risks

Currency exchange risk - Changes in the relative values of different currencies may adversely affect the value of the Fund's investments and any related income.

Default risk - There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.

Derivatives risk - The use of derivatives may increase the overall risk in the Fund by multiplying the effect of both gains and losses. This may lead to large changes in the value of the Fund and potentially large financial loss.

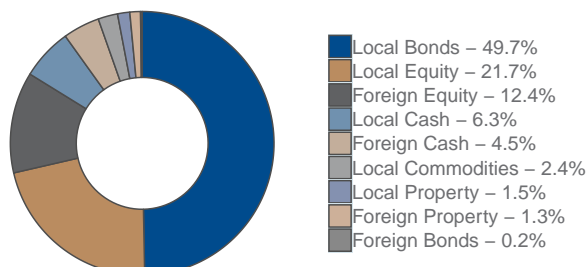
Developing market risk - Some of the countries in which the Fund invests may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

Interest rate risk - The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

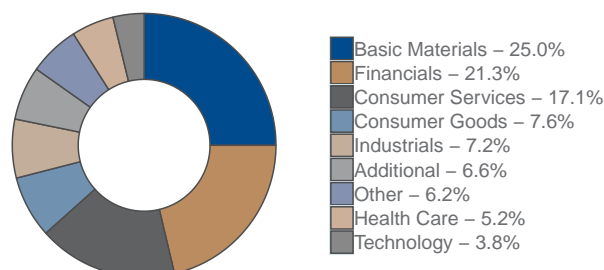
Multi-asset investment risk - The Fund is subject to possible financial losses in multiple markets and may underperform more focused funds.

Third party operational risk - The Fund's operations depend on third parties. Investors in the Fund may suffer disruption or financial loss in the event of third-party operational failure.

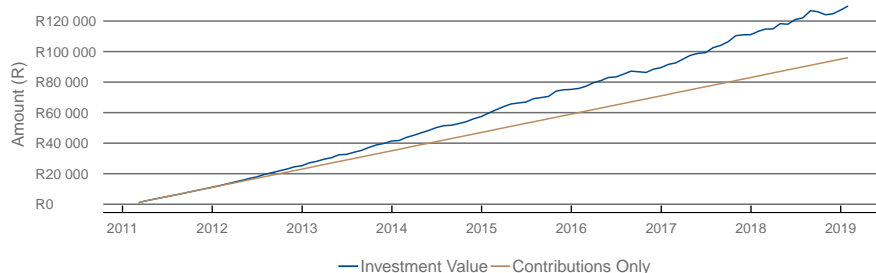
Asset Allocation Chart



Sector Allocation Chart



Historical Performance of Recurring R1000 Monthly Investment



Historical Recurring Investment Performance

Period	Investment
1 year (Ann.)	3.69%
3 year (Ann.)	5.73%
5 year (Ann.)	6.19%
10 year (Ann.)	-
Since Launch (Ann.)	7.53%

Historical Recurring Investment Summary

Statistic	Investment
Total Contributions - Full Period	R96 000
Final Investment Value - Full Period	R129 843

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Contact Us

Discovery

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Fax number 011 539 5777

Website www.discovery.co.za

Discovery Invest is an authorised financial services provider.

Trustee

Standard Chartered Bank

Physical address 4 Sandown Valley Crescent, Sandton, 2196

Telephone number 011 217 6600

Asset Manager

Investec Asset Management

Physical address 36 Hans Strijdom Avenue, Cape Town, 8001

Investec Asset Management is an authorised financial services provider.

Information You Need to Know about Your Investment in This Product

Investment Type

This Fund is a Collective Investment Scheme (also known as a unit trust fund) regulated by the Collective Investment Schemes Control Act, 45 of 2002 (CISCA). Collective investment schemes in securities are generally medium- to long-term investments (around three to five years).

Investment Manager

Discovery Life Collective Investments (Pty) Ltd, branded as Discovery Invest, is the manager of the Fund. Discovery Invest is a member of the Association of Savings and Investment South Africa (ASISA).

You decide about the suitability of this investment for your needs

By investing in this Fund, you confirm that:

- We did not provide you with any financial and investment advice about this investment.
- You have taken particular care to consider whether this investment is suitable for your own needs, personal investment objectives and financial situation.

You understand that your investment may go up or down

1. The value of units (known as participatory interests) may go down as well as up.
2. Past performance is not necessarily an indication of future performance.
3. Exchange rates may fluctuate, causing the value of investments with international exposure to go up or down.
4. The capital value and investment returns of your portfolio may go up or down. We do not provide any guarantees about the capital or the returns of a portfolio.

How we calculate the unit prices and value the portfolios

1. We calculate unit trust prices on a net-asset value basis. (The net asset value is defined as the total market value of all assets in the unit portfolio, including any income accrued and less any allowable deductions from the portfolio, divided by the number of units in issue.)
2. The securities in collective investment schemes are traded at ruling prices using forward pricing. (Forward pricing means pricing all buy and sell orders of units according to the next net-asset value).
3. We value all portfolios every business day at 16:00, except on the last business day of the month when we value the portfolios at 17:00.
4. For the money market portfolio, the price of each unit is aimed at a constant value. This means that all returns are provided in the form of a distribution and that a change in the capital value will be an exception and only due to abnormal losses.
5. Buy and sell orders will receive the same price for that day if we receive them before 11:00 for the money market portfolio and before 14:00 for the other portfolios.
6. We publish fund prices every business day, with a three-day lag, on www.discovery.co.za

About managing the portfolio

1. The portfolio manager may borrow up to 10% of the portfolio's market value from any appropriate financial institution in order to bridge insufficient liquidity.
2. The portfolio manager can borrow and lend scrip.
3. The portfolio may be closed in order to be managed according to the mandate (if applicable).

Fees and charges for this investment

There are fees and other charges for this investment. The fees and charges that apply to this investment are included in the net asset value of the units and you do not have to pay any extra amounts. You can ask us for a complete schedule of fees, charges and maximum commissions. These fees and charges may include:

- The initial fund management fee
- Brokerage fees
- Bank charges
- Commission
- Market securities tax
- Trustee fees
- Incentives (if applicable)
- Auditor fees
- Custodian fees

The total expense ratio

1. "Total Expense Ratio" means a measure of a portfolio's assets that have been expended as payment for services rendered in the management of the portfolio or collective investment scheme, expressed as a percentage of the average daily value of the portfolio or collective investment scheme calculated over a period of a financial year by the manager of the portfolio or collective investment scheme.
2. A percentage of the net asset value of the portfolio is for fees and other charges relating to managing the portfolio. The percentage is referred to as the total expense ratio (TER).
3. A higher TER does not necessarily imply poor return, nor does a low TER imply good return.
4. The current TER is not an indication of any future TERs. If fees go up, the TER is also expected to increase.
5. During any phase-in period, the TERs do not include information gathered over a full year.

Transaction costs (TC)

1. Investors and advisers can use transaction cost (TC) as a measure to work out the costs they will incur in buying and selling the underlying assets of a portfolio.
2. The transaction cost is expressed as a percentage of the daily net asset value of the portfolio calculated over three years on an annualised basis. (This means the amount of interest an investment earns each year on average over three years, expressed as a percentage.)
3. Transaction cost is a necessary costs in administering the Fund. It affects the Fund's returns. It should not be considered in isolation as returns may also be affected by many other factors over time, including:
 - Market returns
 - The investment decisions of the investment manager
 - The type of fund
 - The Total Expense Ratio
4. Where a fund is less than one year old, the TER and transaction cost cannot be calculated accurately. This is because:
 - The life span of the fund is short.
 - Calculations are based on actual data where possible and best estimates where actual data is not available.
5. The TER and the TC shown on the fund sheet are the latest available figures.