

30 JUNE 2021

Living annuity investment choices

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ABOUT 10X

Our goal is to give investors more money at and in retirement. We achieve this by providing one optimal investment solution, and no competing choices. Three investment principles underlie 10X's Living Annuity investment choices:

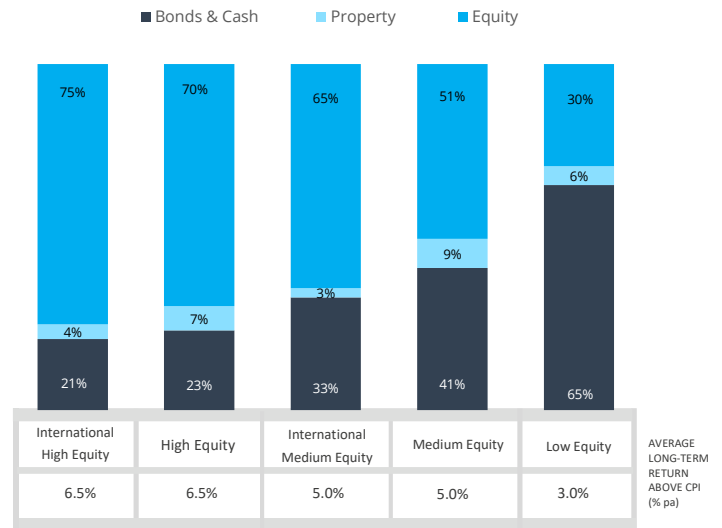
1. Time drives investment risk
2. Index funds
3. Low fees

01 | Time drives investment risk

At retirement, you may need your living annuity to last for 20 years or longer. Therefore, contrary to popular belief, most retirees are still long term investors and need to have a long term approach when managing their investments. Investment risk is linked to the term of your investments. The longer your term, the more time you have to ride out a drop in your investments. This holds true even when drawing an income from your investments.

A high equity investment choice is optimal for investments of 5 years or longer, as it maximises long-term returns. However over shorter time periods the returns of the high equity investment choice can be very volatile.

10X LIVING ANNUITY INVESTMENT CHOICES



SOURCE: 10X Investments, Dimson, Staunton & Marsh. Based on back tested after-inflation returns since 1900.

10X LIVING ANNUITY INVESTMENT CHOICES

Standard Investment Choices

	1 MONTH	3 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR
High Equity	0.4%	3.0%	19.8%	8.3%	7.3%	7.5%	11.0%
Medium Equity	0.7%	2.9%	15.3%	6.5%	5.9%	6.7%	9.8%
Low Equity	0.9%	2.5%	10.0%	6.4%	6.1%	6.8%	8.3%

SOURCE: 10X Investments. Performance is before 10X's fee but after all other trading costs. All returns greater than 12 months are annualised. 10X Living Annuity returns are shown from Dec 2014 (when this product first commenced). Earlier returns shown are based on the same portfolio in the 10X Umbrella Pension Fund, which is shown for illustrative purposes.

International Investment Choices

	1 MONTH	3 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR
International High Equity	3.2%	3.8%	15.6%	11.4%	10.1%	10.9%	14.7%
International Medium Equity	3.3%	3.6%	12.9%	11.3%	10.0%	10.7%	13.9%

SOURCE: 10X Investments. Historical benchmark performance, before fees is shown for illustrative purposes. 10X International High Equity returns comprise of a benchmark tracking 50% of the 10X Medium Equity Index and 50% of the MSCI World Index. 10X International Medium Equity returns comprise of a benchmark tracking 50% of the 10X Low Equity Index and 50% of the MSCI World Index.

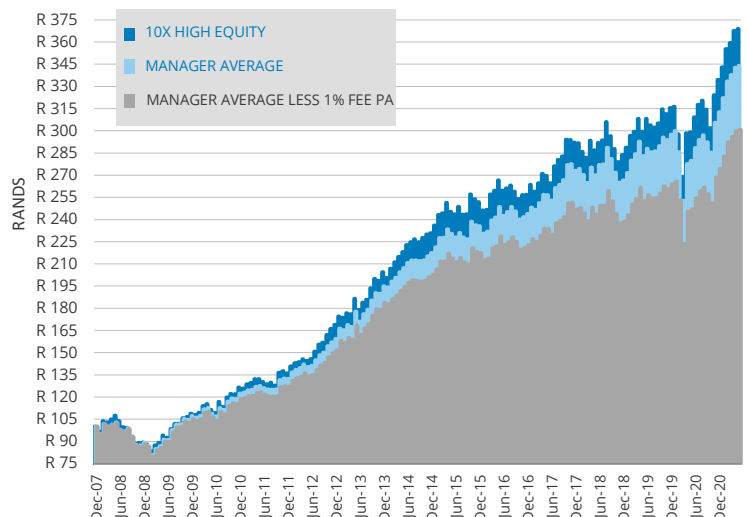
02 | Index funds

10X uses index funds as 3 out of 4 have historically outperformed active funds after costs.*

An index fund owns the same basket of investments as the index and therefore earns the index return at a low cost. Active funds do not own the same basket of investments as the index and therefore returns differ from the index return, and costs are higher.

The 10X High Equity investment choice has consistently outperformed the average return of large fund managers (BEFORE FEES) since inception (1 January 2008). 10X's total fees are generally half the industry average** and so 10X saves most clients at least 1% pa (of the investment balance) in fees. We thus also show the average return of large fund managers reduced by a 1% higher fee to show the effect of the fee differential. Higher fees will always reduce the investment outcome regardless of market performance, however past performance is used here for illustrative purposes.

10X HIGH EQUITY VS. AVERAGE RETURN OF LARGE INVESTMENT MANAGERS SINCE INCEPTION (BEFORE FEES)¹



SOURCE: 10X Investments, Alexander Forbes Large Manager Watch Global Best Investment View Median. Returns are based on R100 lump sum invested on 31 December 2007.

* Profile Data, 10X, General Equity unit trusts, 5 yrs to Dec 2019, index fund assumed to be ALSI less 0.4% pa fee.
** National Treasury, Charges in South African retirement funds, July 2013.

BENCHMARKS

Each 10X Portfolio is benchmarked against its own asset allocation, with the relevant indices shown below. 10X's tracking performance is disclosed in our Annual Investor letter.

ASSET CLASS	BENCHMARK (INDEX TRACKED)	DESCRIPTION
SA Equity	10X Top 60 SA Share Index	Top 60 Shares, 6% cap per share
SA Bonds	S&P SA Sovereign Bond 1+ Year Index (GOVI)	SA Government Bonds: nominal
	S&P SA Sovereign Inflation-Linked Bond 1+ Year Index (IGOV)	SA Government Bonds: inflation-linked
SA Property	10X SA Property Index	Top 14 property shares, 15% cap per share
SA Cash	STeFI 3-month	Interest rate on 3-month SA cash deposits
International Equity	MSCI World Index	Top 1,600+ developed market stocks
	MSCI Emerging Markets Index	Top 1,100+ emerging market stocks
International Property	FTSE EPRA/NAREIT Developed Index	Top 300+ developed real estate stocks
International Currency	US Dollar / Rand Exchange Rate	US Dollar / Rand exchange rate

SOURCE: 10X Investments

10X'S BENCHMARK RETURNS

INDEX	1 MONTH	3 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR
10X Top 60 SA Share	-3.1%	1.3%	27.4%	7.1%	6.4%	5.8%	10.5%
S&P SA Sovereign Bond	1.1%	7.0%	14.3%	9.3%	9.3%	8.5%	8.6%
S&P SA Sovereign Inf. Bond	-1.6%	2.9%	15.9%	5.2%	3.4%	4.3%	6.4%
10X SA Property	3.8%	11.2%	23.8%	-10.2%	-8.0%	0.5%	6.0%
STeFI 3-month	0.3%	0.9%	3.5%	5.6%	6.2%	6.2%	5.9%
MSCI World Index ³	5.7%	4.6%	15.8%	16.8%	14.4%	14.9%	19.4%
MSCI EM Index ³	5.6%	1.4%	16.1%	13.6%	12.7%	11.0%	12.5%
Developed Property Index ³	5.5%	5.4%	12.3%	9.1%	5.6%	10.7%	15.8%
USD/ZAR	4.0%	-3.4%	-17.8%	1.3%	-0.6%	4.3%	7.7%

SOURCE: MSCI, FTSE/JSE, Reuters, 10X Investments. All returns greater than 12 months are annualised. ³International Indices are lagged by 1 day due to underlying price availability

TOP 10 SA SHARES AS % OF SA EQUITY

TOP 10 INTERNATIONAL SHARES AS % OF INTERNATIONAL EQUITY

BHP Group Plc	6.3%	Apple Inc.	3.4%
Richemont SA	6.3%	Microsoft Corp.	2.9%
Naspers Ltd	6.1%	Amazon.com Inc	2.2%
Anglo American Plc	5.7%	Facebook, Inc	1.2%
FirstRand Ltd	5.1%	Alphabet, Inc Class C	1.1%
Impala Platinum	3.6%	Alphabet, Inc Class A	1.1%
MTN Group Ltd	3.6%	Taiwan Semiconductor Manufacturing	0.9%
Mondi Plc	3.5%	Tesla Inc	0.8%
Sibanye Stillwater Ltd	3.4%	Nvidia	0.7%
Standard Bank Ltd	3.2%	JPMorgan Chase & Co.	0.7%

SOURCE: S&P Dow Jones Indices, FTSE EPRA/NARET and MSCI Indices

03 | Low Fees

10X charges low total fees to ensure investors save more of their money, and keep more of the investment return.

Consider two retirees; both purchase a living annuity at retirement and draw an initial income of 5% of their savings. The first retiree pays total fees of 2.85% pa (incl. VAT) for advice, administration and investments, which is not uncommon in the industry. The second retiree pays a fee of 0.86% pa (incl. VAT), which is the maximum fee charged by 10X on a sliding scale (where the larger your investment, the lower your fee).

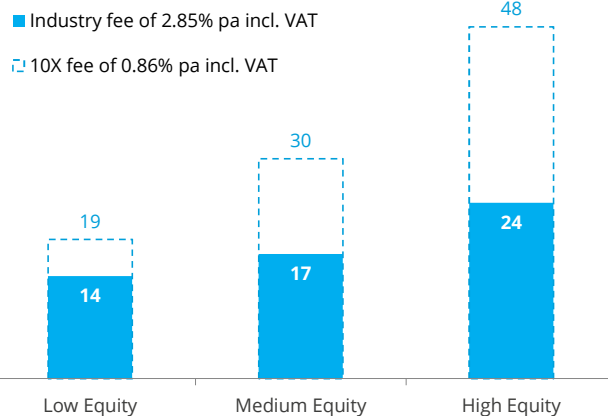
If both retirees draw the same income and increase their income in line with inflation until their income reaches the 17.5% cap, the income would no longer keep pace with inflation thereafter. The chart shows that higher fees impact how long your income will last and keeps pace with inflation in each instance.

10X Living Annuity Policy Fees⁴

Investment value	a incl VAT as a % of investments
First R5 million	0.86%
Next R5 million	0.57%
Above R10 million	0.40%

⁴ An additional fee will be charged for International investment choices

YEARS INCOME KEEPS PACE WITH INFLATION (5% PA INITIAL DRAW)²



SOURCE: 10X Investments, Dimson, Staunton & Marsh. This illustration is based on asset class index returns after inflation back tested to 1900.

DISCLAIMER & FOOTNOTES

- Returns are not necessarily indicative of future returns, which are not guaranteed.
- Higher fees will always reduce investment outcome regardless of market performance, however, the returns used here are for illustrative purposes. It is not necessarily indicative of future returns, which are not guaranteed.

While every effort has been made to ensure the accuracy and reliability of the information in this document, 10X Investments cannot be held responsible for any errors. Past performance is not necessarily indicative of future performance. Future returns are not guaranteed.

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GENERAL INFORMATION

Auditors	EY
Bankers	FNB Corporate
Regulator	Financial Sector Conduct Authority
Investment manager	10X Investments
Funds under management	R 16.2 billion
Since Inception (10X funds)	01 January 2008
Guardrisk	The MARC, Tower 2 129 Rivonia Road Sandton 2196