

# 10X LOW EQUITY INDEX FUND



INVESTMENTS

31 DECEMBER 2020

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Minimum Disclosure Document - Class A

## ABOUT 10X

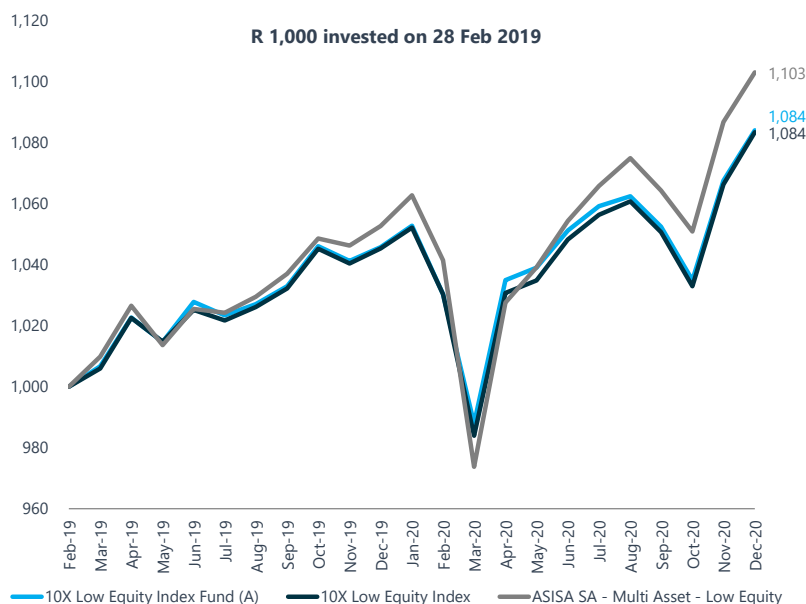
10X Investments began investing money in 2007 and currently has R14.3 billion under management. We manage a range of investments from pensions to discretionary investments. 10X Index Fund Managers has been authorised since 2018 as a manager of Collective Investment Schemes.

## ABOUT THE FUND

The 10X Low Equity Index Fund is suitable for investors seeking a degree of income and capital growth that is achieved with low cost exposure to a range of local and international asset classes.

The portfolio has a higher allocation to defensive assets (bonds and cash) than to growth assets (shares and property). The recommended time horizon is 1-3 years and longer as returns may be volatile over periods shorter than 1 year.

The benchmark drifts between rebalance dates and is rebalanced back to mandate weights semi-annually in June and December.



SOURCE: 10X Investments, Profile Data. Total Return.

## FUND FACTS

|                              |  |                |       |             |              |     |       |                   |              |     |       |
|------------------------------|--|----------------|-------|-------------|--------------|-----|-------|-------------------|--------------|-----|-------|
| <b>Fund manager:</b>         | 10X Investments (Pty) Ltd  |                |       |             |              |     |       |                   |              |     |       |
| <b>ASISA classification:</b> | SA - Multi Asset - Low Equity  |                |       |             |              |     |       |                   |              |     |       |
| <b>Regulation 28:</b>        | Compliant  |                |       |             |              |     |       |                   |              |     |       |
| <b>Ideal time horizon:</b>   | 1-3 years and longer   |                |       |             |              |     |       |                   |              |     |       |
| <b>Benchmark:</b>            | 10X Low Equity Index   |                |       |             |              |     |       |                   |              |     |       |
| <b>Risk profile:</b>         | Lower than a medium equity fund. Higher in periods shorter than a year, lower in periods greater than 2 years.   |                |       |             |              |     |       |                   |              |     |       |
| <b>Investment style:</b>     | Index tracking   |                |       |             |              |     |       |                   |              |     |       |
| <b>Objective:</b>            | To match, as closely as possible, the performance of the 10X Low Equity Index, thereby, providing steady level of income and long term capital growth through a spectrum of investments in equity, bond, money and property markets.                           |                |       |             |              |     |       |                   |              |     |       |
| <b>Initial fee:</b>          | Nil  |                |       |             |              |     |       |                   |              |     |       |
| <b>Management fee:</b>       | 0.5% plus VAT  |                |       |             |              |     |       |                   |              |     |       |
| <b>Ongoing charges:</b>      | <table border="0"> <tr><td>Management fee</td><td>0.58%</td></tr> <tr><td>Other costs</td><td><u>0.08%</u></td></tr> <tr><td>TER</td><td>0.65%</td></tr> <tr><td>Transaction costs</td><td><u>0.04%</u></td></tr> <tr><td>TIC</td><td>0.69%</td></tr> </table> | Management fee | 0.58% | Other costs | <u>0.08%</u> | TER | 0.65% | Transaction costs | <u>0.04%</u> | TIC | 0.69% |
| Management fee               | 0.58%  |                |       |             |              |     |       |                   |              |     |       |
| Other costs                  | <u>0.08%</u>   |                |       |             |              |     |       |                   |              |     |       |
| TER                          | 0.65%  |                |       |             |              |     |       |                   |              |     |       |
| Transaction costs            | <u>0.04%</u>   |                |       |             |              |     |       |                   |              |     |       |
| TIC                          | 0.69%  |                |       |             |              |     |       |                   |              |     |       |
| <b>Minimums:</b>             | R 1 000 lump sum<br>R 500 debit order  |                |       |             |              |     |       |                   |              |     |       |
| <b>Distribution months:</b>  | June & December  |                |       |             |              |     |       |                   |              |     |       |
| <b>Distributions:</b>        | 219.6137 cents per unit  |                |       |             |              |     |       |                   |              |     |       |
| <b>Fund size:</b>            | R 606 million  |                |       |             |              |     |       |                   |              |     |       |
| <b>Inception date:</b>       | 1 March 2019   |                |       |             |              |     |       |                   |              |     |       |

## FUND AND BENCHMARK RETURNS VS ASISA CATEGORY AVERAGE

|  | 1 MONTH | 3 MONTH | 1 YEAR | 3 YEAR | 5 YEAR | 7 YEAR | 10 YEAR |
|--|---------|---------|--------|--------|--------|--------|---------|
| 10X Low Equity Index Fund (A)                  | 1.5%    | 3.0%    | 3.7%   | -      | -      | -      | -       |
| 10X Low Equity Index                           | 1.6%    | 3.1%    | 3.6%   | 4.2%   | 5.1%   | 6.4%   | 8.1%    |
| ASISA South African - Multi Asset - Low Equity | 1.5%    | 3.6%    | 4.8%   | 4.8%   | 5.3%   | 6.0%   | 7.4%    |

SOURCE: 10X Investments, Profile Data. All returns greater than 12 months are annualised.

## TOP 10 HOLDINGS AS % OF FUND

|  |       |
|--|-------|
| Nedgroup Money Market Fund             | 20.9% |
| iShares Developed World Index Fund     | 6.4%  |
| Nedgroup Corporate Money Market Fund   | 3.5%  |
| Nedgroup Prime Money Market Fund       | 2.7%  |
| BlackRock ICS US Dollar Liquidity Fund | 2.7%  |
| SAGB R197                              | 2.6%  |
| SAGB R186                              | 2.5%  |
| iShares Emerging Market Index Fund     | 2.5%  |
| SAGB I2025                             | 1.9%  |
| SAGB R202                              | 1.9%  |

### Custodian and Trustee

Rand Merchant Bank, a division of FirstRand Bank Limited  
Tel: 087 736 1732

### Management Company

10X Index Fund Managers (RF) (Pty) Ltd  
Suite 105 Sovereign Quay  
34 Somerset Road  
Green Point, 8005  
Tel: 021 412 1010

# UNDERLYING BENCHMARK INDICES

The 10X Low Equity Index Fund is invested in the securities comprising the index, with the relevant underlying indices shown below. The 10X Low Equity Index is rebalanced semi-annually to the mandate weights. The underlying index weights drift between rebalance dates.

| BENCHMARK  | DESCRIPTION                               | STRATEGIC WEIGHT | CURRENT WEIGHT |
|--|---|------------------|----------------|
| 10X Top 60 SA Share Index                            | Top 60 Shares, 6% cap per share           | 15.0%            | 15.2%          |
| S&P SA Sovereign Bond 1+ Year Index                  | SA Government Bonds: nominal              | 8.1%             | 8.3%           |
| S&P SA Sovereign Inflation-Linked Bond 1+ Year Index | SA Government Bonds: inflation-linked     | 10.9%            | 11.0%          |
| 10X SA Property Index                                | Top 14 property shares, 20% cap per share | 4.5%             | 4.9%           |
| STeFI 3-month  | Interest rate on 3-month SA cash deposits | 39.0%            | 38.7%          |
| MSCI World Index <sup>1</sup>                        | Top 1,600+ global stocks                  | 13.0%            | 12.7%          |
| MSCI Emerging Markets Index <sup>1</sup>             | Top 1,100+ emerging market stocks         | 1.5%             | 1.5%           |
| FTSE EPRA/NAREIT Developed Index <sup>1</sup>        | Top 300+ developed real estate stocks     | 1.0%             | 1.0%           |
| US Dollar / Rand Exchange Rate                       | US Dollar / Rand exchange rate            | 7.0%             | 6.7%           |

SOURCE: 10X Investments. Underlying benchmark weights drift between rebalance dates. Totals may not sum to 100% due to rounding. More information about the index is available on the 10X website.

## UNDERLYING BENCHMARK RETURNS

| BENCHMARK INDEX                                      | 1 MONTH | 3 MONTH | 1 YEAR | 3 YEAR | 5 YEAR | 7 YEAR | 10 YEAR |
|--|---------|---------|--------|--------|--------|--------|---------|
| 10X Top 60 SA Share Index                            | 5.9%    | 10.0%   | 4.0%   | 1.8%   | 4.9%   | 5.7%   | 9.2%    |
| S&P SA Sovereign Bond 1+ Year Index                  | 2.5%    | 6.8%    | 9.2%   | 9.0%   | 10.5%  | 8.3%   | 8.3%    |
| S&P SA Sovereign Inflation-Linked Bond 1+ Year Index | 2.1%    | 5.2%    | 5.1%   | 2.5%   | 3.2%   | 4.3%   | 6.2%    |
| 10X SA Property Index                                | 12.8%   | 21.1%   | -36.9% | -22.2% | -9.1%  | -1.6%  | 6.0%    |
| STeFI 3-month  | 0.3%    | 0.8%    | 4.8%   | 6.2%   | 6.6%   | 6.4%   | 6.0%    |
| MSCI World Index <sup>1</sup>                        | -1.4%   | 0.2%    | 21.3%  | 16.8%  | 10.8%  | 14.5%  | 18.9%   |
| MSCI Emerging Markets Index <sup>1</sup>             | 0.1%    | 6.2%    | 23.1%  | 12.4%  | 11.6%  | 11.3%  | 12.2%   |
| FTSE EPRA/NAREIT Developed Index <sup>1</sup>        | -2.6%   | -0.4%   | -3.7%  | 8.3%   | 3.4%   | 10.7%  | 15.1%   |
| US Dollar / Rand Exchange Rate                       | -4.6%   | -12.2%  | 4.6%   | 5.8%   | -1.1%  | 4.9%   | 8.3%    |

SOURCE: MSCI, SPDJ, FTSE EPRA/NAREIT, Reuters, 10X Investments. All returns greater than 12 months are annualised. <sup>1</sup>International Indices are lagged by 1 day due to underlying price availability.

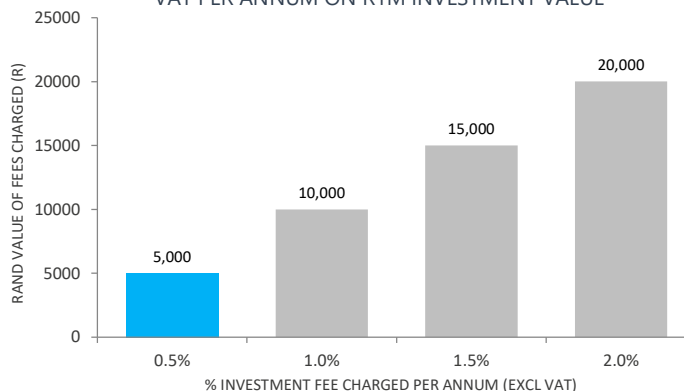
## LOW FEES

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

10X encourages investors to know the fees that they pay. Calculating that fee is as simple as multiplying the charge by the investment balance. For example, for a R1 million investment balance, paying a 1.5% Excl VAT fee to your investment manager means paying R15,000 per year if there is no growth on the investment.

Importantly, not only do you pay your fee to the investment manager, you lose the potential growth you could have earned on that fee in future. This makes fees such an important aspect when choosing an investment.

RAND VALUE OF INVESTMENT MANAGEMENT FEES CHARGED EX VAT PER ANNUM ON R1M INVESTMENT VALUE



SOURCE: 10X Investments. The Rand Value of Investment Management Fees Charged p.a.

## DISCLAIMER & FOOTNOTES

**Total Expense Ratio (TER):** Expenses related to the administration of the Financial Product including Management Fees (MF) and Other Costs (OC). A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. The TER of this class of participatory interest / portfolio will be higher than the quoted service charge of the manager. These include audit, custody, trustee, management fees and VAT.

**Transaction Costs:** Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product 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 Financial Product, the investment decisions of the investment manager and the TER. These costs include settlement fees and trading commissions.

**Total Investment Charges (TIC):** Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product 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 Financial Product, the investment decisions of the investment manager and the TER.

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