

10X Index Funds

10X is a pioneer in the field of multi-asset index funds in South Africa with a track record since January 2008. Global and local research confirms that index funds outperform most actively managed funds after fees¹.

10X's solution has been developed using international best practice, with specific focus on the appropriateness of each index tracked in each asset class building block to ensure the best long-term outcome for our clients.

10X has developed four balanced indices, each tracked by a unit trust. The balanced indices consist of the same underlying asset classes, in different weights based on the objective of the index, either to maximise long-term growth or to preserve capital.

10X High Equity Index

The 10X High Equity Index is designed for long-term investors, preferably with time horizons longer than 5 years. The index consists primarily of growth assets and, as a result, exhibits more short-term volatility.

10X Medium Equity Index

The 10X Medium Equity Index is designed for long-term growth but with less volatility expected than a high equity index.

10X Low Equity Index

The 10X Low Equity Index is designed for moderate growth with low volatility expected.

10X Defensive Index

The Defensive Index is designed with capital preservation in mind. With higher allocations to cash and interest-bearing assets, this index exhibits relatively low levels of volatility.

10X's balanced indices are rebalanced semi-annually back to their mandate weights. The semi-annual rebalance is aligned with that of the 10X Top 60 SA Share Index and the 10X SA Property Index rebalance to ensure maximum efficiency and to minimise trading costs.

¹ S&P Indices Versus Active <https://us.spindices.com/spiva/#/>

Index Constituents and Mandate Weights*

Asset Class Index	10X High Equity Index	10X Medium Equity Index	10X Low Equity Index	10X Defensive Index
10X Top 60 SA Share	50.00%	36.00%	17.50%	5.00%
10X SA Property	5.00%	10.00%	6.00%	5.00%
FTSE / JSE GOVI	5.70%	7.13%	9.26%	7.125%
FTSE / JSE IGOVI	5.70%	7.13%	9.26%	7.125%
STeFI 3-month	9.10%	19.75%	41.98%	65.75%
MSCI World	17.82%	11.34%	6.08%	1.22%
MSCI Emerging Markets	4.18%	2.66%	1.43%	0.29%
USD / ZAR	2.50%	6.00%	8.50%	8.50%

*Please note that the benchmark drifts between rebalance dates. Allocations are rounded to 2 decimal places, as a result the total may not add up to 100%.

Asset Class	Index Tracked
SA Equity	10X Top 60 SA Share Index
SA property	10X SA Property Index
SA Bonds	FTSE / JSE Government Bond Index FTSE / JSE Inflation Linked Government Bond Index
SA Cash	Short Term Fixed Interest 3-month Index
International Equity	MSCI World Index MSCI Emerging Markets Index
International Cash	USD / ZAR Exchange Rate

SA Equity

The 10X Top 60 SA Share Index tracks the total return performance of the largest 60 shares in the South African market with a 6% cap on rebalance date. The index is unique in that it is the only broad market index that adequately addresses the concentration risk inherent in the South African equity market. Encompassing the 60 largest shares means that the index covers approximately 90% of the free-float market capitalisation whilst maintaining sufficient liquidity in the portfolio. Our research suggests that shares below the 60th position in the market tend to be less liquid and difficult to trade efficiently. This index is independently calculated by S&P Dow Jones Indices. The index is rebalanced semi-annually to reduce turnover and trading costs.

SA Property

The 10X SA Property Index tracks the total return performance of the largest 14 property shares in the South African market. This index addresses concentration risk in South Africa's listed property sector by limiting the exposure to any one share to 20% on rebalance date. The 14 largest property shares are included because our research has shown that smaller property shares exhibit lower levels of liquidity than we deem acceptable. This index is independently calculated by S&P Dow Jones Indices. The index is rebalanced semi-annually to reduce turnover and trading costs.

SA Bonds

The FTSE/JSE Government Bond Index (GOVI) comprises the largest and most liquid South African government bonds in the local market across varying maturities. The index is rebalanced monthly with quarterly reconstitutions. This means every month the weights of the bonds will change whilst every quarter there is a chance the bonds in the index will change.

The FTSE/JSE Inflation-Linked Government Bond Index (IGOV) comprises the largest and most liquid inflation-linked government bonds in the South African market. The index is rebalanced monthly with quarterly reconstitutions.

SA Cash

Cash is the most liquid asset class and it earns short-term interest. The asset class targets The Short-Term Fixed Interest (STeFI) 3-Month Index.

International Equity

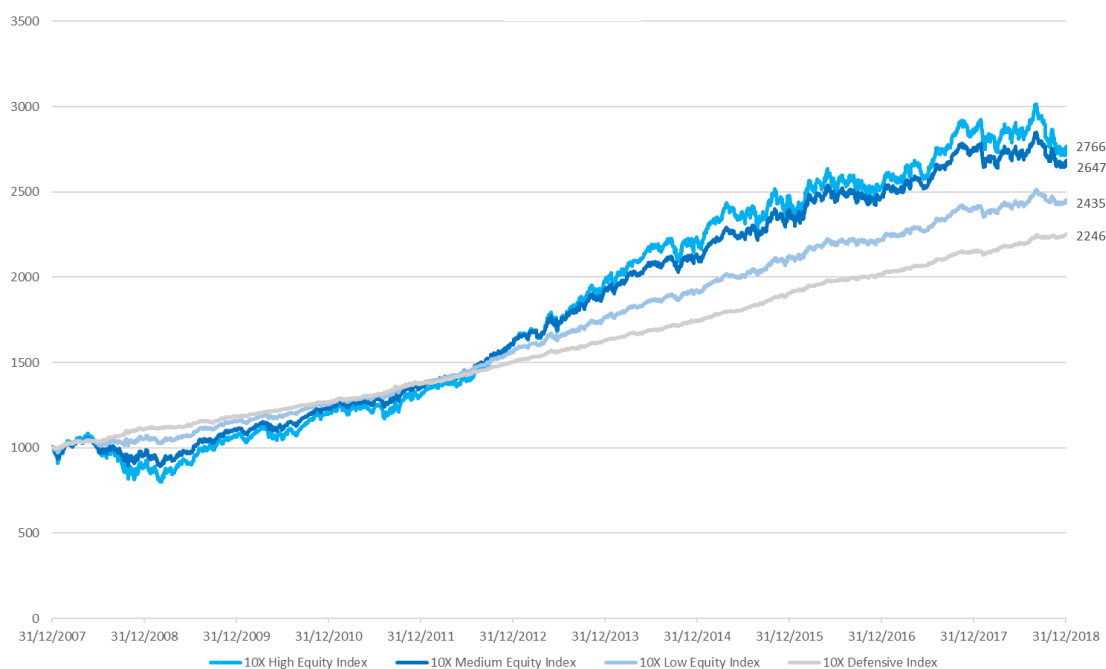
The MSCI World Index is an index of the largest global shares across 23 developed economies. The index is recognised as a benchmark measure of global equity performance.

The MSCI Emerging Markets Index is a global benchmark of emerging economies' equity performance, providing performance of the largest equities across 24 emerging markets.

International Cash

This asset class is invested in US Dollar cash, which is represented by the USD/ZAR exchange rate.

Index Performance to December 2018



Source: 10X Investments, Riscura Analytics, indices based at 1000 on 31 December 2007.

Index Performance to December 2018

	10X High Equity Index	10X Medium Equity Index	10X Low Equity Index	10X Defensive Index
1 Year	-3.6%	-2.7%	1.9%	4.6%
3 Years	3.9%	4.0%	5.0%	5.7%
5 Years	6.9%	6.8%	6.8%	6.7%
7 Years	11.4%	10.3%	8.6%	7.3%
10 Years	12.0%	10.8%	8.8%	7.3%
Since December 2007	9.7%	9.4%	8.5%	7.7%

Source: 10X Investments, Riscura Analytics, total returns for periods longer than 1 year are annualised.

Disclaimer

The 10X indices have been developed by, and remain the intellectual property of, 10X Investments. Each index is tracked by the respective unit trust, forming part of the 10X Index Fund Scheme. The manager is 10X Index Fund Managers (RF) (Pty) Ltd, an approved manager of collective investment schemes. Past performance is not necessarily indicative of future performance. Future returns are not guaranteed. Any queries should be directed to client services: +27 21 412 1010.

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