



The South African's guide to
**making your savings
last in retirement**



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Introduction

Your Retirement Journey Starts Here

Retirement has shifted from a distant “someday” to an imminent reality requiring concrete decisions. If you’re reading this guide, you’re likely wondering: Will I have enough? Can my savings sustain the lifestyle I want? How do I navigate the complex array of financial products ahead?

The decisions you make now will profoundly impact every day of retirement. Choose wisely, and you’ll enjoy financial security and freedom. Make poor choices, and you may face dwindling resources and forced lifestyle compromises.

This guide is designed specifically for South African retirees and pre-retirees. We’ll cut through industry jargon, dispel common myths, and provide practical guidance based on research and real-world experience.

What You’ll Discover



Assessment and Planning

Determine where you stand financially and what you’ll realistically need, moving beyond generic rules to create a personalized financial picture.



Understanding Your Options

Gain clarity on living annuities versus guaranteed annuities, learning how each aligns with different retirement goals and risk tolerances.



Strategic Implementation

Explore sophisticated strategies like combining annuity types, choosing optimal drawdown rates, and structuring investments for long-term sustainability.



Investment Wisdom

Learn why traditional “play it safe” retirement advice may actually increase your risk of running out of money, and how to invest for growth even in retirement.

Your Financial Future Starts Here

Remember: retirement planning isn’t “set it and forget it.” Successful strategies require flexibility, regular review, and willingness to adapt as circumstances change.

Your retirement years should be a time of freedom and peace of mind. With the right knowledge and informed decisions, they can be exactly that. Let’s begin.



CHAPTER 1

Taking stock:

What you have and what you need



The information in this chapter is provided for educational purposes only and should not be regarded as financial advice as defined in the FAIS Act. Retirement needs and outcomes vary depending on personal circumstances. Please consult a licensed financial adviser before making any financial decisions.

Retirement is no longer a distant dream, it's becoming reality. If you're in the final stretch before stopping work, it's time to get specific about your financial future.



The big question is: **“Will I have enough?”**

To answer that, you need to know what you have and what you'll need. Let's figure both out.

What's my retirement pot actually worth in monthly income?

You may know how much money you'll have at retirement from your fund statement, but do you know what annual income that translates to?

Online tools like the [10X Retirement Income Calculator](#) show your sustainable income from a living annuity.

Results from retirement calculators are illustrative only and should not be taken as financial advice.

For guaranteed annuity quotes, contact life assurance companies directly. Different annuity types and providers offer varying rates and income structures.

How much income do you need?

For most of your working life, your retirement goal was probably expressed as “I need X million rand” or “I want to replace 75% of my salary.” But now that retirement is close, it becomes possible to be much more precise.

Create Your Real Retirement Budget

Fixed Expenses (The Non-Negotiables)

These are your survival costs – the bare minimum you need each month to maintain a decent standard of living.

- Housing costs (rates, levies, maintenance, insurance)
- Utilities (electricity, water, internet, cell phone)
- Food and groceries
- Medical aid and healthcare costs
- Insurance (car, household, life)
- Transport (car payments, fuel, maintenance, or taxi money)
- Basic entertainment and social costs

Bridging the gap

Don't despair if your projected retirement income doesn't match your expenditure goals. If you have a few years left, you may be able to improve your outcome by saving more aggressively. The 10X Retirement Calculator can help project your outcome using different retirement ages, contribution rates or desired income.

Disclaimer: Calculator results are illustrative only and not guaranteed. Your actual outcome will depend on your personal circumstances.

In retirement, you might stretch your savings by taking part-time work, using a low-cost living annuity, or investing in a growth rather than defensive portfolio.

It's important to consider what may be achievable within your timeframe. Revisit your budget and identify cuts. Perhaps minor lifestyle adjustments like a more affordable car will suffice, but you may need more drastic changes like trading down your living arrangements.

The sooner you recognise your shortfall and make lifestyle changes, the more you can add to savings and the less painful the adjustment.

The sooner you recognise your shortfall and make lifestyle changes, the more you can add to savings and the less painful the adjustment.

How long does your money have to last?

This is the big unknown that makes post-retirement financial planning difficult. It is about finding an optimal solution that balances the risk of outliving your savings against the risk of unnecessarily sacrificing your lifestyle. This balancing act becomes harder if your savings must also provide for a partner.

A life expectancy table can take you only so far; in fact, you have a more than a 50% chance of living longer than the table suggests. (This is because the distribution of ages when people are expected to die is not a normal but a skewed distribution – more people live longer than die early.) Your health, and the longevity of your parents and grandparents may be a better guide to set your own expectations

CHAPTER 2

Cash at Retirement

– What can you take?

Now that you have a realistic picture of where you stand financially, it's time to understand your options.



When you retire, you're essentially faced with one big decision that will shape the rest of your financial life
“What do you do with your retirement savings?”

When you retire from most retirement funds, you don't actually get to choose between taking everything as cash or buying an annuity, South African law makes that choice for you.

At least two-thirds

of your retirement savings must be used to purchase an annuity

Up to one-third

can be taken as a cash lump sum

Exceptions:

- If your total fund value is less than R247,500, you can take it all as cash
- If you were 55+ on 1 March 2021, you may be able to take your entire provident fund as cash.

Impact of tax on your cash withdrawal

Aggregate Lump Sum (R)	Tax on amount above threshold
Up to R550 000	0%
R550 001 – R770 000	18% of amount above R550 000
R770 001 – R1 155 000	R39 600 + 27% of amount above R770 000
Above R1 155 000	R143 550 + 36% of amount above R1 155 000

Disclaimer: This table is based on information published by SARS and is provided for general reference only. Tax rates and rules may change, please verify with SARS or a qualified tax practitioner.

For most people retiring normally, the real choice is how to split that mandatory two-thirds between guaranteed and living annuities, and whether to take any cash at all (up to one-third).

CHAPTER 3

Living annuity



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What is a Living Annuity?

A living annuity is an investment product that allows you to keep your retirement savings invested after retirement, while drawing a regular income. Unlike a guaranteed annuity, your income and capital are not fixed – they depend on investment performance, fees, and how much you withdraw.

Living annuities are popular in South Africa because they provide:



Control

You choose your investment portfolio(s)



Flexibility

You set your income drawdown (within regulated limits)



Estate benefits

Remaining capital passes to your beneficiaries

How It Works:

With a living annuity, your money stays invested in the markets through various asset classes like shares, bonds, and property. Each year, you choose how much to withdraw as income, which must be between 2.5% and 17.5% of your fund value.

The goal is for your investments to grow over time to replace what you withdraw and combat inflation, but this requires you to carefully manage the balance between taking income today and preserving capital for the future.

Unlike a guaranteed annuity where the insurance company makes all the decisions, you remain in control of both the investment strategy and withdrawal rate.

CHAPTER 4

Guaranteed annuity



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A guaranteed annuity (also known as an underwritten, traditional or life annuity) is an insurance product that pays you a specified monthly pension for life.

How It Works

You pay a lump sum to an insurance company, and they calculate your monthly payment based on your age, gender, health, and current interest rates. They then pay you every month until you die, and when you die, the payments stop. Your capital doesn't pass to your heirs unless you buy additional features to protect your beneficiaries.

Types of Guaranteed Annuities:



Level annuity

Same payment every month
(but loses purchasing power to inflation)



Escalating annuity

Increases by a fixed percentage each year



Inflation-linked annuity

Increases with actual inflation rates



Guaranteed period annuity

Pays for a minimum period even if you die early



Joint life annuity

Continues paying your spouse after you die
(usually at a reduced rate)

CHAPTER 5

Which annuity is right for you?

When you retire, one of your most important decisions is whether to choose a living annuity, a guaranteed annuity, or a combination. Each option has strengths and trade-offs. Your choice may depend on your retirement savings balance, health, lifestyle needs, risk tolerance, and family considerations.

Living annuity

Key benefits:	Key risks:
Flexibility: You can adjust your drawdown percentage once a year, change payment frequency, and switch portfolios.	Longevity risk: If you live longer than expected or withdraw too much, your income may run out.
Growth potential: If investments perform well, your capital may increase, supporting higher or longer-lasting income.	Market risk: Poor investment performance may reduce your capital and future income.
Estate planning: Any remaining capital can be left to your nominated beneficiaries.	Ongoing responsibility: You or your advisor must regularly review drawdowns and investments.
Tax advantages: No capital gains tax or estate duty is applied to the annuity assets.	

Guaranteed Annuity

Key benefits:	Key risks:
Income certainty: Provides a fixed or inflation-linked income for life, regardless of how long you live or how markets perform.	No or limited estate value: When you pass away, payments usually stop unless you have chosen specific features (such as a guaranteed period or joint-life cover).
Simplicity: No need to make investment decisions or adjust drawdowns.	Less flexibility: You cannot adjust income levels once purchased.
Longevity protection: If you live longer than average, you may receive more in total than you contributed.	Inflation risk: Unless you select an escalating or inflation-linked option (which reduces starting income), your purchasing power may fall over time.

At a glance: Living vs Guaranteed Annuities

Feature	Living Annuity	Guaranteed Annuity
Income level	Flexible (2.5%–17.5% of fund value p.a.)	Fixed, escalating, or inflation-linked
Estate value	Residual balance passes to heirs	Generally none (unless with extra features)
Risk carried by	Retiree (market & longevity risk)	Insurer (longevity & investment risk)
Investment control	Yes	No
Flexibility to change	High (annual adjustments allowed)	None – fixed for life
Suitability	For those who want flexibility, growth potential, and estate benefits	For those who want certainty, simplicity, and guaranteed income



Important reminder

Neither option is inherently “better.” The choice depends on your **personal needs, risk tolerance, health, family circumstances, and retirement goals.**

Some retirees choose a **blend of both**: using a guaranteed annuity to cover essential expenses (like housing, healthcare, and food) while keeping the remainder in a living annuity for flexibility and growth.

CHAPTER 6

Strategic combinations

Having split your spending into fixed and variable expenses, one option is to cover fixed costs with a guaranteed annuity and variable expenses with a living annuity.

Your retirement lifestyle won't remain constant. You may be very active in your 60s and 70s, incurring travel and recreational expenses, but these typically diminish over time. You may thus need higher, more flexible income initially, with lower but more secure income thereafter.

Consider converting your living annuity to a guaranteed annuity later. As we age, our decision-making ability diminishes; it makes sense to remove life expectancy, asset allocation and drawdown concerns in exchange for fixed but guaranteed income.

Fortunately, living annuities always allow conversion to guaranteed annuities later.

The uncertainty remains: what will an adequate annuity cost in future, and how much can you spend until then while preserving the necessary capital?

One way to address both unknowns is buying a deferred guaranteed annuity that starts at a later age, say 75 or 80. This longevity insurance pays out only if you reach that age, so it's reasonably priced and much cheaper than converting later.

Yes, it costs some initial savings, but in return you get flexible income, certainty of a fixed time horizon, and security of known guaranteed income beyond that.

The Importance of Professional Guidance

This decision is one of the most important financial choices you'll make. The optimal solution depends on your unique circumstances, and the consequences last throughout your retirement. Consider consulting with a qualified financial advisor who can model different scenarios using retirement planning tools and help you understand the long-term implications of each choice.



Remember

With living annuities, you retain the flexibility to convert to a guaranteed annuity later, but the reverse is not possible. This flexibility itself has value and should be factored into your decision-making process.

CHAPTER 7

Choosing the right **drawdown rate**

Living annuity regulations require drawdowns limits between 2.5% and 17.5% of your living annuity each year on your policy anniversary.

The more you draw, the faster your savings run out. A **10% drawdown** will deplete your funds quickly. Some research suggests drawdowns of 4-5% per year may help extend portfolio longevity.

The common approach is to set a fixed income and increase it with inflation. The risk? You may eventually hit the **17.5% cap**, limiting income growth and leading to a potential drop in lifestyle.



Tools like the [10X Retirement Income Calculator](#) help you work out a **sustainable drawdown rate** based on life expectancy and portfolio choice.

For example:

- Based on historical modelling, a **4–5%** drawdown from a low-cost, high-equity annuity may potentially last 30+ years under certain conditions.
- An **8% drawdown** may see your income drop within **9 to 11 years**.

Disclaimer: Calculator results are illustrative only and not guaranteed. Your actual outcome will depend on your personal circumstances.

Rather than fixing your income, you could:

- Possible approaches include adjusting annually based on portfolio performance, so draw more after good years, less after poor ones.
- **Base your income on life expectancy** each year. It's conservative, but may lead to variable income.

Why it matters

10X research shows that at **4–6% drawdowns**, using a **high-equity, low-fee** annuity significantly extends income longevity. At **8%+**, portfolio and fee choices matter less—your money runs out fast either way.

But at **4%**, a better portfolio could add **43 years** of income. Even at **6%**, it could add **13 years**—giving you more income today, and peace of mind tomorrow.

CHAPTER 8

Keeping your fees low

Here's a critical principle that many retirees overlook: your capital is reduced not only by your drawdown, but also by fees. To assess the true impact on savings, adding the fee rate to the drawdown rate provides a complete picture, so if you're drawing 6% annually and paying 3% in fees, your capital is actually declining by 9% each year. The higher your fees, the lower your sustainable drawdown rate becomes.

The fee landscape

Living annuity fees vary dramatically across the market. Some providers charge as little as 0.87% annually, while others can charge 3% or more. That might seem like a small difference, but when you're talking about decades of retirement, those seemingly modest percentages create enormous impacts on your financial security.

The real-world impact

Let's work through a practical example. Imagine you have R4.8 million in retirement savings and need R24,000 monthly to maintain your lifestyle. That's a 6% annual drawdown; reasonable by most standards.

With a provider charging 3% in annual fees, your portfolio could potentially reduce faster, you'd pay R12,000 monthly just in fees while drawing your R24,000 income, effectively equivalent to a 9% annual drawdown

Fee impacts shown are estimates based on assumptions that may not reflect your actual experience. Individual outcomes will vary based on market performance, drawdown rates, and personal circumstances.

The compounding effect

Here's where it gets really serious. That 2% annual difference doesn't just save you money today; it completely changes your retirement timeline. With the high-fee scenario, you're likely to hit that dreaded 17.5% regulatory drawdown limit within just 9 to 11 years. Once you hit that ceiling, your income can no longer keep pace with inflation, and your lifestyle starts deteriorating.

But with the low-cost provider, your portfolio can potentially sustain that same R24,000 income for an additional 5 to 15 years, depending on how your investments perform. That's the difference between running out of money at 70 versus 85.

CHAPTER 9

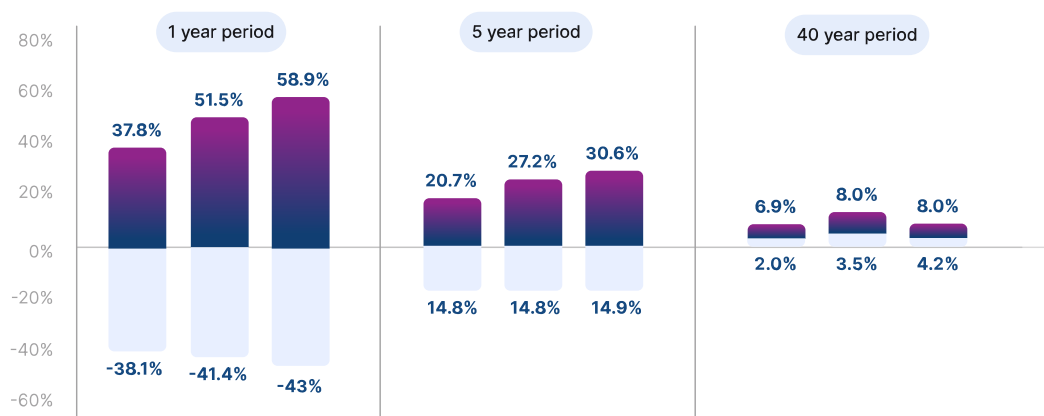
Investing for growth

Your retirement savings may have to last 15-25 years, possibly much longer. Relying solely on saved capital may be insufficient; investment returns that outpace inflation may be necessary.

Money market funds barely match inflation. Historically, equity investments have been one approach to achieving inflation-beating returns, this remains the most reliable way to maintain long-term wealth and afford either higher drawdown rates or sustain income for longer.

Despite numerous portfolio options, your essential choice remains between high, medium or low equity. Consider your time horizon and personal circumstances when deciding.

The historical range of returns for high, medium and low equity portfolios*



* In a South African context (with a 25% offshore allocation) | Source: Morningstar, 10X Investments

The 1-year returns from 1900 to 2018 show the historic range of returns for high equity portfolios are significantly more volatile than for low and medium equity. The worst year historically for a high equity portfolio was -43%, compared to -38.1% for low equity. Hence the need to reduce the allocation to volatile growth assets when managing short-term risk.

The range of return **over 5-year periods** shows that high equity portfolios have the potential to generate significantly higher returns without presenting much more volatility risk than a low or medium equity portfolio. As the risk for long-term investors is to earn an inadequate return, you are best served with investing in a high equity portfolio if your time horizon is longer than five years.

Over 40 years, high equity portfolios have generated the highest returns, with less downside risk than low or medium equity portfolios. We say this because the lowest return for a high equity portfolio over this period (4.2%) is higher than the lowest return from either the low (2.0%) or medium equity (3.5%) portfolio managing short-term risk.

This example is for illustrative purposes only. Actual investment growth will depend on market conditions, inflation, fees, and contributions over time. Investment returns are not guaranteed and may be lower or higher than shown. Past performance is not a guide to future results.



Why high equity makes sense in retirement

Your instinct may be to preserve capital and avoid market volatility through low-equity portfolios (bonds and cash), which deliver steadier returns without market crash concerns.

But you're still a long-term investor. At 55-65, you have 15-25+ years ahead. Your portfolio has time to recover from inevitable market corrections.

Over 5+ years, high equity portfolios have typically delivered superior returns with less downside risk than medium or low equity alternatives. Some retirees may find high equity allocations suitable for their circumstances.

This could improve your long-term return by up to 2% annually, massively enhancing your savings' longevity.



Managing **your emotions**

It's important to consider your personal risk tolerance, there is no point investing for the long-term with a high equity portfolio if you cannot deal with the discomfort of market volatility, or if you are likely to give in to your emotions.

One way to overcome this is to stick your head in the sand and check on your portfolio balance only sporadically. As Figure 4 below suggests, the less frequently you do this, the more likely you are to see a positive return on your account, and the less likely your emotions will come into play.

Time Period	Chance of Loss (SA Equity)
1 Day	44%
1 Week	43%
1 Month	38%
1 Year	31%
3 Years	16%
5 Years	6%
7 Years	1%
10 Years	0%

Illustrative purposes only. Actual results will vary depending on investment performance, fees, legislation, and personal circumstances.

There's no question - equity markets will test investor resolve. Emotional control during inevitable volatility, or periods of poor or negative returns, typically separates successful long-term investors from unsuccessful one. A sudden sharp drop in the value of your portfolio may make you panic and change your asset mix (or switch into a life annuity) at the worst possible time, i.e. when share prices are low.

Do this, and you will lock in your losses, with the prospect of a permanently lower income thereafter. Staying the course determines whether investors capture the full benefit of their high equity allocation.

CHAPTER 11

Regulation 28 and annuity **compliance**

Regulation 28 of the Pension Funds Act limits the extent to which retirement funds may invest in individual assets and asset classes.

The main purpose is to protect the members' retirement provision from the effects of a poorly diversified portfolio. This is done by limiting the maximum exposure to different assets and asset classes.

The main consequence is that no more than 75% of your portfolio may be invested in company shares (local and foreign). The fund may, however, over and above, also invest up to 25% in property shares. The other significant restriction is that no more than 45% of the portfolio may be invested offshore (plus another 10% in Africa).

Living annuities are not, per se, subject to Regulation 28, but in terms of Regulation 39 of the Pension Funds Act ("Annuity strategy"), which forms part of National Treasury's default regulations, living annuities paid directly by a fund, or through a fund-owned policy, or sourced from an external provider as part of the annuity strategy must comply with Regulation 28. The 10X Living Annuity is compliant with Regulation 39 (and therefore Regulation 28).



Active vs Indexing

Investors can choose between two broad styles of investing: indexing and active management. The debate between these two investment styles has raged for decades, it's an emotional subject, with strongly entrenched views on both sides.

An index fund tracks the performance of a pre-determined index, such as the FTSE/JSE All Share Index, by mirroring the composition (share make-up) of that index. The investment earns the return generated by that index, no more but, importantly, also no less.

The alternative, an actively-managed fund, will endeavour to do better by deviating from the index composition, underweighting (or avoiding) some shares and overweighting others. This is known as 'stock-picking'.

Because indexing is an automated process that does not require expensive fund managers and research analysts, it is cheaper than active management. The cost saving accrues to investors, who get to keep more of the investment return. Compounding these cost savings over many years, the long-term investment outcome improves dramatically.

Individual actively-managed funds do beat the market every so often, studies suggest that relatively few actively-managed funds consistently outperform the market over longer periods after fees. With no way to identify these winners beforehand, the odds of coming out ahead with an active manager are quite low.

Index investors also avoid the risk of choosing a fund manager who falls well short of the benchmark return and impairs their potential retirement income. It's for these reasons—high active management fees and the risk of severe underperformance—that investors globally choose index funds in ever greater numbers.



Switching providers

In most cases, investors can transfer a living annuity from one provider to another without additional tax implications or penalties. This flexibility does not apply to guaranteed annuities, which are generally fixed with the chosen insurer for life.

Although you manage your own investments and income, you have limited influence over the fee structure your provider applies. And over time, they quietly erode your capital. If your annual costs are well above industry benchmarks, it may be worth comparing options. Moving to a more cost-efficient provider can free up more of your money to work for your retirement, instead of being lost to charges.

Moving your living annuity is fairly simple. Apply to your prospective administrator and give formal notice to the current one. The rest happens behind the scenes. With low-cost providers there should be no initial fee and no compulsory advice fees.

Other reasons to switch include poor service, inadequate planning tools, or inappropriate investment choices.



You cannot bypass regulatory drawdown limits by switching

Your original policy anniversary date follows you to the new provider, and your annuity income and payment frequency remain unchanged until the next anniversary. You also cannot split your living annuity between multiple providers.

CHAPTER 14

10X Living Annuity



This section contains information about the 10X Living Annuity. It is one of several options in the South African market. Suitability depends on your personal circumstances. Please compare costs and features across providers and consult a licensed financial adviser before investing.

The 10X Living Annuity currently offers a range of index-based investment portfolio options, including multi-asset portfolios and an offshore equity portfolio.

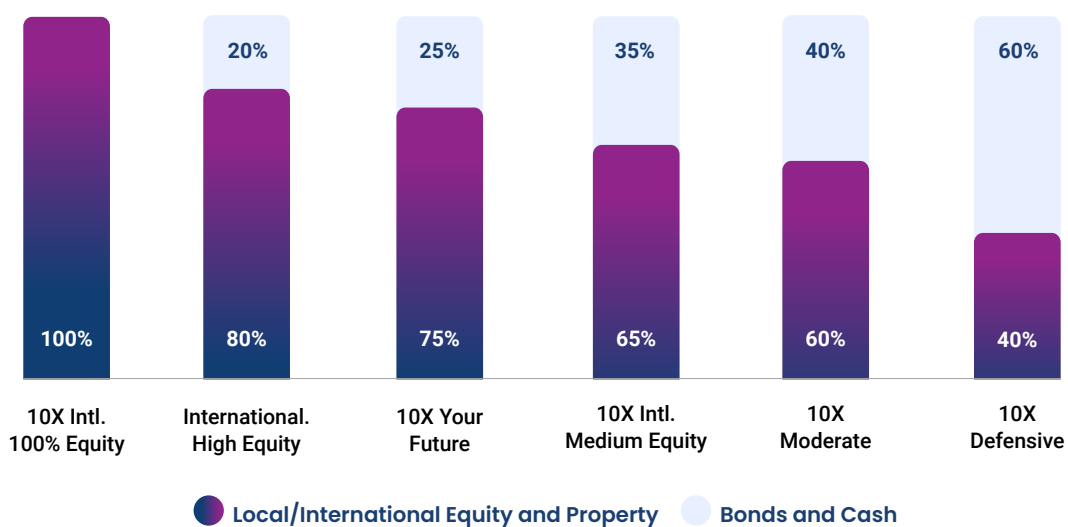
Managing your asset mix:

The trade-off between growth assets and defensive assets

Asset allocation refers to how your portfolio splits between the dominant asset classes. These mainly comprise growth assets (equities such as company and property shares) and defensive assets (government bonds and cash).

These classes comprise growth assets (equities such as company and property shares) and defensive assets (government bonds and cash). Investment portfolio with a high equity allocation are designed to maximise your long-term growth, but are likely to earn variable and even negative returns in the short term. Investment portfolio with a defensive asset mix are designed to deliver more predictable returns, with less chance of a negative return, at the expense of higher long term growth.

10X Living Annuity Investment Portfolios



Illustrative purposes only. Actual results will vary depending on investment performance, fees, legislation, and personal circumstances.



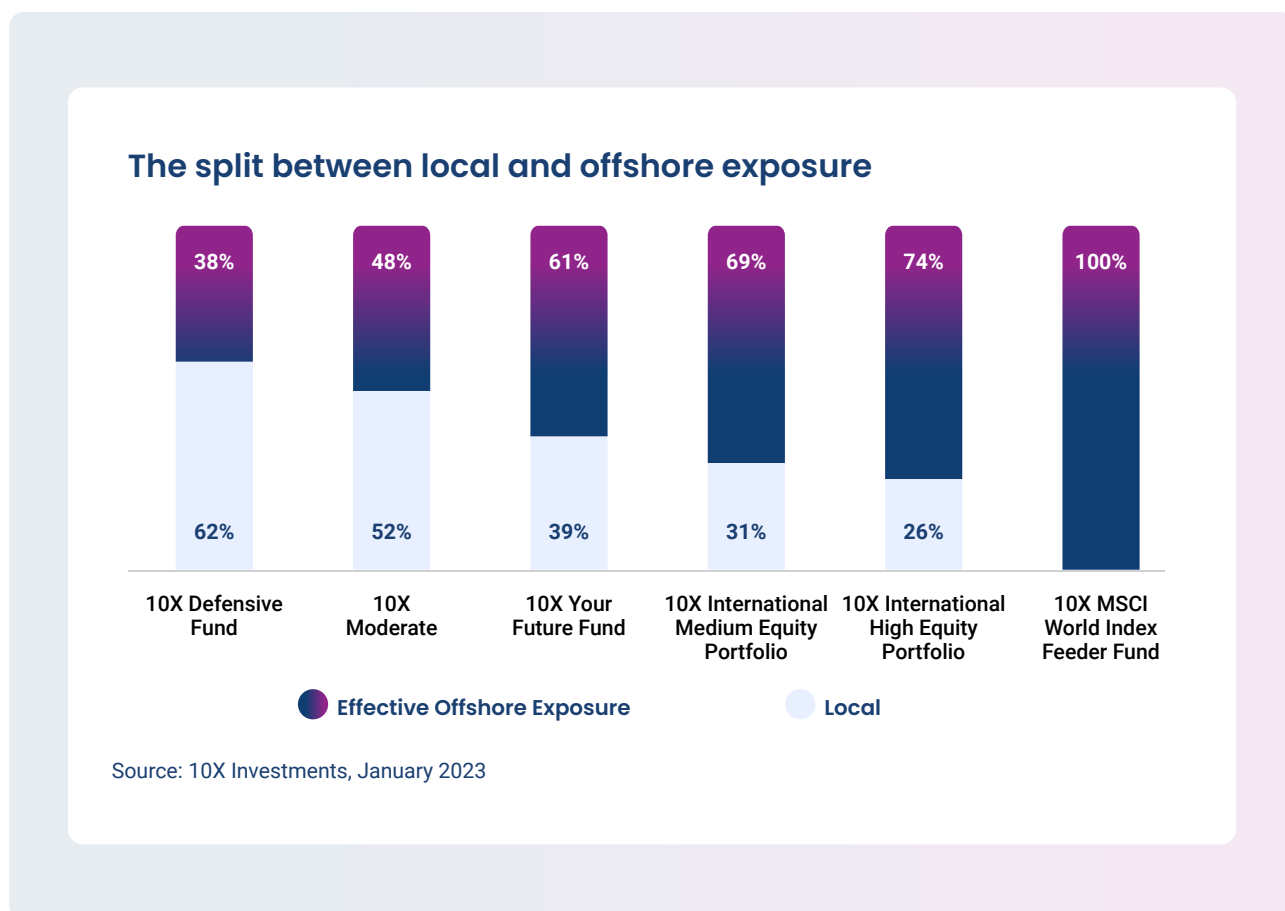
Living annuities typically need to last 20+ years, which means retirees may be considered long-term investors who could take a long-term view when selecting investment portfolios. Your investment risk depends on your investment term: the longer your time horizon, the more time you have to recover from drops in your investments, and the less vulnerable you are to market risk. Historically, high equity portfolios have been optimal for investment terms of 5 years or longer.

However, you cannot totally ignore your personal risk tolerance. There's no point investing long-term with high equity if you cannot deal with market volatility discomfort. The risk is losing your nerve after a major correction, selling when prices are low and locking in your losses.

The trade-off between local equities and offshore equities

Investing in offshore equities plays an important role in diversifying your investment by reducing your exposure to SA-specific risks and developments.

The below graph compares the effective offshore exposure of each of the six 10X Living Annuity portfolios. The effective offshore exposure includes direct offshore exposure as well as indirect offshore exposure. Indirect offshore exposure is the approximate value of foreign exposure available through the 10X SA Equity and SA Property asset classes.



Illustrative purposes only. Actual results will vary depending on investment performance, fees, legislation, and personal circumstances.

In choosing your offshore exposure, your personal situation and financial needs should be considered, rather than the prevailing sentiment.

Asset allocation strategy

The 10X Your Future Fund and the 10X International High Equity portfolios have roughly the same exposure to growth assets (around 75%-80%).

The big difference is that the International High Equity portfolio reduces your exposure to the JSE from 44% to 17% and increases your exposure to international shares from 32% to 64%. The 10X International Medium Equity option has the lowest exposure to the JSE at 10%



CHAPTER 15

Average returns of the 10X portfolios

Your investment return depends mainly on your asset mix. Over the long term, asset allocation – together with fees – makes up nearly all of your total investment return.

The tables below show the actual performance of the 10X Living Annuity Portfolios over different time periods. Portfolios with a higher equity allocation have historically delivered higher long-term returns, but with greater short-term volatility.

This highlights the importance of selecting an investment strategy that balances your income needs today with the potential for long-term growth in retirement.

10X Portfolio	1 Month	3 Month	1 Year	3 Year	5 Year	7 Year	10 Year
10X Your Future	1.7%	4.1%	12.9%	13.6%	13.3%	10.5%	9.1%
10X moderate	1.5%	3.9%	12.3%	12.9%	12.2%	9.5%	8.2%
10X Defensive	1.3%	3.4%	11.2%	11.6%	10.3%	8.7%	7.9%
10X Income	1.2%	2.8%	10.6%	-	-	-	-

SOURCE: 10X Investments. Performance is before 10X's fee but after all other trading costs. All returns greater than 12 months are annualised. Actual 10X Living Annuity portfolio returns are shown from portfolio inception date (when each portfolio first commenced). Historical returns prior to inception are based on historical benchmark performance, which is shown for illustrative purposes only.

10X Portfolio	1 Month	3 Month	1 Year	3 Year	5 Year	7 Year	10 Year
10X MSCI World Index Feeder	3.9%	9.5%	17.4%	19.7%	15.2%	16.7%	14.7%
10X International High Equity	2.6%	6.3%	14.4%	16.0%	13.7%	13.2%	11.9%
10X International Medium Equity	2.4%	6.1%	14.0%	15.4%	12.8%	12.8%	11.6%

SOURCE: 10X Investments. Performance is before 10X's fee but after all other trading costs. All returns greater than 12 months are annualised. Actual 10X Living Annuity portfolio returns are shown from portfolio inception date (when each portfolio first commenced). Historical returns prior to inception are based on historical benchmark performance, which is shown for illustrative purposes only.

Past performance shown is not indicative of future results. Actual returns may differ significantly due to market conditions, fees, timing of investments, and individual circumstances. These figures are for illustrative purposes only and should not be relied upon for investment decisions.



Fees Breakdown

In retirement, fees can impact whether your savings last your retirement years or not. The more you pay in fees, the sooner your savings will run out. At 10X, we keep our living annuity fees as low as possible.

Living annuity fees vary across providers, typically ranging from under 1% to over 3% annually. Fee differences compound significantly over retirement timeframes.

Breakdown of 10X fees on the living annuity product

Investment Value	10X Policy Fees
First R5 Million	0.86%
Next R5 Million	0.57%
Next R10 Million	0.40%

Additional charges for the 10X International Investment Portfolios

When you invest in one of the 10X International Living Annuity choices, a higher portion of your investment choice is invested in the 10X MSCI World Index Feeder Fund. 10X charges an additional fee on the portion of your policy invested in this fund to cover additional costs.

Minimum investment amounts

To invest in one of the standard 10X investment choices you will need a minimum investment of R500,000.

CHAPTER 17

The Asisa Standard



The ASISA Standard on Living Annuities (2009) is an industry guideline and does not replace FAIS or Pension Funds Act requirements.

10X is a member of Asisa (Association for investments and saving SA). As such we abide by their product standards and communication guidelines as laid out below.

A living annuity allows you to set your income level subject to constraints imposed by the authorities from time to time and allows you to select a wide range of investments in respect of the capital that will generate the annuity. The level of income you select is not guaranteed for the rest of your life. The level of income you select may be too high and may not be sustainable if: you live longer than expected with the result that the capital is significantly depleted before your death; or the return on the capital is lower than that required to provide a sustainable income for life. It is your responsibility (in consultation with your financial adviser) to ensure that the income that you select is at a level that would be sustainable for the rest of your life.

Living annuity sustainability depends on managing the relationship between income drawdown and capital investment returns. The table below can be used as a guide.

Annual income rate selected at inception	Investment return per annum (before inflation and after all)				
	2.50%	5.00%	7.50%	10.00%	12.50%
2.50%	21	30	50+	50+	50+
5.00%	11	14	19	33	50+
7.50%	6	8	10	13	22
10.00%	5	5	6	7	9
12.50%	2	3	3	4	5
15.00%	1	1	2	2	2
17.50%	1	1	1	1	1

It is important to note that the table above assumes that you will adjust your percentage income selected over time to maintain the same amount of real income (i.e. allowing for inflation of 6% per annum). Once the number of years in the table above has been reached, your income will diminish rapidly in the subsequent years. Please ensure that your financial adviser has explained both the advantages and the risks of the living annuity and compared these against conventional annuities (where the insurer carries the full investment risk and the risk of you living longer than expected).

The table is a general guideline and should be considered taking into account each annuitant's financial situation and all other sources of income. It is an indicative guideline only, to assist you in making informed decisions in respect of your annuity. Source: ASISA Standard on Living Annuities; 2009

CHAPTER 18

Some important rules regarding living annuities

Your annuity income

You may specify your income as a rand amount or drawdown rate. Your drawdown must be between 2.5% and 17.5% of your investment balance (net of fees) annually. This percentage is calculated on your living annuity value at the policy date and subsequent anniversary dates. You can request income changes before every policy anniversary.

Tax

You don't pay tax on amounts transferred from your retirement fund to a living annuity, or on investment returns (capital growth, interest and dividends). However, your annuity income, including any cash lump sum, will be taxed according to prevailing income tax tables. Your income is paid net of this tax.

Transfers

A living annuity can only receive transfers from retirement funds or other living annuities. You may transfer out to another living annuity or guaranteed annuity. You cannot split your living annuity between multiple providers.

Additional contributions

You can add proceeds from other retirement funds to your existing living annuity, then choose to leave your income unchanged or increase it proportionally based on your existing drawdown rate. You cannot make voluntary contributions, but can route them through a retirement annuity fund, followed by immediate transfer to a living annuity. Transfers from another living annuity must legally be invested in a separate policy.

Bequests

Any residual value after your death goes to nominated beneficiaries and doesn't form part of your estate. Beneficiaries can receive the residual value as a lump sum (with Retirement Lump Sum tax deducted) or transfer it tax-free to another annuity product (paying income tax on the annuity income). Keep your nomination form updated. Unfulfilled bequests fall into your deceased estate.

Divorce

A living annuity doesn't fall within the joint estate and cannot be split on divorce. The administrator may not split payouts between two parties.

Commutation

If your balance falls below the prescribed amount (currently R75,000 or R50,000 if you took a cash lump sum at retirement), you may withdraw the balance.

Should you draw income annually or monthly?

You can receive income monthly (in arrears), quarterly, six-monthly, or annually (in advance). Although most prefer monthly income, your expenses may not accrue evenly, making annual payments better. You may want immediate access for emergencies or larger purchases, provided you can manage cash prudently over the year. Monthly income disciplines spending—avoiding end-of-year cash shortages—and spreads portfolio divestments over regular intervals, reducing poor market timing risk.

Tax considerations

Don't get caught out by top-up payments Both guaranteed and living annuity payouts are taxed as income through withholding tax (like PAYE), according to standard income tax tables. The tables assume this is your only income. If you receive other income from part-time work or other annuities, this tax deduction will be too low, leaving you with year-end top-up payments. To avoid tax surprises, request a tax directive from SARS instructing your annuity provider to deduct tax at a higher rate.



Final thoughts:

Your retirement journey starts today

Planning for retirement can feel overwhelming, but by breaking it down into clear steps, you've already started taking control of your financial future. The earlier you begin, the more powerful compounding and disciplined saving can be. And even if you're starting later, making changes today can still improve your outcome.

Remember:

- Your retirement plan is personal. There is no "one-size-fits-all" number.
- The key drivers of success are how much you save, how long you save, and the fees you pay.
- Retirement funds offer unique tax and legal benefits that help grow and protect your money.

At 10X, we believe retirement planning should be simple, transparent, and cost-effective. If you'd like to learn more about how the **10X Living Annuity** or other retirement products could fit into your plan, speak to a retirement expert today.



Important information: This guide is published by 10X Investments for educational purposes only. It does not constitute financial advice as defined in the Financial Advisory and Intermediary Services Act (FAIS), nor does it constitute tax, legal, or investment advice. Please consult a licensed financial adviser or tax practitioner before making financial decisions. 10X Investments is an authorised financial services provider (FSP 28250).

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Whether you're an investor, adviser, or employer, we're here to help you make confident, informed choices.

Visit us online or book a conversation with our team. No pressure, we'll keep it simple and clear.

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