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 could 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 personalised 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 Living Annuity 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 Living Annuity 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. 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. Current South African legislation makes that choice for you.

** These rules are determined by legislation and may change in future.*

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

Understanding **Living Annuities**

Information in this chapter is provided for information only. It should not be regarded as financial advice. Please seek guidance from a licensed adviser before acting.

What is a Living Annuity?

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

The aim is for your investments to grow over time to help replace what you withdraw and to keep up with inflation. This requires balancing today's income needs with the goal of preserving capital for the future. Unlike a guaranteed annuity, which provides a fixed income for life regardless of market performance, a living annuity places the responsibility on you to decide both your investment strategy and your withdrawal rate.

Living annuities are popular in South Africa because they provide:

Control

You choose your investment fund/portfolio

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

Understanding **Guaranteed Annuities**

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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 factors such as your age, gender, health, and prevailing interest rates. The insurer then pays you every month for life. When you die, the payments stop, and your capital does not pass to your heirs unless you've chosen additional features to protect your beneficiaries.

It's important to note that purchasing a guaranteed annuity is generally an irreversible decision - once in place, you cannot switch providers or surrender the annuity.

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

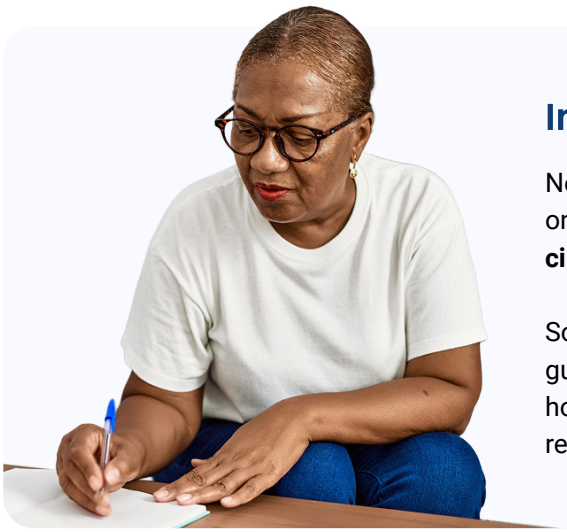
Key benefits:	Key risks:
Flexibility: You can adjust your drawdown percentage once a year, change payment frequency, and switch portfolios.	**Longevity risk:** If you live longer than expected or withdraw too much, your income may run out.
Growth potential: If investments perform well, your capital may 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: Living annuity assets are not subject to capital gains tax or estate duty. However, any income you withdraw is taxed according to the prevailing income tax tables. If beneficiaries are nominated, the remaining value is paid directly to them outside of the estate.	

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 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 often 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% or higher drawdown** will deplete your funds quickly. In contrast, drawing down 4-5% per year is much more sustainable, allowing your investments to last longer.

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 Living Annuity Calculator help you work out **a sustainable drawdown rate** based on life expectancy and fund/portfolio choice.

For example:

- Based on historical modelling, a **4–5%** drawdown from a low-cost, high-equity annuity could last 30 years or more under normal market conditions.An **8% drawdown** may see your income drop within **within as little as 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:

- Adjust your income annually based on your investment's performance. Draw more after good years, and less after poor years.
- **Base your income on life expectancy** each year. It's conservative, but may lead to variable income.

Why it matters

Our 10X Living Annuity calculator shows that with a **4–5%** drawdown, a high-equity, low-fee annuity can significantly extend your income longevity. At **8%** or more, fund and fee choices matter less - you are drawing down your investment too quickly.

If you have a more sustainable drawdown rate of between **4% and 5%** per year, your choice of investment fund can have a meaningful impact. It can mean drawing more income for longer, or leaving more to your beneficiaries.

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 investments need to grow by 9% each year to preserve your capital. The higher your fees, the higher returns you need for your investments.

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.

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, according to our living annuity calculator, 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 investment 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

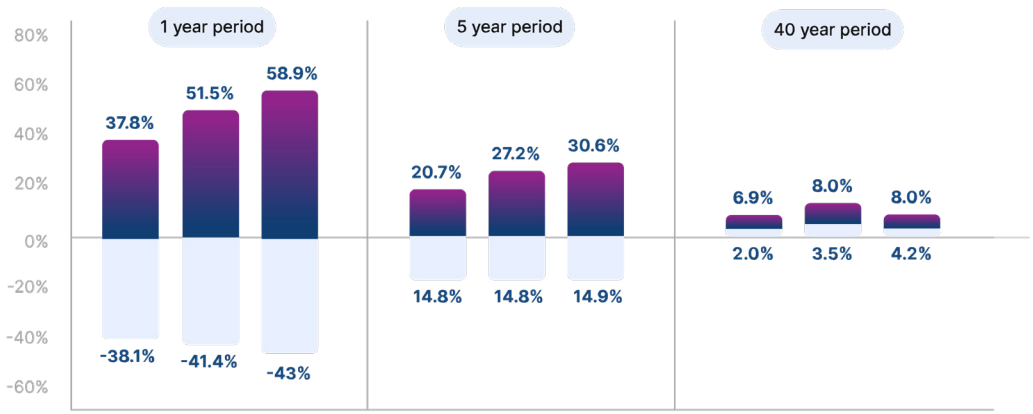
Investing for **growth**

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 aim to keep your money safe and provide steady returns, but over time these returns may not always keep up with 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 investment options, your essential choice remains between high, medium, or low equity funds. 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/funds 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/funds 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 often best served with investing in a high equity portfolio/fund if your time horizon is longer than five years.

Over 40 years, high equity portfolios/funds 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/fund over this period (4.2%) is higher than the lowest return from either the low (2.0%) or medium equity (3.5%) portfolio/fund managing short-term risk.

Why high equity makes sense in retirement

Your instinct may be to preserve capital and avoid market volatility through low-equity portfolios/funds (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/fund has time to recover from inevitable market corrections.

Over 5+ years, high equity portfolios/funds 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.



CHAPTER 10

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/fund if you cannot deal with the discomfort of market volatility, or if you are likely to give in to your emotions.

Checking your portfolio balance too often can make short-term ups and downs feel more dramatic than they are. Over longer periods, investments have historically been more likely to show positive returns. Frequent monitoring may also increase the chance of emotional reactions to market movements, which can affect investment decisions.

Chance of negative returns over different time periods - SA Equity

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%

Source: 2019, 10X Investments; Datastream; Dimson, Marsh and Staunton. 1 Day to 1 Month 1973-2018, 1 Year to 10 Years 1902-2018

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 an unsuccessful one. A sudden sharp drop in the value of your portfolio/fund 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**

The main purpose of the investment limits in Regulation 28 is to protect retirement savings from the risks of an undiversified fund. This is done by setting maximum exposure levels to different asset classes.

For example:

No more than 75%
of your fund may be invested in company shares (local and foreign).

Up to 25%
may be invested in property shares.

No more than 45%
may be invested offshore, with an additional 10% allowance for the rest of Africa.

Living annuities are treated differently. If you purchase a living annuity directly from an insurer (outside of a retirement fund's default annuity strategy), it is not subject to Regulation 28. However, if the living annuity is provided under a fund's default annuity strategy, as set out in Regulation 39 of the Pension Funds Act, then it must comply with Regulation 28.

The 10X Living Annuity can be provided both as part of a fund's Regulation 39 default annuity strategy (in which case it complies with Regulation 28), or outside of the default annuity strategy (in which case Regulation 28 does not apply)."



CHAPTER 12

Investment styles: indexing and active management

Investors can choose between two broad approaches to investing: indexing and active management. Each has its own features, potential benefits, and risks.

An **index fund** is designed to follow the performance of a chosen market index, such as the FTSE/JSE All Share Index. It does this by holding the same shares that make up the index. The fund's return is usually close to the index return, but may be slightly lower because of fees and costs.

An **actively managed fund** aims to outperform the market by making decisions that differ from the index - for example, overweighting some shares and under-weighting or avoiding others. This approach can deliver higher returns if the manager's decisions prove correct, but it may also lead to under performance.

Index funds often have lower costs because they follow a set index rather than relying on ongoing research and stock-picking. Lower fees may benefit investors over time, though index funds still carry risks, such as under performing in markets where certain sectors or companies dominate.

Actively managed funds, on the other hand, offer the potential to outperform the index, but this comes with higher costs and the risk that performance may fall short of the benchmark. Research shows that while some managers outperform, many do not consistently do so after fees.

Globally, investors use both styles depending on their goals, risk tolerance, and preferences. Neither strategy is inherently "better" - the right choice depends on individual circumstances.



CHAPTER 13

Switching **providers**

In most cases, investors can transfer a living annuity from one provider to another without additional tax implications or penalties. With a guaranteed annuity, your choice is permanent: once you've paid your money to the insurer, you stay with that provider for life and the terms don't change.

With a living annuity, you decide how to invest your money and how much income to draw. But the provider's fees are set by them, not you and those fees gradually reduce your savings over time. 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. Some providers may charge upfront fees or require advice fees, while others may not. It's important to check the specific fees and terms of the provider you're considering before making a decision.

Investors sometimes consider switching providers if they experience issues such as poor service, limited planning tools, or investment options that don't align with their needs.



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**

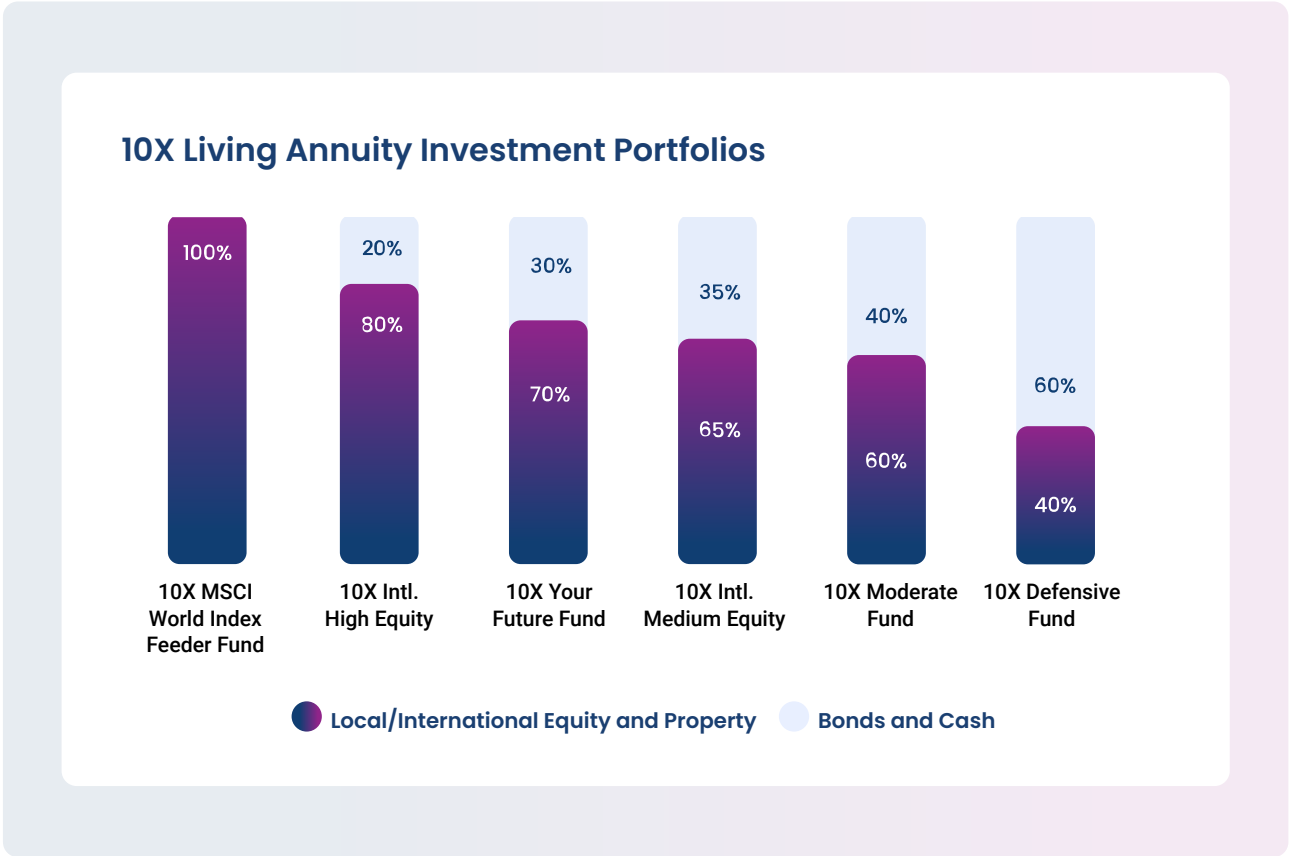
This section contains information about the 10X Living Annuity, which is underwritten by Guardrisk Life Limited. It is one of several options in the South African market. Suitability depends on your personal circumstances. Please compare costs and features across providers and consult a licensed financial 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).

Investment funds 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.



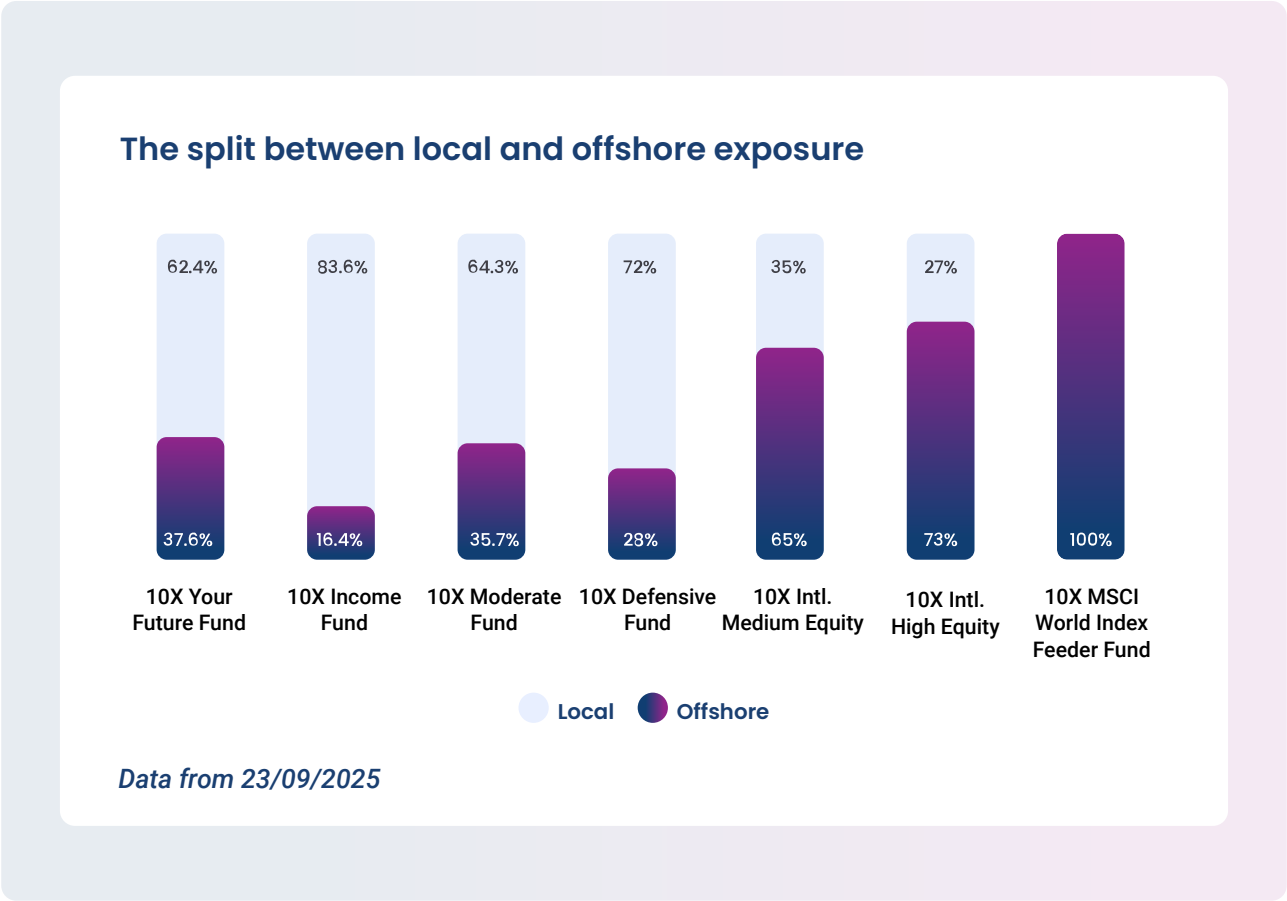
At retirement, your living annuity may need to provide an income for 20 years or more. This means your investment horizon could still be considered long term. The relationship between risk and investment term is important to understand: with a longer time horizon, there is generally more time to recover from short-term market fluctuations, which can reduce the impact of market risk. Historically, higher-equity portfolios have produced stronger returns over periods of five years or longer, but the right choice of portfolio will depend on your individual circumstances and risk tolerance.

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 funds available within the 10X Living Annuity. 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.



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 portfolio both have a high allocation to growth assets (about 61% and 73% respectively).

The key difference is how much exposure they give to the JSE versus international markets. In the Your Future Fund, around 34% is invested in SA equities, compared to only 15% in the International High Equity portfolio. By contrast, international developed market equities make up more than half (52%) of the International High Equity portfolio, versus 16% in the Your Future Fund.

The 10X International Medium Equity portfolio has the lowest JSE equity exposure of the three (about 10%), with roughly half of the fund (50%) invested in international developed market equities.

	Data from 30/05/2025				
Asset Class	**10X Your Future**	**10X Moderate**	**10X Defensive**	**10X Intl. High**	**10X Intl. Medium**
Growth	**60.7%**	**50.0%**	**33.2%**	**72.5%**	**63.3%**
SA Equity	34.1%	27.9%	17.7%	15.3%	9.7%
SA Property	2.9%	2.5%	1.9%	1.4%	1.0%
International DM Equity	16.3%	13.2%	9.2%	52.3%	50.1%
International EM Equity	7.4%	6.4%	4.4%	3.5%	2.4%
Defensive	**39.3%**	**50.0%**	**67.0%**	**27.5%**	**36.9%**
SA Bonds	19.5%	29.9%	40.7%	16.4%	22.4%
SA Cash	7.1%	7.6%	13.1%	4.2%	7.2%
International Bonds	6.6%	6.0%	7.0%	3.3%	3.9%
International Cash	6.1%	6.5%	6.2%	3.6%	3.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

CHAPTER 15

Average returns of the **10X portfolios/funds**

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 of the funds available within the 10X Living Annuity 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/fund	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 31 July 2025. 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/funds returns are shown from portfolio/funds 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.

Disclaimer: This table shows the 10X Your Future (previously known as 10X High Equity) performance over time compared to the benchmark index. It is calculated on a NAV to NAV basis without including fees, taxes, or other factors. The 10X Your Future Fund was registered as a CIS with the FSCA on 28 February 2019, with the underlying portfolio available from 31 December 2007.

10X Portfolio/fund	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 31 July 2025. 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/fund returns are shown from portfolio/fund 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.

CHAPTER 16

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 can 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 fees for the 10X Living Annuity

**** Trading costs of 0.12% - 0.18% p.a apply depending on the specific fund you choose.***
For offshore funds a small additional fee applies

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/Funds

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

A minimum investment of **R500,000** applies to the 10X Living Annuity.

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 when transferring money from your retirement fund into a living annuity, and no tax is payable on the investment returns (capital growth, interest, and dividends) while invested.

However:

- Any cash lump sum taken at retirement is taxed according to the retirement lump sum tax table set by SARS.
- Ongoing annuity payments are taxed as income, according to the prevailing personal income tax tables. Your annuity income is paid to you after deduction 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 in your living annuity after your death is payable to your nominated beneficiaries and does not form part of your estate. Beneficiaries can choose to receive the value as a lump sum (taxed according to the retirement lump sum tax table) or transfer it tax-free into another annuity product (with income tax payable on the annuity income).

If you have not nominated any beneficiaries, or if your nominated beneficiaries have predeceased you, the remaining value of your living annuity will form part of your deceased estate. To ensure your wishes are carried out, it is important to keep your nomination form updated.

Divorce

Living annuities are generally not part of the joint estate in a divorce, and administrators cannot pay out a living annuity to two different people. However, South African courts have looked at cases where living annuities were raised in divorce proceedings, and the rules can be complicated. If you're getting divorced, it's best to get legal advice on how your living annuity might be treated.

Commutation

If your living annuity balance falls below the prescribed amount (currently R125,000, 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/fund 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.

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

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Published 2 September 2025
Version number 1.3

10X Your Future_

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