10X INVESTMENTS

# 10 by **10X**

## A compass for **working at 10X** Investments











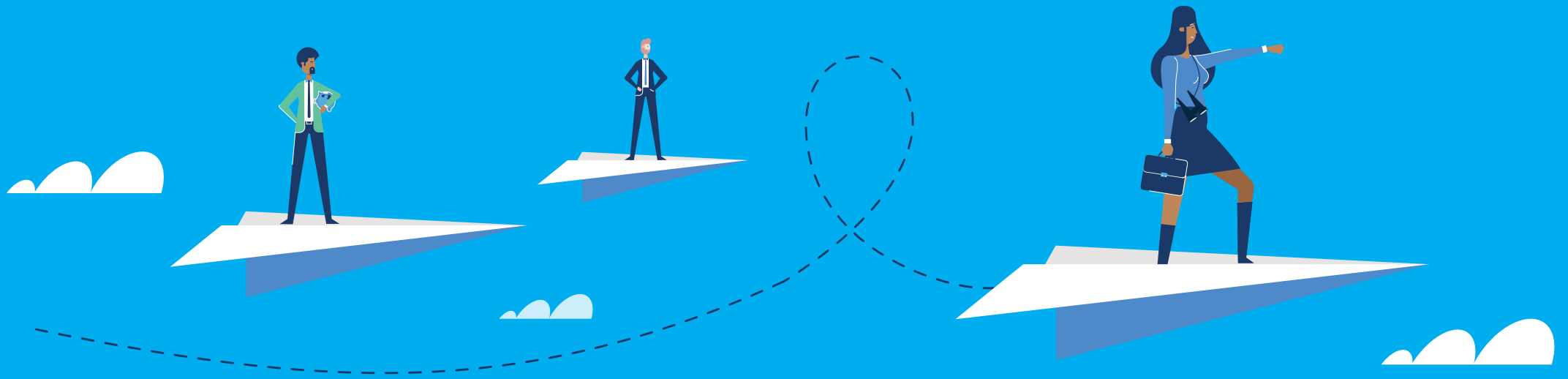
*What's it like to work at 10X? What sort of culture do we have? What kind of people do we look for?*

*I get asked these questions a lot, and perhaps they are best answered by explaining what makes our work meaningful, what's important to us, what we hope to achieve and how we want to go about doing it. These things, summarised in 10 points, are fundamental to who we are and what we do.*

*They are a compass, focussing us on where we're going and keeping us on course. They also remind us why we're on the journey and assure us that, although it's not easy, it is absolutely worthwhile.*

*They've been a constant and consistent guide since I founded 10X; I expect that they'll remain relevant for as long as I'm here, and beyond.*

**STEVEN NATHAN**
FOUNDER AND CEO



## OUR PURPOSE

# **01** We want to help people retire with dignity.

This is our purpose, our beginning and our end: it's why we started the business, and where all our efforts are ultimately directed.

Most of us have seen our retired parents and grandparents struggle to live the lives they want to when they most deserve to. We hope to avoid the same thing happening to our friends, our partners, ourselves, our children. So we're trying to make a positive, meaningful difference.

## OUR MISSION

# **02** We work to get our clients more money when it matters most.

This is how we serve our purpose of helping people retire with dignity.

There is certainly more to dignity than money. But, one way or another, money usually comes into it and is often essential to it.

So this a noble pursuit. But it's also a necessary one. 94% of South Africans cannot afford to retire comfortably. That is an awful statistic, and it hasn't improved in two decades.

It's true that many people don't save enough money, and 10X helps to remedy that. But it's the retirement industry that is largely to blame: it has made a fortune off its clients and not enough for them, charging too much for products that have delivered too little. 10X remedies that, too.







OUR SOLUTION

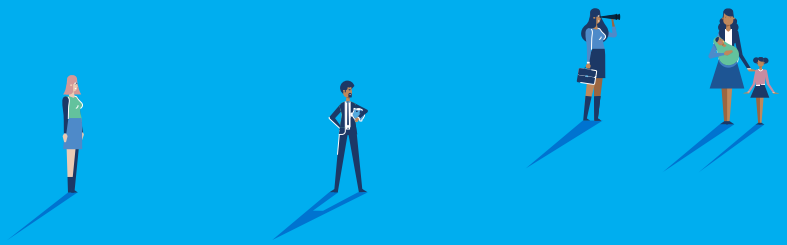
# 03 We have one, proven investment strategy.

To get our clients more money, we looked for the single best way to invest their retirement savings. We're confident that we found it.

Our strategy is based on four investing principles: low fees, index tracking, diversification, and life-stage investing.

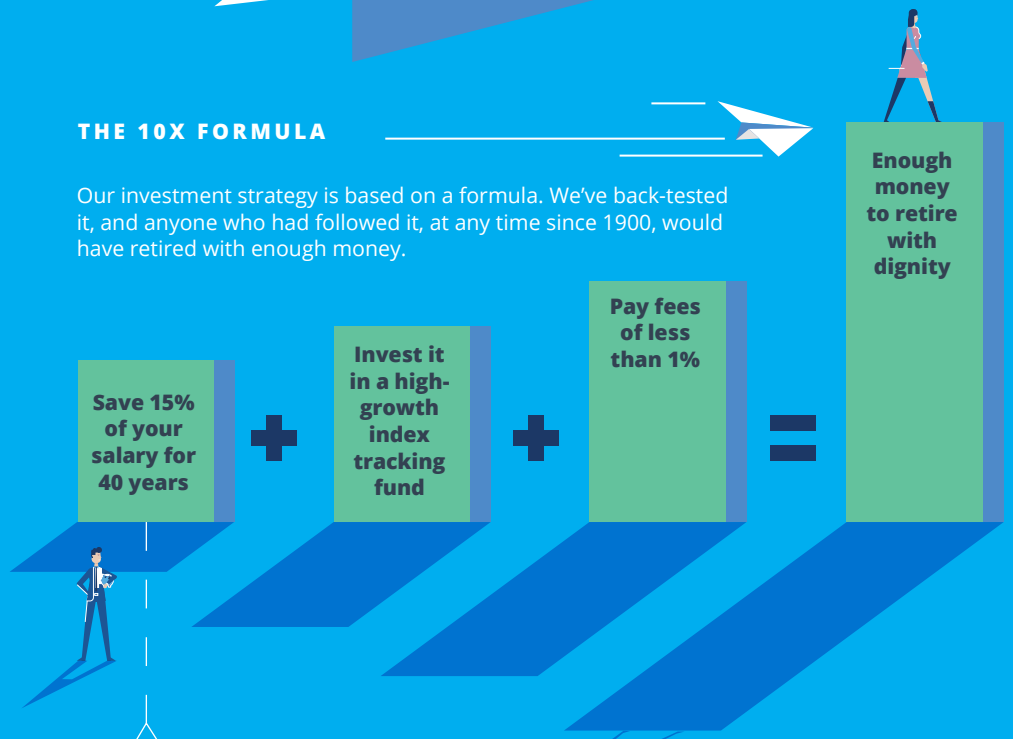
We know it works. While only 6% of South Africans can afford to retire comfortably, over 31% of our clients are on track to.

So, while the industry offers literally thousands of options but no real solution, we have one proven solution, with no need for inferior and competing options.



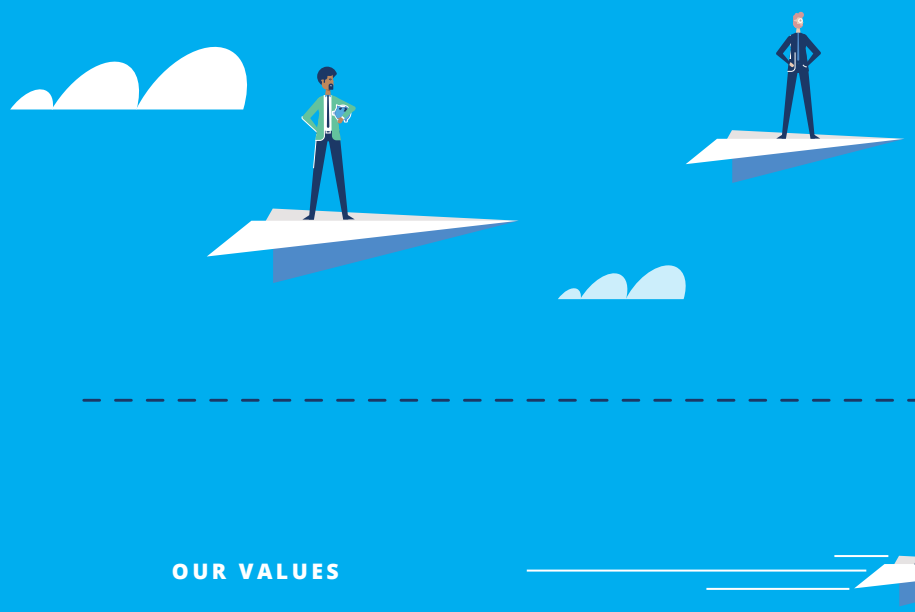
THE 10X FORMULA

Our investment strategy is based on a formula. We've back-tested it, and anyone who had followed it, at any time since 1900, would have retired with enough money.




***Some people despair that they haven't saved enough or for long enough. They shouldn't:***

***"I never bought into 'it's too late', because if you're not careful then you give up too early. Even though it may be late, it's never too late."***
***Ashley Smyth, 10X client***







**OUR VALUES**

## We see **values in two ways**. They are:

- **Principles that guide our behaviour, and**
- **qualities that describe our character.**

Together with our purpose, our values should determine how people experience 10X, either as clients or employees. Everyone who works at 10X should aspire to live these values every day, and refuse to act in ways that contradict them.

When we have decisions to make, our values should inform us. If we're unsure which is the best direction to take, our values must guide us. Should we ask, "*are we being true to what makes us?*", our values will give us the answer.



**OUR VALUES**

## CLIENT FIRST

## TRANSPARENCY

## SIMPLICITY

## DO MORE WITH LESS

## WOW CUSTOMER EXPERIENCE

## POSITIVITY



**OUR VALUES: CLIENT FIRST**

# **04** We put our clients first, always.

Our clients are why we exist. The essence of what we're doing is to look after and out for our clients – not ourselves.

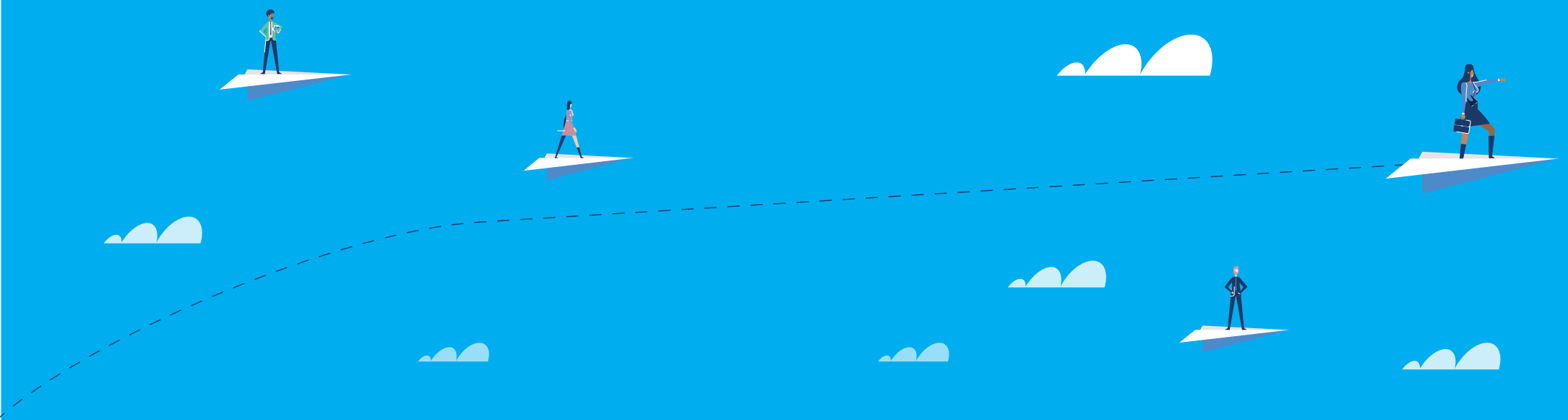
Sadly, the industry has largely put itself first, and that has created a massive problem for people. We're trying to help solve it.

Our decisions and actions should be led by us asking: "does this put our clients first?" "Is this good for them?" If the answer isn't a clear yes, it's the wrong decision.

This is the mother of all our values, because they are all conceived to ultimately benefit our clients.

***"In this industry, if you have a little bit of knowledge and charisma, it's really easy to make money. And that's what you will do if you put yourself first. It's much harder to make money doing what we're doing. But we put our clients first."***

***Steven Nathan***



**OUR VALUES: TRANSPARENCY**

# **05** We must be transparent to be trustworthy.

**"Whose money is it anyway?"**

The hard-earned savings that people trust us to look after does not belong to us. It's theirs. So they should be able to know everything about it.

It's crazy that this even needs to be stated because it's so fundamental, but the industry has not behaved accordingly. We do.

We reject the devious practice of hiding and obscuring what should be plainly apparent. We don't bury details in small print. Our clients must always be able to see exactly and fully how much they're being charged. They must be able to see exactly how and where their money is invested.

They must be able to trust that we are honourable; that, in all things, we say what we do and do what we say.

**OUR VALUES: SIMPLICITY**

# **06** We strive to make things simple.

Ironically, simplicity isn't simple. Perhaps that's why the industry is so complex. Simplicity is hard, but worth working hard for. It helps our clients and our cause.

In striving for simplicity, we must not just look to improve on what already exists. Ideally, we must start with first principles, lifting our heads above the fog of what is, and asking what should be.

This is how we got to a single investment strategy and why we charge a single fee. It guided My10X and our retirement calculators, which make it easy for clients to see how much they need to retire with and what they need to do to get there.

Simplicity makes us better, and our clients better off.



**A SHORT STORY ABOUT SIMPLICITY**

# **Seeing the wood** for the elephant.

*A similar anecdote has been told of various sculptors and sculptures, but I like the one about the carver and his wooden elephants.*

*Someone asks the carver, "How do you make such magnificent things out of those big blocks of wood?"*

*The carver replies, "It's simple, I just carve away everything that isn't the elephant."*

*That's a great analogy for investing. There's so much complexity and choice, layers and layers of fees... the challenge for investors is to find the elephant from the piece of wood. What we try to do at 10X is carve away all those layers that you don't need, and give you the elephant.*

*Steven Nathan*

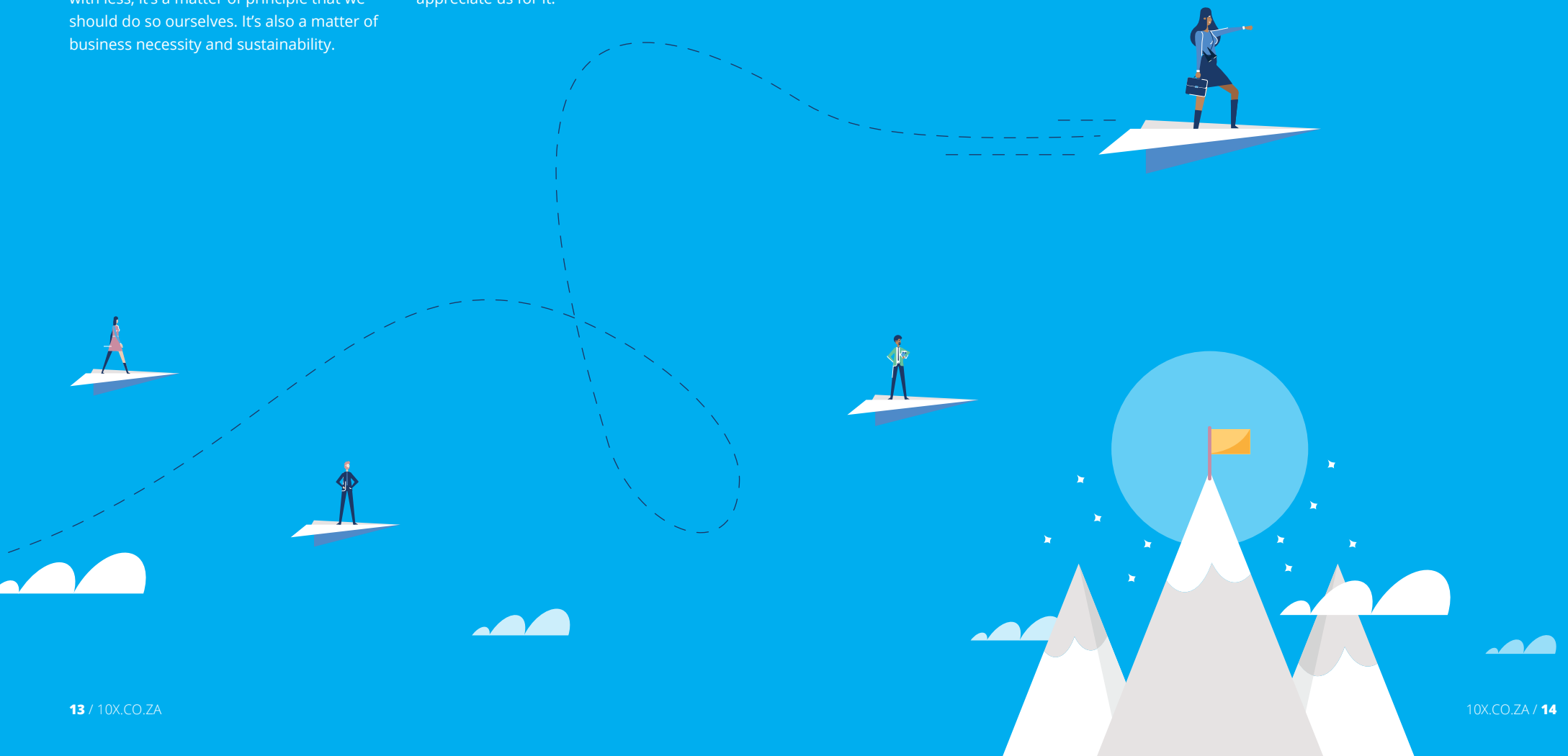
**OUR VALUES: DO MORE WITH LESS**

# **07** We do more with less so that our clients can, too.

Our entire business proposition is based on getting our clients as much as possible largely by charging them as little as possible.

If we encourage our clients to do more with less, it's a matter of principle that we should do so ourselves. It's also a matter of business necessity and sustainability.

This is why we don't have executive offices or flashy artwork, why we use simple stationery and fly economy class. We can do our work just as well without luxuries. Our clients are rewarded for it, and will appreciate us for it.



# **08** We want to wow, however and whenever we engage.

Everything we do should be in the best interests of our existing and potential clients, and should go beyond their expectations. We only win if they win.

This applies to each one us, whether we're administrators, marketers or salespeople, and whether in person or on the phone, in an email or an advert.

For our products and features, it means we must have something great enough for people to want to buy, not something we need to sell.

When it comes to service, it means listening sincerely, responding fast, following up reliably, repeatedly, proactively, and resolving completely.

Most of all, it means earning our customers' confidence and building a relationship they value.







# **09** We believe in the power of positivity.

We like, and look, to work with positive people.

Positive people are open to possibility and opportunity. They are a source of innovation. They're motivated to find solutions, and so they're not discouraged by problems.

Positive people are resilient. They persevere and they bounce back. Positive people are grateful. They appreciate what they do have and have achieved, no matter how small.

And positive people are just good to be around. They're constructive, they build relationships, they're fun. When most of our waking hours are spent at work, this counts for a lot.

***A winner is just a loser who tried one more time."***

***George M. Moore, Jr.***



**OUR MANIFESTO**

# **10** We're for change. We're for our customers.

The retirement industry has done disproportionately well for itself, but has failed its clients.

It complicates, obscures, overcharges and underdelivers, profiting handsomely in the process. But institutions so big, and making so much money, are not motivated to change. So, as an investor, you will continue to do poorly with the establishment.

**Here is our alternative:**

**We don't complicate what can and should be simple**. We don't offer endless options, and then recommend you pay for advice to help you navigate those options. We offer a single strategy, because we believe it's the best strategy.

**We don't charge high fees, because they contribute to low returns**. At the industry's average of 3%, fees can take half your money. At under 1%, our fees are less than half the industry's, and your money grows much more.



**We don't charge performance fees** (levied even when a fund doesn't perform), unnecessary advice fees, unfair penalty fees or disgraceful marketing fees. We charge one single fee, period.

**We don't hide or obscure our fees**. We're transparent about them because we have nothing to hide.

**We don't dabble in complex or opaque investments**. We invest your money the same way we invest all our clients' money – in a diversified mix of local and international companies – which is the only proven way to maximise your investment.

**We don't pick stocks or try to guess what to buy and sell, when. It doesn't work and you usually lose**. We simply track an index to match the returns of the market. It's proven to be a vastly more successful, more dependable method to growing your investment.

**We don't claim or even aim to have the best performing portfolio every year**. Nobody does. We also won't promise that your investment will never fall in value. Nobody should – short term drops are an expected part of long term growth. But over time and after fees, our performance will always be better than most other funds.

In an industry characterised by salesmanship, **we care to be known for our stewardship**. And while most investors end up with less than they should, ours will get more than they otherwise could.



## 10X Investments manages over R10bn in assets for industry-leading clients
























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