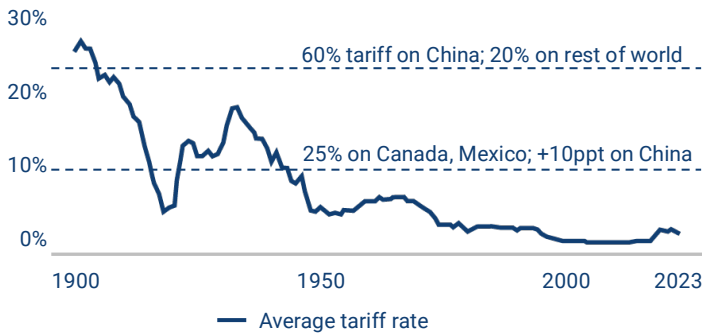


## Tariff proposals highest since 1940's

Average tariff levels on goods under different scenarios



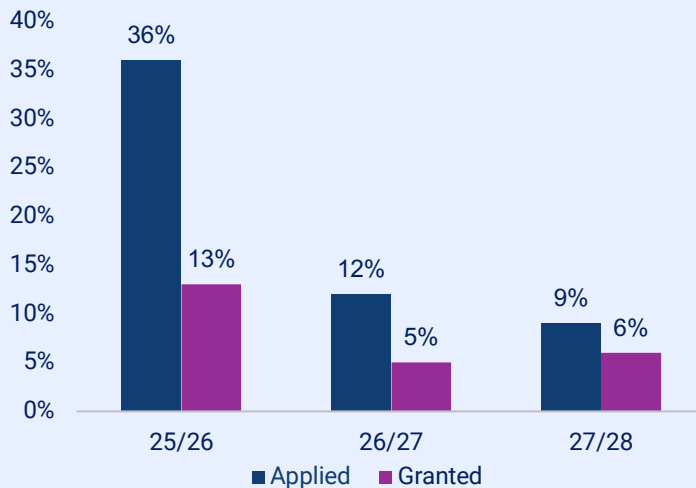
Source: US ITC, Census Bureau, Bloomberg Economics, 10X Investments  
 Note: Historic data through 1991 from US International Trade Commission, from 1992-2023 from Bloomberg Economics estimates using customs revenues. Scenarios based on 2023 trade composition.

President Trump's proposed 25% tariffs on Mexico and Canada and 10% on China signal a major shift in U.S. trade policy, aiming to address trade imbalances and border security. If implemented, these tariffs would raise the average tariff rate in the U.S. to its highest level since the 1940s and risk disrupting supply chains, raising import costs, and could trigger retaliatory measures, reshaping key trade relationships.

Beyond immediate economic impacts, the proposed tariffs raise concerns about long-term trade stability. Industries such as automotive, energy, and manufacturing face potential cost increases and supply chain disruptions. With additional sector-specific tariffs under consideration, Trump's strategy could have lasting geopolitical and economic consequences.

## Lower Eskom tariff hikes granted

Nersa decision on Eskoms MYPD6 revenue application

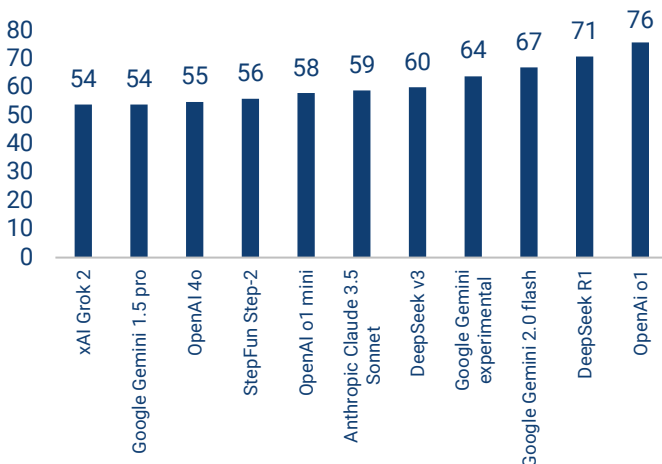


Source: 10X Investments, NERSA

Nersa's lower-than-requested tariff increases help to contain inflationary pressures, easing the burden on consumers and businesses, while addressing political and economic concerns over affordability. Though still above inflation, they help reduce the risk of sharp price shocks in the short term.

However, the reduced tariffs create a R61 billion funding shortfall for Eskom, jeopardising grid expansion and service reliability. Without alternative funding, the utility may require government bailouts or increased debt, adding fiscal strain and increasing the risk of future cost escalations that could drive long-term inflation and economic instability.

## LLM benchmark scores, average across major categories including reasoning



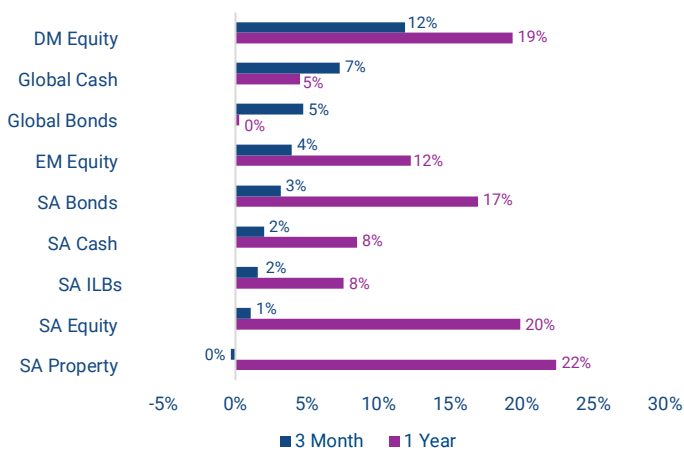
Source: LiveBench AI leaderboard, Deutsche Bank, 10X Investments

The AI market's biggest incumbents—both software and hardware—are facing disruption as AI models become commoditized. Once seen as essential engines, foundation models have become interchangeable, with smaller, cheaper models like DeepSeek and Llama proving just as effective. This challenges the assumption that more compute always leads to better AI, weakening the advantage of firms like OpenAI and Nvidia.

As AI shifts from expensive model training to smarter inference, demand for high-cost cloud infrastructure and specialised chips declines. This opens the door for new competitors, threatening the dominance of firms whose valuations rely on exclusive access to computing power.

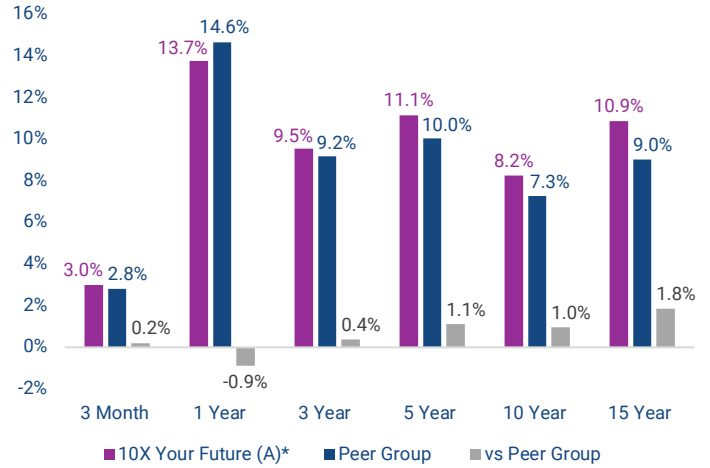
## Asset class returns to 31 January 2025

Headwinds to local assets over 3 months



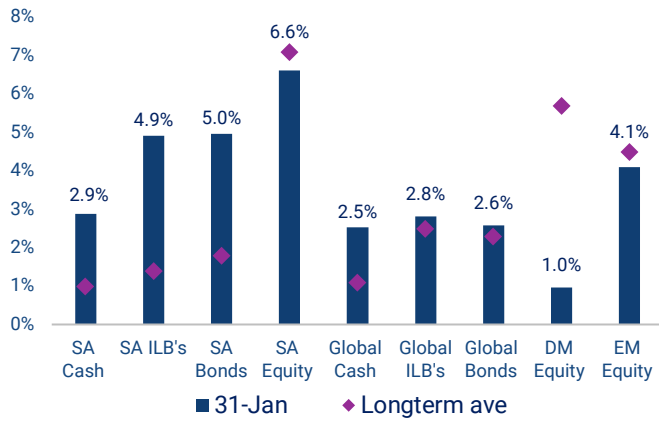
Source: 10X Investments Bloomberg

## Portfolio returns to 31 January 2025



Source: 10X Investments Morningstar; \* returns prior to March 2019 are those of 10X Umbrella Pension Fund adjusted for Class A fee

## 5–10 year expected real (after-inflation) returns in Rands - 31 January 2025



Source: 10X Investments, Bloomberg

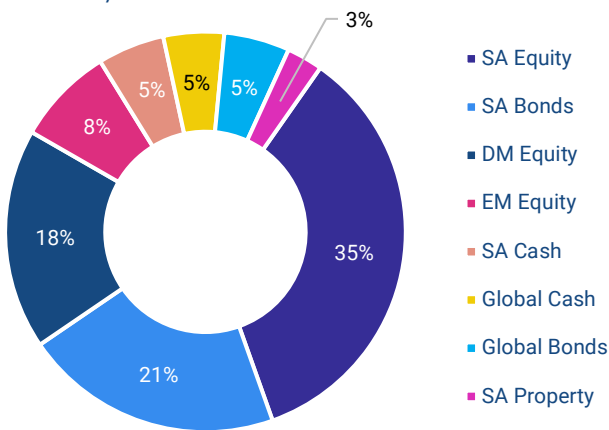
## Real (after-inflation) return expectations

While developed markets continue to face significant headwinds due to high valuations, emerging markets are poised to deliver returns in line with long run returns, offering investors real return opportunities over the next 5–10 years

Relative to history, the real return prospects for cash and fixed-income asset classes are considerably stronger, presenting more attractive risk-adjusted opportunities from this starting point.

## 10X Your Future Fund Asset Allocation

31 January 2025



Source: 10X Investment

## Asset Allocation

The portfolio remains defensively positioned with a higher allocation to defensive assets, given the attractive real yields on offer compared to the poor outlook for developed market equities.

As global bond yields increased during the month, we continued to increase our exposure to this asset class, extending duration. Most of the SA bond exposure is invested in inflation-linked bonds yielding +5% above inflation, whilst providing protection against inflation which could be driven by a weaker Rand.



**Anton Eser**  
Chief Investment Officer



**Chris Eddy**  
Head of Multi Asset Funds

## Disclaimer

10X Investments (Pty) Ltd is an authorised Financial Services Provider (#28250) and an Investment Manager licenced under the Financial Advisory and Intermediary Services Act, 37 of 2002. 10X Index Fund Managers (RF) (Pty) Ltd ("10XIFM") is registered as a Management Company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates unit trust portfolios under the 10X Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority. 10X Investments (Pty) Ltd is the appointed investment manager of 10XIFM. 10X Investments (Pty) Ltd is an approved Benefit Administrator in terms of Section 13B of the Pension Funds Act, 24 of 1956. 10X Investments (Pty) Ltd has been mandated by the 10X Sponsored Retirement Funds ("Funds") (including the 10X Umbrella Provident Fund and the 10X Umbrella Pension Fund) to act as Investment Manager of the Funds' respective investment portfolios. The content and information contained in this presentation may not be reproduced or distributed without the prior written consent of 10X. 10X has taken, and will continue to take care, that all information provided, in so far as this is under its control, is true and correct. However, 10X shall not be responsible for, and therefore disclaims any liability for, any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever, which may be suffered as a result of, or which may be attributable, directly or indirectly, to the use of or reliance upon any information provided. The content and information provided in this presentation is provided by 10X as general information about the company and its products and services, and investment performance as at the time of the presentation. 10X does not guarantee the suitability of any information or the performance of a particular investment source. The information provided is not intended to be, nor does it constitute, financial, tax, legal, investment, or other advice. Nothing contained in this presentation constitutes a solicitation, recommendation, endorsement, or offer by 10X, but is merely an invitation to do business. Collective Investment Schemes in Securities (known as Unit Trusts) are generally medium- to long-term investments and the value of units may go down, as well as up. Past performance is not necessarily a guide to future performance. 10XIFM does not provide any guarantee regarding the capital or the performance of its Unit Trusts. Performance figures are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax. Movements in exchange rates may also be the cause of the value of underlying international investments going up or down. The 10X FAIS Disclosure as well as the Unit Trust Funds' Minimum Disclosure Document is available on the 10X website: [www.10x.co.za](http://www.10x.co.za)