

Changing Boundaries

It gives us great pleasure to announce that, with immediate effect, the minima on the Allan Gray range of retirement products have been significantly reduced. Reduced minimum investment amounts on the annuities, endowment policy and preservation funds are summarised in the table below.

	Old minimum	New minimum
Living Annuity	R 250 000	R 100 000
Retirement Annuity lump sum	R 50 000	R 20 000
Retirement Annuity ad hoc lump sum	R 20 000	R 5 000
Retirement Annuity debit order	R 1 500	R 1 000
Preservation Fund lump sum	R 100 000	R 50 000
Endowment lump sum	R100 000	R 20 000
Endowment ad hoc lump sum	R 20 000	R 5 000
Endowment debit order	R 1 500	R 1 000

Since its establishment in 1974, Allan Gray has consistently achieved superior returns at lower than average risk of loss. The new minima mean that a broader range of investors can now access Allan Gray's investment management expertise.

Allan Gray is continuing to focus on providing simple, cost effective and sustainable products that are accessible to a wider range of South African investors.

Prior to 1998, Allan Gray only offered its services to retirement funds and high net worth individuals. The launch of the unit trust business in 1998, followed by the launch of the retirement product offering in 2001, was driven by demand from individual investors familiar with the long-term success of Allan Gray's investment philosophy and process.

Now on the back of the gratifying market acceptance of the retirement products, the demand from investors not able to access these products due to high minimum investment levels has led us to review these minima.

The Allan Gray Retirement Annuity enables the investor to build up tax efficient retirement benefits on a voluntary basis, through single and/or regular investments. The Pension Preservation Fund and Provident Preservation Fund - both approved retirement funds - are used for tax efficient preservation of benefits of employees who cease to be members of approved retirement funds as a result of resignation, retrenchment or dismissal. The Allan Gray Living Annuity caters for members of pension, provident, preservation or retirement annuity funds, who require an income when they retire from any of these funds. The Endowment is an investment policy ideally suited to investors with medium- to long-term investment objectives who want capital growth with after-tax returns.

All the investment vehicles are tax and fee efficient and allow investors to choose from any of the six Allan Gray unit trust funds as the underlying investment options to suit their investment risk profiles.

Commentary by Barend Ritter, Head of Retail Product Development, Allan Gray Limited