New funds on the investment platform

Following Allan Gray's annual fund survey, we have made some changes to the offering of funds available on our investment platform, and in the process added two new management companies, Sanlam and Stanlib. These changes came into effect on 1 June 2008.

Access an appropriate and unbiased range of investment funds

The Allan Gray Investor Services platform aims to provide choice and flexibility. However, our research has shown that while independent financial advisers (IFAs) and their clients want choice, they prefer it to be limited. As such, our platform supports a focused range of less than 50 funds, including the Allan Gray suite of unit trusts.

Allan Gray does not endorse the funds on its platform either quantitatively or qualitatively; rather the platform offers access to funds from asset manager partners in accordance with IFA demand. A product committee analyses the results of the annual fund survey, and in conjunction with the various third party fund managers, we decide what changes to make.

Sanlam and Stanlib have been added to the platform, along with seven new funds from asset management companies already on the platform. Some funds have been closed to new investors, although existing investors can continue to transact on their accounts (see Table 1).

Table 1

Changes to Allan Gray's local and offshore platform			
New management companies	New funds	Additional offshore funds	Closed to new investment
-Sanlam -Stanlib	-Nedgroup Stable Fund -RMB International Equity Fund of Funds -RMB International Balanced Fund of Funds -SIM Global Best Ideas Feeder Fund -Stanlib Stability Fund -Stanlib Value Fund -Stanlib Euro Currency Fund of Funds	-Ashburton Replica Asset Management Fund (EUR and GBP) -Marriot International Income Growth Fund -Sanlam Global Best Ideas Fund	-Marriot Dividend Growth Fund -Marriot Property Equity Fund -Nedgroup Growth Fund -RMB High Tide Fund -RMB Maximum Income Fund

There are currently 42 funds available on Allan Gray's local platform

On our local platform, 86% of the funds have a three-year performance track record, and 57% of these funds are ranked in the first quartiles of their respective fund classes. Fund choice is more limited in fixed interest categories due to the lesser degree of difference in returns. More choice is offered where differentiation is clearer. For reasons of liquidity, funds need a minimum amount of assets to qualify for the platform (see Table 2).

There are 24 funds available on Allan Gray's offshore platform

Consistent with our approach to our local range of funds, our intention is to ensure that our range of offshore funds offers adequate choice and remains manageable. Three funds have been recently added to the offshore platform (see Table 1), bringing the total number of funds on offer to 24. As with our range of local funds, more funds are available where differentiation is possible and necessary. The offshore platform currently offers 11 equity funds, six asset allocation funds, four fixed interest funds, two absolute return funds and one real estate fund.

Table 2

Breakdown of funds on the local platform		
ACI classification	Number of funds	Percentage
Foreign	9	21%
Worldwide	2	5%
Domestic – Equity	11	26%
Domestic – Asset Allocation	16	38%
Domestic – Fixed Interest	4	10%

Transparency and value for money is key for investors

When Allan Gray launched its investment platform in June 2005, we set new standards in terms of transparency, service and fees. The platform continues to put investors first by:

- Charging no initial fees
- Standardising annual administration fees at 0.5% of assets
- Not levying any switching fees or additional product wrapper fees
- Not charging redemption or surrender penalties or fixed monthly or annual subscriptions
- Ensuring total transparency of all fees paid by the investor
- Passing any discount received by the platform from fund providers directly on to the investor
- Making all accounts available online

Commentary by Johan de Lange, Director, Allan Gray Investor Services