



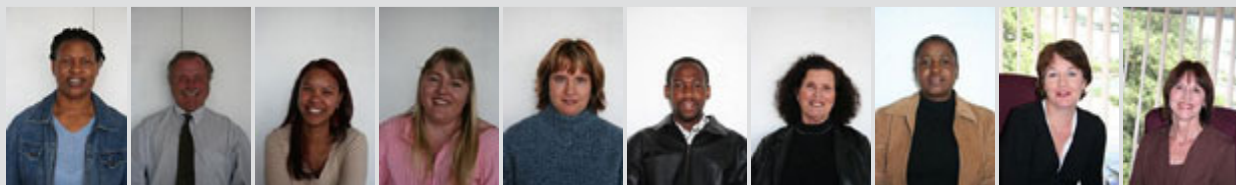
Newsletters

1. Pension Funds vs RA Units Trusts

Anderson Whittle analysis based on the August 2004 Rob Rusconi paper shows that over a thirty year period, based on contributions of R 1000 p/m, with the cost ratios given in the paper, and equivalent investment performance, the difference in the capital sum at retirement can easily be 50% greater for a RA unit trust as compared to a pension fund. The differential can be substantial, and the cause is higher costs in pension fund administration, investment charges and fees. Cost has been shown to be the most important factor in retirement capital performance.

Anderson Whittle is now advising clients in replacing pension funds with RA Unit Trusts. Our compensation structures and payroll systems interface easily with this change. The interesting point of liability should be approached. Should Pension Fund Trustees have considered alternatives? Should they involve themselves with controlling costs? Could employers be called to book? Time will tell. All we say is that we have never implemented or sold a Pension scheme to any of our clients.

However we do implement RA Unit Trusts as socially responsible, liability free retirement funding vehicles for employers.



Anderson Whittle is a registered Financial Services provider (Reg No 2073)