

## Multilect Newsletter

Welcome to 2018 and to the first of our quarterly newsletters. We hope you will find them informative.

An apt New Year's message was doing the rounds on social media at the end of last year. It showed a clock labeled "2017", with the hours replaced by the negative terms: stress, anxiety, disappointment, diseases, corruption, hate, setbacks, failures, regrets, chaos and darkness.

As the minute ticked through each "hour" of the clock, however, they were replaced by new words for 2018: bright, healthy, successful, prosperous, peaceful, exciting, loving, calm, positive, beautiful and hopeful.

It is our wish that 2018 manifests all the positivity reflected in these words!

As at the start of every new year, we are reflecting on the past and looking forward to the future. Multilect Administrators was founded in the last quarter of 1992 and pioneered the principle of truly independent administration of retirement wealth.

At that time, retirement funds were "associated" with life insurers and, therefore, the investment portfolios offered to members were restricted. Multilect facilitated participation by its members in investments managed by boutique asset managers, in addition to offering personal share portfolios allowing members who wish it to closely monitor the asset make-up of their retirement capital.

One of Multilect Administration's real strengths has been the stability of its management team over the past 25 years. We are extremely proud that we have clients who have been members of our funds for that length of time. We're also proud of our approximately 150 years of administration experience, even though we're a small team.

In administering our members' retirement wealth, we are mindful of the different roles played by the "gate-keepers" of this wealth.

Firstly, members may appoint financial advisers who have intimate knowledge of their retirement and lifestyle objectives. The financial adviser's role is to assist clients with recommendations relating to the funds (pre-retirement retirement annuities; preservation or umbrella provident or pension and post-retirement annuities, or living annuities), as well as the investment vehicles best suited to their risk profile.

In other words: ***it's all about you!***

Secondly, we have the actual retirement funds – these are managed by a Board of Trustees in the case of the range of Multilect funds. These are independent professionals representing the various disciplines required in the oversight of fund compliance with legislation around accounting, audit, administration, investment, advice and legal matters.

Here, Multilect Administration's role is crucial, not only in the administration of client records and reporting to clients, but also in ensuring compliance and implementation of the principal legislation affecting retirement funds in terms of the Pension Funds and Income Tax Acts. Compliance not only means adherence to the provisions of these Acts, but also preparation of records for auditing (by professional independent auditors) and actuarial valuation (also by professional, independent valuers).

In other words, **it's all about record-keeping and legal and tax compliance.**

Thirdly, we have investment managers – comprising both mainstream and boutique managers – who are available for the investment of clients' retirement capital.

In other words, **it's all about the risk and returns!**

## LEGISLATION CORNER

To keep you up to date with legislative developments and their impact on your retirement, we've introduced a legislation focus to our newsletters and website.

### The promulgated Taxation Laws Amendment Act contains the following change:

On reaching retirement date in terms of the employer's retirement-sponsored fund, a member is no longer forced to take an annuity at that date, but may transfer the retirement capital to a retirement annuity.

To read more about the changes to this legislation and all other changes to taxation laws, please refer to the SARS explanatory memorandum available on our website.

With warm regards

Marina