

21 October 2026

Dear Member

Important Changes to Your Retirement Investment Journey

Our records indicate that you are within six years of your normal retirement date and are invested in the Fund's Default Investment Strategy (Lifestage Strategy). As members approach retirement, the Fund provides targeted communications at key milestones to help our members understand how their investments are managed and to support informed retirement planning. This communication forms part of the process and is intended for members who are within six years from retirement.

The Board of Trustees recently reviewed the Fund's investment strategy and approved enhancements to the Fund's Default Lifestage Strategy. These changes are designed to provide a smoother transition from growth-focused investments to lower-risk investments as retirement approaches, while aiming to improve retirement outcomes over the long term.

Why Are You Receiving This Communication?

Under the Fund's previous Life Stage Investment Strategy, de-risking was applied according to a member's attained age and began four years before the normal retirement age of 65. The strategy maintained a 100% allocation to the CRF Balanced Portfolio until age 60.999, with the first de-risking step taking place at age 61.

Under the revised strategy, de-risking begins six years before each member's own normal retirement date. This means the de-risking process now starts two years earlier than before. This change allows for a more gradual reduction in investment risk as retirement approaches.

What Has Changed?

Previous Lifestage Strategy (Two-Stage Model)

The Fund previously used a two-stage lifestage strategy consisting of:

- **CRF Balanced Portfolio**
- **CRF Stable Portfolio**

Age	60	61	62	63	64	65
CRF Balanced Portfolio	100%	80%	60%	40%	20%	0%
CRF Stable	0%	20%	40%	60%	80%	100%

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New Lifestage Strategy (Three-Stage Model)

The revised strategy introduces a third portfolio, creating a more gradual de-risking of investment strategy as members approach retirement:

- **CRF Balanced Plus Portfolio**
- **CRF Balanced Portfolio**
- **CRF Stable Portfolio**

Years to retirement	Default Investment Strategy		
More than six years	100% CRF Balanced Plus		
More than five years but not more than six years	67% CRF Balanced Plus	33% CRF Balanced	
More than four years but not more than five years	33% CRF Balanced Plus	67% CRF Balanced	
More than three years but not more than four years		100% CRF Balanced	
More than two years but not more than three years		67% CRF Balanced	33% CRF Stable
More than one year but not more than two years		33% CRF Balanced	67% CRF Stable
One year or less			100% CRF Stable

What Does This Mean for You?

As a member who is within six years from retirement:

- Your retirement savings will be switched to the combination of portfolios shown in the table above that applies to the number of years remaining until your normal retirement date. Depending on how close you are to retirement, this may mean a holding in the CRF Balanced Plus Portfolio, the CRF Balanced Portfolio, the CRF Stable Portfolio, or a combination of these.
- Your investments will continue to be adjusted automatically twice a year as you approach retirement.

The revised strategy provides a more gradual journey from growth-oriented investments to lower-risk investments, helping to find a more optimal balance between long-term growth opportunities and the need to manage risk more conservatively as retirement approaches.

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Examples: How the Revised Strategy will work in practice assuming two hypothetical member scenarios:

Assumptions (for both members):

- Normal Retirement Age: 65
- Member A: Current Age: 60
- Member B: Current Age: 62
- The Fund automatically switches members through the stages based on the number of years remaining until their normal retirement date.

Member A: 5 Years Away from Retirement (Age 60)

Age	Current Position (Old Strategy)	Correct Position (New Strategy)	First Action on Implementation
60	100% CRF Balanced	33% CRF Balanced Plus 67% CRF Balanced	Switch 33% of their retirement savings from CRF Balanced → CRF Balanced Plus

Member B: 3 Years Away from Retirement (currently age 62)

Age	Current Position (Old Strategy)	Correct Position (New Strategy)	First Action on Implementation
62	60% CRF Balanced 40% CRF Stable	67% CRF Balanced 33% CRF Stable	Switch 7% of their retirement savings from CRF Stable → CRF Balanced

The Fund is enhancing its Default Lifestage Strategy to provide a smoother and more gradual transition from growth-focused investments to lower-risk investments as members approach retirement. The aim is to ensure that members remain appropriately invested for their stage of life and years to retirement, while supporting better long-term retirement outcomes.

Do You Need to Take Any Action?

No action is required from you.

The Fund Administrator will automatically:

- Align relevant investments to the revised lifestage strategy, according to the number of years remaining until your normal retirement date.
- Rebalance investments where necessary.
- Ensure members remain invested in the portfolio appropriate for their stage of the retirement journey.

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Members who have exercised member choice, that is members who have opted out of the default investment strategy, will not be impacted by the change.

When Will the Changes Take Effect?

A one-time alignment of affected members' investments will take place in November 2026. After that, members will continue to be automatically transitioned through the Default Lifestage Strategy as they approach retirement. Automatic life stage transitions and portfolio rebalancing will be implemented twice a year, in March and November.

Members' positions will be determined as at 1 March and 1 November each year, to establish the appropriate lifestage band based on the years remaining until their normal retirement date. Where a change is required, the switch will be implemented during the second week of March or the second week of November.

A short pause in transactions around the switch

To make sure every member's switch is processed and priced accurately, member transactions will be paused for seven working days around the switch date. This covers the three working days before the switch, the switch day itself, and the three working days after.

During this period the Fund cannot process any claims or changes to your member details. This includes withdrawal claims from your Savings Component.

Any instruction received during the pause will be processed as soon as the switch is complete. If you are planning to submit a claim in November 2026, please allow for this.

In Closing

The Trustees believe that these enhancements strengthen the Fund's investment framework and support the Fund's objective of assisting members to achieve better retirement outcomes. Should you have any questions regarding these changes or your retirement savings, please contact the Principal Officer (PD Theron) or yourfund@columbus.co.za.

If you do not wish to remain in the revised investment strategy, please visit payroll to complete an investment switch form. Before any decisions are made, please make use of a registered financial planner.

Regards

PD Theron

Signed by PD Theron, theron.pd@columbus.co.za
21/10/2026 10:35:37(UTC+02:00) 

**PD THERON
PRINCIPAL OFFICER**

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