

21 October 2026

Dear Member

CHANGES TO DEFAULT INVESTMENT STRATEGY

The Board of Trustees of the Columbus Retirement Fund ("the Fund") regularly reviews the Fund's investment arrangements to ensure that members are best positioned to achieve their long-term retirement goals.

Following a comprehensive review of the Fund's investment strategy, the Trustees have approved enhancements to the Fund's Default Investment Strategy (Lifestage Model) to improve retirement outcomes while continuing to appropriately manage investment risk as members approach retirement.

What is the Default Investment Strategy?

The Default Investment Strategy is the investment option designed for members who have not made an active investment choice, and for members who prefer not to make one. It aims to provide a suitable balance between investment growth and risk throughout a member's working life.

As members move closer to retirement, the strategy automatically adjusts investments to reduce exposure to market volatility. This process is known as de-risking.

Why is the Fund Making These Changes?

The Trustees continuously assess whether the Fund's investment strategy remains appropriate in helping members achieve sufficient retirement savings.

The revised strategy seeks to:

- Enhance the potential for long-term investment growth and improved retirement outcomes.
- Introduce a more gradual and systematic transition from growth-focused to lower-risk investments as retirement approaches.
- Ensure that members' investment strategies and the associated levels of risk remain appropriately aligned with their remaining time horizons to retirement.

What Will Change?

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The Fund currently uses a two-portfolio lifestage structure, where members transition from the **CRF Balanced Portfolio** to the **CRF Stable Portfolio** as they approach retirement:

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

The Trustees have approved a revised three-stage Default Lifestage Strategy consisting of:

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

The inclusion of the **CRF Balanced Plus Portfolio** provides members with greater exposure to growth assets during the earlier years of their retirement savings journey, while still ensuring that investments are gradually de-risked as retirement approaches.

How Does the New De-risking Model Work?

The revised strategy automatically adjusts member investments according to the number of years remaining until retirement.

In general:

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

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More than one year but not more than two years		33% CRF Balanced	67% CRF Stable
One year or less			100% CRF Stable

The strategy gradually reduces investment risk as retirement approaches, helping to protect accumulated retirement savings from significant market fluctuations shortly before retirement.

The Fund Administrator will:

- Align applicable members to the approved Default Lifestage Strategy, according to the number of years remaining until their normal retirement date.
- Automatically switch and rebalance investments where required.
- Ensure members are invested in the portfolio appropriate to their years remaining until normal retirement.
- Members who have exercised investment choice that is members who have opted out of the default strategy will not be impacted by the change.

When Will the Changes Be Implemented?

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 life stage 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 investment and disinvestment 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.

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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
21/10/2025 10:34:00 (UTC+02:00) 

**PD THERON
PRINCIPAL OFFICER**

Registration number: 12/8/33171

Columbus Stainless • Office Block D • Hendrina Road • Middelburg
• 1050



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