



# TFG Retirement Fund

## Life-Stage Investment Model

### What is a life stage investment model?

**A Life-Stage Investment Model is a process by which your retirement savings are gradually moved from a higher risk investment portfolio to a more conservative investment portfolio as you get closer to normal retirement or your planned retirement date.**

This is called de-risking. The reason for de-risking is to protect the value of your retirement savings against market volatility, as you near retirement.

The model is recommended by the Trustees of the Fund as the default investment choice to enable members to achieve the best possible retirement outcomes, and as such de-risking happens automatically as you near your normal or planned retirement date.

### HOW DOES TFG RETIREMENT FUND'S DEFAULT LIFE-STAGE INVESTMENT MODEL WORK?

#### The Default Life-stage Investment Model.

**More than  
5 years from  
retirement**

100% in TFG  
Balanced Portfolio

**Between 5 years and  
1 year from retirement**

Switch from TFG Balanced  
to TFG Final Year Portfolio in  
equal monthly proportions  
over a 48 month period

**Less than  
1 year from  
retirement**

100% in TFG  
Final Year Portfolio

The model starts de-risking your retirement savings from 5 years prior to retirement and over a period of 48 months your fund value is switched in increments of just over 2% from the TFG Balanced Portfolio to the more conservative TFG Final Year Portfolio on a monthly basis, until your fund value is fully invested in the TFG Final Year Portfolio 1 year prior to retirement.

The model takes into consideration that you may want to retire earlier than the normal retirement age of 65 and therefore caters for a planned retirement age which may be different from your normal retirement age and which can be any age from 55 to 64. Therefore, if you advise the Fund of your intention to retire earlier than the normal retirement age, the model will automatically start switching your retirement savings 5 years prior to your normal or planned retirement age (whichever may be relevant to you).

## What Is Member Investment Choice?

With member investment choice, you may choose to opt out of the Default Life-stage Investment Model and invest your retirement savings in any of the portfolios listed below and in any proportion (see the FAQ for an explanation of the portfolios). You may choose an investment strategy for your existing fund credit and a different investment strategy for your future contributions.

- TFG Balanced Portfolio
- TFG Final Year Portfolio
- Banker Portfolio

Note that once you opt out of the Default Life-stage Investment Model, you take full responsibility for your fund value allocation. It will therefore be important for you to keep a regular check on your investment choice. Your fund value allocation will only change with the completion of a new switch instruction to the Fund.

## Not familiar with the Life-stage Investment Model? Here's what you need to do.

If you intend to retire at your normal retirement date and are comfortable that your fund value remains invested in accordance with the Trustees' Default Life-stage Investment Model, you do not need to do anything. However, if you wish to retire earlier and / or opt out of the default Life-stage Investment Model, you need to advise the Fund of your planned retirement date and / or investment choice. These actions can be done using the Member Investment Choice Switch Form. [Click here](#) to access the form. The completed form must be emailed to [zzswitches@alexforbes.com](mailto:zzswitches@alexforbes.com).

## Cost of switching.

Each member is allowed 1 free switch per calendar year, thereafter each additional switch in a year attracts a fee of R425 plus VAT, which will be deducted from your fund credit. Note there is no charge for automatic switches as part of the Default Life-stage Model.

[CLICK HERE](#)

to access the FAQ document for more information.

