

8 December 2017

ELEMENT INVESTMENT MANAGERS (“Element”)

Steinhoff: Element SCI Unit Trust Fund Exposures (Updated)

Steinhoff’s financial results, expected to be released on Wednesday, 6 December 2017, were announced as being delayed earlier in the week - owing to continuing auditor and regulator investigations into “accounting irregularities” in the company’s financial statements. This was followed by the abrupt resignation of the Steinhoff CEO, Markus Jooste, announced late at night before stock markets opened on Wednesday, 6 December 2017 (Steinhoff is listed on both the Frankfurt and Johannesburg Stock Exchanges).

The price of Steinhoff shares, its other listed instruments and associated companies saw material declines during trading on Wednesday 6 December 2017, with the Steinhoff ordinary share price down by more than -60% on the day. The Steinhoff share price and related listed instruments continued to decline on Thursday, 7 December 2017.

Element had the following exposures to Steinhoff listed instruments in its Funds:

- Zero exposure to Steinhoff ordinary shares (SNH) in any of its funds.
- Exposure to Steinhoff Preference Shares (SHFF) in the following funds only:

Unit Trust Name	SHFF Weight - 5 Dec 2017	SHFF Weight - 6 Dec 2017	SHFF Weight 7 Dec 2017	Performance Impact in Total
Element Flexible Sanlam Collective Investments Fund	1.38%	0.66%	0.00%	-0.73%
Element Real Income Sanlam Collective Investments Fund	1.96%	0.94%	0.00%	-1.03%
Element Balanced Sanlam Collective Investments Fund	1.68%	0.81%	0.00%	-0.88%
Element Specialist Income Sanlam Collective Investments Fund	2.14%	1.01%	0.00%	-1.11%

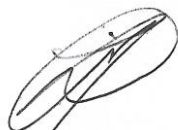
Source: Element Investment Managers, 8 December 2017

While being exposed to Steinhoff Preference shares has been negative for our unitholders, as can be seen from the table above, Element’s exposure to Steinhoff preference shares was not material in any of its funds and the subsequent negative effect on fund performance, shown in full, has been limited in terms of materiality.

We began the process of exiting our Steinhoff Preference share (SHFF) positions on Wednesday, 6 December 2017. This process was completed on Thursday, 7 December 2017 and all Element funds now have zero exposure to Steinhoff.

Please do not hesitate to contact us on 021-4261313 or communications@elementim.co.za if you have any queries regarding the above.

Yours sincerely



Terence Craig
Chief Investment Officer - Element Investment Managers

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