

7 December 2017

Dear Clients, Consultants and Administrators

STEINHOFF INTERNATIONAL HOLDINGS

Following the media reports on Tuesday evening, Steinhoff International Holdings (SNH) released a statement yesterday confirming the resignation of their CEO, Markus Jooste, amid the discovery of new information regarding irregularities in its financial accounts. The SNH share price fell significantly yesterday, while Steinhoff International postponed the release of its annual results, which were due to be released on Wednesday, until a period "when it is in a position to do so."

The SNH share price declined 61.4% on Wednesday. From the end of November 2017 to close of business on 5 December 2017, the share price has dropped 68.7%. The affiliated Steinhoff Africa Retail (SRR) share price declined by 22.8% on Wednesday. Both stocks have continued to decline as at 6 December 2017.

The funds managed by Old Mutual Multi-Managers had exposure to SNH and SRR via our SA Equity & Long/Short Equity managers, while one of our Global Equity managers also had exposure to SNH. Our funds had no exposure to any Steinhoff fixed income instruments. As at the end of November 2017, Steinhoff International constituted a 2.3% weight in the SWIX index, making it the 7th largest stock in that Index at the time. Whilst our managers held divergent views on the company, our equity building block was approximately 0.6% overweight the stock. The Steinhoff exposure in the Old Mutual Multi-Managers funds as at 30 November 2017 are detailed in the tables below:

	SA Equity	L/S Equity	Global Equity
Steinhoff International (SNH) Weight	2.93%	3.41%	0.44%
Steinhoff Africa Retail (SRR) Weight	0.31%	1.10%	0.00%

	SA Equity Building Block Weight	L/S Equity Building Block Weight	Global Equity Building Block Weight	SNH Weight in Fund	SRR Weight in Fund
OMMM Inflation Plus 1-3	3.37%	7.00%	18.11%	0.42%	0.10%
OMMM Inflation Plus 3-5	33.90%	7.89%	21.66%	1.36%	0.11%
OMMM Inflation Plus 5-7	47.67%	6.74%	19.96%	1.71%	0.10%
OMMM Max 28	54.42%	8.28%	17.83%	1.95%	0.12%

	SNH Weight in Fund	SRR Weight in Fund
OMMM Absolute Cautious	0.58%	0.05%
OMMM Absolute Defensive	1.13%	0.09%
OMMM Absolute Balanced	1.03%	0.07%
OMMM Managed Fund	1.38%	0.04%

In the midst of the current volatility and significant declines in the Steinhoff share price, the current market environment further emphasises the role that a diversified portfolio can play in reducing an investor's overall risk. As the situation at Steinhoff continues to unfold, there is still a lot of uncertainty around what the future may hold for the company. Old Mutual Multi-Managers, along with our appointed asset managers, will continue to monitor the situation and act appropriately on our clients' behalf.

Kind Regards



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CEO
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