



Breaking News BULLETIN

SENTINEL'S EXPOSURE TO STEINHOFF INTERNATIONAL

On 6 December 2017 Steinhoff, following months of speculation, announced that new information had come to light relating to accounting irregularities that will require further investigation. Simultaneously it was announced that the publication of the company's Annual Financial Statement will be delayed and that longstanding CEO, Markus Jooste, had resigned with immediate effect. These announcements triggered a collapse in the share price as sentiment overtook fundamental analysis.

It is our view that currently there is insufficient information available to draw any definitive conclusion on the value lost. We are engaging with our investment managers to provide us with updated analysis and information once greater clarity is obtained. Whilst we acknowledge the anxiety of individual members and pensioners this uncertainty is mitigated to some extent by the strong asset underpin and reported on-balance sheet liquidity of the company.

To provide context to this event please note the following:

Sentinel owns 0.28% of Steinhoff shares, which equates to 0.8% of total Sentinel asset value. The All Share index is up 17.9% for the calendar year-to-date with Steinhoff detracting 2.3%.

Sentinel's investment exposure to Steinhoff is marginally below that of other investors. The Fund has already accounted for the impact of the recent events on member and pensioner portfolios and due to the well diversified nature of the investment structure, this impact is limited.

Members and pensioners will be informed should there be any material changes that may impact them.

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