Integrated Report 2022

Sygnia

Highlights

For the year ended 30 September 2022

R285.1bn -3.8%

2021: R296.4 billion
Assets under management and administration

R808.9m +9.7%

2021: R737.2 million
Revenue

R287.4m +19.3%

2021: R240.9 million
Profit after tax

191.3c +12.1%

2021: 170.7 cents
Basic earnings and headline earnings per share

210c +55.6%

2021: 135 cents
Total dividend per share

Scope of our integrated report

This report has been designed to communicate Sygnia's objectives, value creation proposition and business sustainability to all stakeholders to enhance their understanding of the Group.

Introduction

Sygnia Limited, which includes all its subsidiaries ("Sygnia" or "the Group"), is pleased to present its Integrated Report covering the performance of the Group from 1 October 2021 to 30 September 2022. This report provides an overview of the Group's financial, governance, environmental and social components for stakeholders to assess the Group's ability to create and sustain value over the short, medium and long term.

Framework and guidelines

The 2022 Integrated Report has been compiled in accordance with the International Integrated Reporting Framework ("IIRF"), discussion papers issued by the International Integrated Reporting Council ("IIRC") and the Integrated Reporting Council of South Africa ("IRCSA"), and as required by the applicable legislation, the report indicates how the Group has applied the principles of the King IV Report on Corporate Governance ("King IV"). The King IV principles have been applied and explained as outlined in the relevant sections of this report.

The IIRC recommends reference to the six capitals or stores of value that a company can use in the production of its goods and services, namely: financial capital, human capital, intellectual capital, social and relationship capital, natural capital, and manufactured capital. Only the first four are regarded as relevant to Sygnia and are thus covered in this report.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act of South Africa, No. 71 of 2008, as amended ("the Companies Act") and the Listings Requirements of the Johannesburg Stock Exchange ("JSE").

Assurance

The financial statements have been audited by Mazars, whose unmodified opinion is included on page 53 of this Integrated Report.

Forward-looking statements

The 2022 Integrated Report contains references to forward-looking statements. These statements are subject to risks and uncertainties, which may result in the actual performance being materially different from what has been expressed or implied by such statements. Stakeholders are thus advised not to place undue reliance on any forward-looking statements.

Sygnia will not update or revise any forward-looking statements, even if new information becomes available, other than as required in terms of the Listings Requirements of the JSE.

Statement of responsibility

The Audit and Risk Committee acknowledges its oversight responsibility, on behalf of the board of directors ("the board") to assess the integrity of this Integrated Report. The Audit and Risk Committee has accordingly applied its mind to the report and believes that it appropriately and sufficiently addresses all material issues and fairly presents the integrated performance of Sygnia for the year ended 30 September 2022, within the scope and boundaries mentioned in the preceding paragraphs.

The Audit and Risk Committee recommended this Integrated Report to the board for approval.

Board assurance and approval for publication

The board has established processes and policies appropriate for Sygnia to ensure that the Group applies the principles outlined by King IV. The board confirms the implementation of the King Code through the application of the King Code disclosure and application regime. The board of directors further confirms that Sygnia complies with the Companies Act, in all material respects, and is operating in conformity with its Memorandum of Incorporation. The board is ultimately responsible to ensure the integrity of the 2022 Integrated Report and has approved the final report.

The directors have applied their collective minds in the preparation and presentation of this report in accordance with the requirements of the IIRF and have satisfied themselves of the materiality, accuracy and balance of disclosures in terms of the performance of Sygnia for the year ended 30 September 2022.

The 2022 Integrated Report was approved by the board on 5 December 2022 for publication.

Magda Wierzycka
Chairperson

David Hufton
Chief Executive Officer

Chairperson's report

I don’t think I am exaggerating when I say that no one expected Russia to attack Ukraine so soon after the global emergence from the Covid-19 pandemic. No one anticipated the immense implications for global economies, nor the cost to the people of Ukraine. Rocketing oil and gas prices, massive food price increases and supply chain disruptions all contributed to double-digit inflation numbers.

The speed with which peace turned to “war” left most governments struggling to sustain growth and to pacify an increasingly panicked population. The IMF lowered its expectation for global growth in 2022 from 4.4% to 3.2%, and from 3.8% to 2.7% in 2023. Against this background, countries such as China used the distraction to consolidate and centralise political power.

South Africa has not been immune. Inflation has exceeded 7%, growth has been revised downwards, the rand has fallen in value and transport and food costs have risen, with most of our citizens feeling poorer. The strain of an unreliable electricity supply has added to national economic woes. The country also faces grey-listing by the Paris-based Financial Action Task Force, a global institution that oversees compliance with anti-money laundering and counter-terrorism financing measures. Despite many steps being taken by government, it is probably a case of too little too late, with grey-listing almost inevitable. This will make it more difficult for South African companies, banks and individuals to transact internationally.

Unfortunately, economic turbulence normally translates into more constrained fiscal policies and a negative impact on investment markets. Interest rates have risen dramatically in response to higher inflation, while markets have fallen at a record-breaking pace. There is almost nowhere to hide, with the technology and healthcare sectors suffering the most. Many investors simply opted for the perceived protection of the US dollar, leading to the depreciation of almost all other currencies.

Unsurprisingly, most foreign investors do not believe a long-term investment case can be made for South Africa and other emerging markets. The same applies to China, where political risks have increased substantially.

It is not a stretch to say that the shift in geopolitical relationships reflects a swing back to the “Cold War” era: relationships are strained and increasingly polarised, and no short-term improvements are likely. This has longer-term implications for inflation, market volatility and supply chain disruptions than the Russia/Ukraine war in isolation.

On a more positive note, borders have opened up and travel has resumed, and South Africa has been a beneficiary of renewed tourism. Higher global commodity prices supported higher revenue collection, a pleasant surprise, although most of the windfall tax receipts are expected to fall away over the next two years. The strategy outlined in the 2022 Medium-Term Budget Policy Statement (MTBPS) focused on reducing fiscal risks, narrowing the budget deficit and stabilising debt and proposed measures to improve economic growth and provide funding for infrastructure and service delivery programmes. Real GDP growth recovered to 4.9% in 2021, following a contraction of 6.3% in 2020. Unfortunately, projected economic growth has been revised downwards since the Budget speech, from 2.1% to 1.9%. Growth continues to be impeded by the slow implementation of promised economic reforms, as well as events such as the July 2021 riots and the April 2022 floods in KwaZulu-Natal. The MTBPS promised much-needed debt relief for Eskom, necessary to shore up the finances of the company drowning in debt. The budget also allocated additional funding for health, education, safety and security.

In writing this report I am acutely aware that it delivers more negative than positive messages. Unfortunately, we are living in unprecedented times – at least for many who grew up in a period of relative stability and prosperity.

> "The question on many people's minds is what to do with their investments. The advice to sit tight and do nothing is wearing thin, with most investors no longer focused on growth but on capital preservation. This is clearly not great news for asset managers, who depend on investors' confidence to support their products and investment strategies."

In light of the above, it is important to recognise that Sygnia's business, like that of other asset managers, is cyclical. Its revenues are very dependent on the level of the markets – increasingly so when its assets under management and administration have risen to almost R300 billion. In many ways, the market itself is Sygnia's largest client. After reaching record highs at the end of 2021, the fall in value across all asset classes has led to increasingly challenging trading conditions, but Sygnia has held its own. While the institutional market continues to shrink as a result of retrenchments and a lack of new job creation, inflows due to contributions seem to have reached equilibrium with the level of outflows caused by retrenchments, withdrawals and retirement. Retirement funds have been cutting costs, with services such as additional administration being discontinued despite the risks this creates. The retail division continued to attract assets, as did Sygnia's low-cost umbrella fund proposition. Passive funds are also becoming more of a fixture in the South African investment landscape. And our brand recognition, despite a bare minimum spent on marketing, has never been stronger.

We are under no illusion that the next financial year will be a lot tougher, with more volatility in our financial results. We are prepared for that, as Sygnia is a resilient, well-funded business that is ready to face headwinds as and when they arise.

In the meantime, the management team must be congratulated for their dedication and effort in delivering sound financial results in 2021/22. The business has never been stronger in terms of skills, expertise and experience across its leadership team, when steady hands and cool heads have been essential.

I would also like to express my gratitude to Sygnia's board of directors for their guidance and assistance in setting out the strategy of the business.

Magda Wierzycka
Chairperson

Chief executive officer's report

Sygnia's sustained double-digit profit growth in a challenging operating year is testament to the resilience of our diversified foundation and paints the picture of a healthy business set to keep growing. We enter the new financial year confidently navigating difficult market conditions from a position of strength and we are excited about the opportunities that lie ahead.

Overview

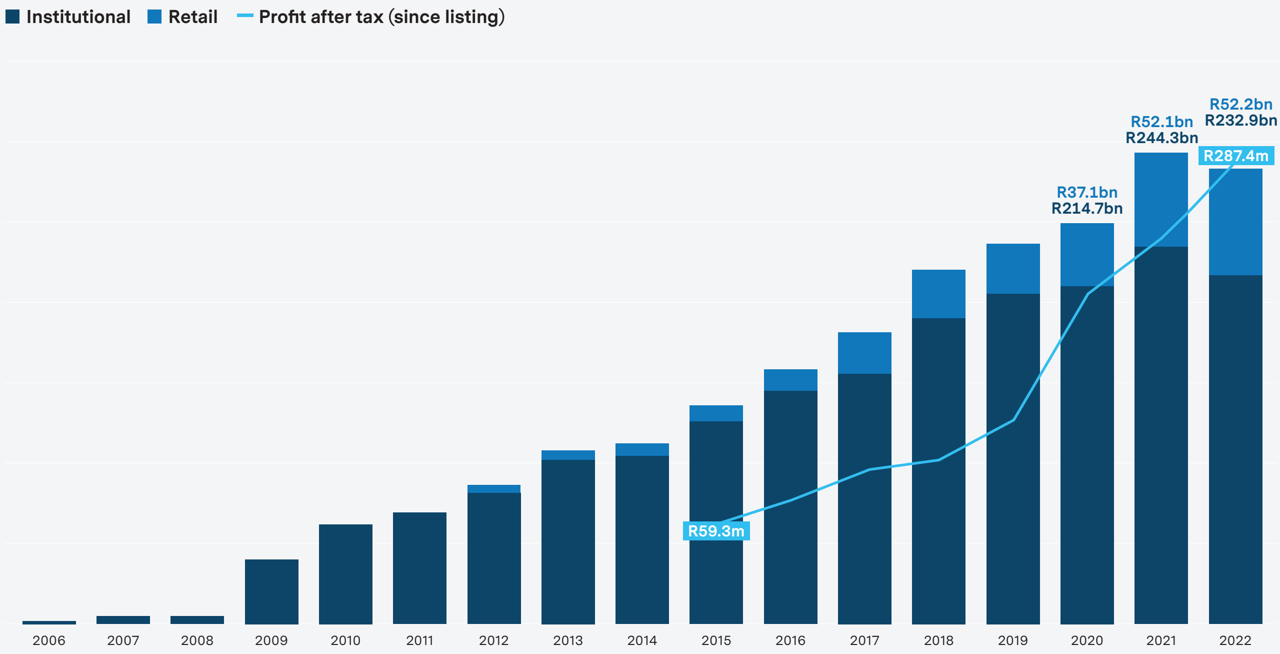
The world was still gripped by the Covid-19 pandemic a year ago, although vaccinations were bringing the health crisis under control. Recovery from the Covid-induced recession was also taking shape across the globe, but it was accompanied by the shadow of rising inflation for the first time since the Global Financial Crisis. The rising cost of living is now a dominant concern around the world and has been worsened by geopolitical unpredictability. Alongside senseless destruction and loss of life, the Russian invasion of Ukraine has led to sky-high energy costs across Europe, supply chain disruptions, and many vulnerable low-income countries facing food insecurity as staple food prices soar. The sharp increase in interest rates to tame inflation, now running at levels not seen for decades around the world, has also diverted funds away from long-term productive investment to service the increased cost of debt.

Despite being temporarily cushioned by a commodity-fuelled revenue boom, the fragile South African economy cannot escape these global challenges while also struggling with its domestic problems. The devastating flash floods in KwaZulu-Natal in April this year claimed hundreds of lives and damaged costly infrastructure, while there appears to be no clear vison to address the years-long and now severe power cuts, a dysfunctional transport system, and a water-governance crisis in parts of the country. Additional challenges are threatened by South Africa's likely grey-listing by the Financial Action Task Force (FATF) in February 2023 as a result of inadequate measures to combat anti-money laundering and the financing of terrorism.

AUMA
as at 30 September 2022
R285.1 billion
2021: R296.4 billion

"Notwithstanding the notable challenges of unfavourable market conditions, the diversified Sygnia business model delivered another year of double-digit growth in after-tax profit."

Assets under management and administration



Business performance

Sygnia was not immune to weak and volatile global investment markets which, coupled with net outflows, contributed to assets under management and administration (AUMA) ending September 2022 at R285.1 billion (2021: R296.4 billion). Against a backdrop of the FTSE/JSE SWIX Index returning 0% and the MSCI All World Index falling by 4% in rands for the full financial year, traditional multi-asset-class portfolios experienced some of their worst performances in many years. AUMA declined because of market depreciation of R8.8 billion and overall net outflows of R2.5 billion, although average AUMA increased by 8.4% to R298.7 billion (2021: R275.6 billion).

Our retail business is a key growth driver and attracted net inflows of R5.3 billion for the 2022 financial year (2021: R10.0 billion) which marginally offset market depreciation of R5.2 billion leading to retail AUMA of R52.2 billion as at 30 September 2022 (2021: R52.1 billion). Despite a subdued South African household savings industry, our low-cost multi-asset-class retail funds that feature in the top quartile across all risk profiles over the medium to long term (source: Morningstar) continue to resonate with an ever-expanding network of supportive financial advisory firms and direct investors.

We managed R232.9 billion on behalf of institutional clients at financial year-end (2021: R244.3 billion), reflecting market depreciation of R3.6 billion and the impact of R7.8 billion net outflows, much of which stems from the loss of one sizeable but low-margin administration-only client.

Investment performance is not predictable, but we are confident that the philosophy of our investment team that has served our clients well over time will continue to deliver competitive long-term value. Pleasingly, 87% of our institutional funds have delivered benchmark-beating returns over the short and long term. Our institutional flagship Sygnia Signature risk-profiled funds placed first or second over their multi-manager peers over five through ten years, and the Sygnia Signature 70 Fund outperformed the global balanced funds of all large South African managers over five and ten years to 30 September 2022 before fees (source: Alexforbes Multi-Manager Watch™ and Global Large Manager Watch™ surveys).

While new opportunities among standalone retirement funds are generally fewer as a result of the continuing industry trend of two decades of consolidation into commercial umbrella funds, the appetite among standalone funds for passive investing is growing and Sygnia is well placed to take advantage of the shift.

The Sygnia Umbrella Retirement Fund (SURF) accounts for R10.4 billion of the institutional AUM (2021: R8.9 billion) which, together with another R2.8 billion awaiting regulatory transfer approval, makes SURF the sixth-largest commercial umbrella fund in South Africa. Because of its low-cost proposition, SURF is well positioned to benefit from the ongoing trend of employers of all sizes migrating to umbrella funds as well as those employers reviewing their participation in other umbrella funds.

The fourteenth Sygnia Itrix (New China Sectors) exchange traded fund (ETF) was listed on the Johannesburg Stock Exchange (JSE) during the year. The growing popularity of ETFs among both institutional and retail customers saw net inflows of R2.9 billion (2021: R4.0 billion) into the broad Sygnia Itrix range, which is included in the relevant client type flows reported above. At year end, Sygnia Itrix assets under management amounted to R31.1 billion (2021: R30.9 billion) after accounting for market depreciation of R2.7 billion, making Sygnia the second-largest ETF provider in South Africa and the largest provider of international ETFs on the JSE.

Overall Group revenue increased by 9.7% to R808.9 million (2021: R737.2 million) and, with a lower rise in operating expenses, Sygnia continued along its growth trajectory with after-tax profit increasing by 19.3% to R287.4 million for the year ended 30 September 2022 (2021: R240.9 million). Basic and headline earnings per share increased by 12.1% to 191.3 cents (2021: 170.7 cents).

Dividend

The overall performance of the Group has enabled the board to reward shareholders with a final dividend declaration of 130 cents (2021: 80 cents), bringing our total dividend for 2022 to 210 cents (2021: 135 cents). Average dividend growth over the last three years is 51.8%.

Total dividend per share

210 cents

2021: 135 cents

Looking ahead

The Group's strategy for delivering value to shareholders is guided by our vision of turning ordinary savers into extraordinary investors and, while we are exposed to rising and falling markets, we remain driven by four strategic themes: growing our assets under management, supported by strong risk-adjusted investment performance at competitive pricing levels; being committed to innovation; leveraging automation to drive efficiencies and to better manage risk; and relentlessly pursuing outstanding customer service.

We are not content with our new business flows and are keenly focused on increasing our share of a market that is not expanding, particularly in the retail and umbrella fund client segments. Our new business pipeline continues to grow and we are confident in our prospects for strong organic growth.

> "Taking advantage of a growing client demand for both local and international lower-cost index-tracking funds is also front of mind, especially in a low-return environment and because of the relaxation of exchange controls earlier this year."

Product innovation is key to remaining distinctive and we aim to innovate ahead of our clients' evolving needs. The world is changing, and successful investing means understanding and embracing the mega-trends that are shaping the future: from disruptive technology to reinventing healthcare to the rise of emerging markets. Alongside our thematic ETFs already available to investors wanting to access these long-term opportunities, we launched our fifteenth Sygnia Itrix (Sustainable Economy) fund shortly after year-end which signifies our conviction that the answer to decarbonisaton lies in the sustainable economy.

In closing

We are living in extraordinary and complex times, where uncertainty abounds from a challenging global macroeconomic and geopolitical standpoint. Irrespective of these challenges which could further suppress asset growth, we remain focused on the long-term and on what we can control in the delivery of our strategic priorities. We enter the new financial year confidently navigating difficult market conditions from a position of strength and we are excited about the opportunities that lie ahead.

All that we do and all our accomplishments over our 2022 financial year are underpinned by the unwavering commitment and tireless effort of everyone at Sygnia. I extend my gratitude to all my hardworking colleagues and to our board of directors for their support. Finally, to our clients, who are at the heart of our purpose and our success: thank you for putting your trust in us.

David Hufton
Chief Executive Officer

Our Group

The Sygnia Group comprises the holding company, Sygnia Limited, listed on the main board of the Johannesburg Stock Exchange ("JSE") and the A2X exchange, as well as its subsidiaries , and is regulated by the Prudential Authority, the Financial Sector Conduct Authority, the JSE and the UK Financial Conduct Authority.

Sygnia Asset Management Proprietary Limited ("Sygnia Asset Management")
An asset management company that provides the following services and products to institutional and retail clients:

- Multi-manager investment solutions
- Specialist and balanced index-tracking solutions
- Management and administration of custom-designed investment strategies
- Transition management
- Investment administration

Sygnia Life Limited ("Sygnia Life")
A life insurance company with a licence limited to issuing linked investment policies, used for the purposes of structuring pooled, unitised investment portfolios and for issuing sinking fund policies and living annuities.

Sygnia Collective Investments (RF) Proprietary Limited ("Sygnia Collective Investments")
A management company that offers a range of single manager, multi-manager, fund of funds and index-tracking unit trusts to the institutional and retail market.

Sygnia Capital (RF) Proprietary Limited ("Sygnia Capital")
An entity registered for the purpose of issuing preference shares for the partial funding of the acquisition of Sygnia Itrix.

Sygnia Itrix (RF) Proprietary Limited ("Sygnia Itrix")
A management company that offers a range of exchange traded funds listed on the JSE.

Sygnia Securities Proprietary Limited ("Sygnia Securities")
An "agency-only" stockbroker that does not engage in proprietary trading, used for Sygnia's index-tracking funds and transition management, and which also provides securities lending services.

Sygnia Securities Nominees (RF) Proprietary Limited ("Sygnia Securities Nominees")
A nominee company for Sygnia Securities.

Sygnia Financial Services Proprietary Limited ("Sygnia Financial Services")
A linked investment service provider company that offers investment administration services and savings products (retirement annuities, living annuities, preservation funds, investment policies, and tax-free savings accounts) to the retail market.

Sygnia Nominees (RF) Proprietary Limited ("Sygnia Nominees")
A nominee company for Sygnia Financial Services.

Sygnia Benefit Administrators Proprietary Limited ("Sygnia Benefit Administrators")
An employee-benefits administration company that offers liability administration services to institutional investors and sponsors the Sygnia Umbrella Retirement Fund offered to the institutional market.

Sygnia Holdings UK Limited ("Sygnia UK")
A group structure registered in the United Kingdom to house the individual operating entities registered for the purposes of expansion into the UK.

Sygnia Asset Management UK Limited ("Sygnia Asset Management UK")
A wholly-owned subsidiary of Sygnia UK that provides investment advisory services, support services and operates as a general partner to a UK partnership.

WealthFoundry Proprietary Limited ("WealthFoundry")
A linked investment service provider company that offers investment administration services and savings products (retirement annuities, living annuities, preservation funds, investment policies, and tax-free savings accounts) to the retail market. This company is 51%-owned by Sygnia Limited.

100%	Sygnia Asset Management			
100%	Sygnia Life			
100%	Sygnia Collective Investments			
100%	Sygnia Capital	→	100%	Sygnia Itrix
100%	Sygnia Securities	→	100%	Sygnia Securities Nominees
100%	Sygnia Financial Services	→	100%	Sygnia Nominees
100%	Sygnia Benefit Administrators			
100%	Sygnia UK	→	100%	Sygnia Asset Management UK
51%	WealthFoundry			

Our business

Sygnia is a financial services group based in South Africa and the United Kingdom and listed on the Johannesburg Stock Exchange and on the A2X exchange. The Group focuses on the provision of investment management solutions and administration services to institutional and retail clients located predominantly in South Africa.

Introduction

Founded in 2006, Sygnia entered the institutional investment market with R2 billion under management on behalf of a few retirement funds. Today, Sygnia is the second largest multi-management company in South Africa, one of the two largest passive managers in the country, and the largest provider of international exchange traded funds ("ETFs") in South Africa, with assets under management and administration of R285.1 billion as at 30 September 2022.

The Group employs 291 people across its Cape Town headquarters and its offices in Johannesburg, Durban and London.

Sygnia offers domestic and international multi-manager and index-tracking funds, customised investment strategy design and management, transition management, and investment and liability administration services to institutional and retail clients. Institutional investors can access Sygnia's offerings directly and employers can do so through the Sygnia Umbrella Retirement Fund ("SURF") on behalf of their employees. Retail investors have access to Sygnia-managed unit trusts and JSE-listed ETFs, either directly or through a comprehensive range of savings products, accessible on the Sygnia Linked Investor Service Provider ("LISP") platform and various other LISP platforms. Our retail distribution strategy is supplemented by the Sygnia RoboAdvisor.

Our history

Sygnia's operations date back to 2003, when the founding shareholders of Sygnia started one of the first domestic funds-of-hedge-funds operations in South Africa and began developing systems suited to the administration of multi-manager investment portfolio structures. In the same year, those undertakings were acquired by African Harvest Proprietary Limited and Magda Wierzycka was appointed CEO of African Harvest. In 2006, the African Harvest group was split in two, with the active asset management division being sold to Cadiz Proprietary Limited and the passive asset management, multi-management, funds-of-hedge-funds, and software development divisions being sold to the original founding shareholders. The latter entities commenced operating under the Sygnia brand name on 1 November 2006.

Sygnia has grown because of its strong relationships with many employee benefits consulting firms in South Africa, as well as with a multitude of independent financial advisory firms. Since inception, it has offered its clients flexible administration, superior investment performance, transparent charges, cost efficiencies, sophisticated analytical tools, and excellent client service.

2006

Sygnia enters the institutional market by reinventing the "multi-manager" proposition with customised investment strategies underpinned by its leading-edge investment administration platform. It also launches the institutional Sygnia Signature range of multi-manager funds, blending actively managed strategies outsourced to third-party asset managers with in-house managed passive strategies.

2012

The company launches the first South African passively managed multi-asset-class range of life funds - the Sygnia Skeleton funds. It also expands into the retail market with the launch of a range of multi-manager unit trusts.

2013

The Sygnia LISP platform is launched, offering retail investors a full suite of savings products and its unit trust offering is broadened with the addition of the first passively managed range of balanced unit trusts in South Africa – the Sygnia Skeleton Balanced funds.

2014

Sygnia Securities is launched to support the company's index-tracking and clients' transition management activities.

2015

Sygnia Limited lists on the Johannesburg Stock Exchange.

2016

Sygnia acquires the Gallet employee benefits group to fast-track its entry into the umbrella retirement funds market and launches the Sygnia Umbrella Retirement Fund. Also launched is the Sygnia RoboAdvisor, the first comprehensive internet-based financial planning tool in South Africa.

2017

Sygnia acquires db X-trackers from Deutsche Bank and renames it Sygnia Itrix, making Sygnia the largest provider of international exchange traded funds in South Africa.

2018

Sygnia lists on the A2X exchange.

2019

Sygnia expands internationally and opens an office in London.

2020

Sygnia reinforces its lead in thematic investing in South Africa with the launch of the Sygnia Oxford Sciences Innovation Fund and the Sygnia Health Innovation Global Equity Fund.

2021

The Sygnia Itrix range of ETFs is expanded by the addition of the Sygnia Itrix S&P 500 ESG, MSCI Emerging Markets 50 and Solactive Healthcare 150 funds.

2022

The listing of the Sygnia Itrix New China Sectors and the Sustainable Economy ETFs takes the Sygnia Itrix range to 15 funds.

Our purpose

Our purpose is: **To turn ordinary savers into extraordinary investors.**

Our mission

It is our mission at Sygnia to make saving and investing simple, affordable, and accessible to all.

Our values

To successfully pursue our purpose and our mission, we live our values that guide our actions, unite our people, and define our brand.

We help our clients prosper: We build products to help our clients save and invest successfully, knowing that the decisions we make have real-life consequences.

We believe in low fees: No hiding, no spin, and no waiting until we are asked. We are open about the fees we charge and proud that we can offer the best products and performance for much less.

We listen to our clients: Every day the world teaches us to stay humble and to put our clients first. They give us some of our best ideas.

We listen to each other: We work well together, stay positive in the face of obstacles, and support each other.

We try to simplify complexity: Simplicity is the ultimate sophistication.

And we stand up for what's right: Because when it comes down to the choice between doing well and doing good - we know there is only one path.

Our operation

The Sygnia operation is divided into three pillars that work closely together, sharing skills and best practices in the best interests of clients, and to optimally deliver on the Group's strategic objectives:

- A client servicing pillar comprising three units responsible for servicing institutional clients, employee benefits clients, and retail clients.
- An investment pillar that manages the funds we offer our diverse range of clients.
- A business support pillar comprising information technology, human resources, finance, legal and compliance, risk management, and marketing.

The Group's management team has a wealth of experience in the fields of asset management and retirement fund consulting and has a deep understanding of the institutional and retail markets in South Africa. It also has a successful track record of organically building entrepreneurial businesses and creating shareholder value.

> "Sygnia remains one of the most innovative financial services groups in South Africa. A combination of low fees, competitive long-term investment performance, original products and exponentially evolving and leading-edge technology is key to Sygnia continuing to grow its assets under management and administration."

The Group focuses on disruptive business strategies, vertical integration of all operations to ensure it can control its pricing strategies, and innovation rather than imitation. Sygnia's strong culture of innovation and entrepreneurship has over the past 16 years led to exponential growth in the services it offers and the clients it attracts.

That culture will drive the Group's continued focus on growing its footprint in South Africa. The Group's flexibility in customising solutions for investors has positioned it to benefit from the many regulatory changes introduced in recent years, as well as from a growing awareness among investors of how high fees affect their investment outcomes.

Sygnia also recognises that the key to its past and future success is securing new clients and retaining existing clients. Consequently, we strive to build a client-centric culture across the Group and client service excellence is prioritised and embedded in every aspect of its interaction with external stakeholders.

Although the Group may acquire complementary businesses to enter certain sectors of the market faster and to build scale, organic growth remains central to its continued success and we aim to transition from a medium- to a large-sized financial services group in the near term.

Institutional business

Head: Andrew Steyn

The Sygnia institutional business provides a range of investment management and administration services to its client-base that comprises standalone retirement funds, participating employers in several umbrella retirement funds, medical schemes, insurance companies, and charities, predominantly in South Africa. As at 30 September 2022, aggregate assets under management and administration ("AUMA") amounted to R232.9 billion (including SURF) compared to R244.3 billion a year ago. The year-on-year change is a combination of market depreciation of R3.6 billion and net outflows of R7.8 billion owing predominantly to the loss of one large lower-margin AUA client.

Institutional capabilities

The institutional business provides the following services:

Multi-manager investment funds: The Sygnia multi-manager range of risk-profiled pooled investment funds blend passive and actively managed investment strategies. Passively managed strategies are largely managed in-house, while the actively managed components are outsourced to a range of third-party asset managers.

Index-tracking investment funds: Sygnia offers institutional clients passively managed domestic and international investment funds. These funds include risk-profiled global multi-asset-class or balanced strategies as well as specialist strategies and are offered as pooled products and as segregated client-specific accounts.

Customised multi-management: Sygnia provides institutional clients with the option of designing their own investment strategies according to the risk profile of their membership. Sygnia assists in the design of such strategies and implements, manages and administers the strategies as if they were stand-alone multi-manager funds.

Investment administration services: Sygnia provides multi-tier unitisation, compliance and regulatory reporting, optimised cashflow management and rebalancing, and performance analysis reporting to both standalone and umbrella retirement funds.

Foreign exchange transacting services: Sygnia's dedicated foreign exchange dealing desk enables us to eliminate the high costs associated with foreign exchange transactions within our own range of funds and some of the Group's large investment administration clients.

Institutional AUMA

as at 30 September 2022

R232.9 billion

2021: R244.3 billion

Transition management: A combination of Sygnia's leading-edge investment administration systems and stockbroking services means that Sygnia can facilitate and manage transitions implemented by institutional clients, as well as offer hedging and other structured finance transactions.

Institutional funds

Sygnia is recognised as a leading multi-manager and provider of passive funds in South Africa, and its consistent superior long-term performance across its below flagship fund ranges ensures the continued support of large employee benefits consulting firms and other established distribution channels.

Risk profile	Multi-manager funds	Passively managed funds
High risk	Signature 70	Skeleton 70
	Synergy 70	
Moderate risk	Signature 60	Skeleton 60
	Synergy 60	
Moderate to low risk	Signature 50	Skeleton 50
	Synergy 50	
Low risk	Signature 40	Skeleton 40
	Synergy 40	

Investment opportunities among stand-alone retirement funds are generally fewer due to the ongoing trend of employers of all sizes choosing to participate in umbrella funds, however the Sygnia Signature and lower-cost Skeleton fund ranges are ideal to meet the default investment strategies of retirement funds that have not migrated to an umbrella fund.

Investment administration opportunities

Sygnia's institutional investment administration is regarded as the market leader in South Africa. The Group is therefore well placed to take advantage of the growing demand for platform services among large institutional retirement funds, including those sponsored by parastatals and municipalities, as well as umbrella funds.

> "Sygnia's investment administration services set it apart from its competitors in the financial services industry due to its unique technology, which enables the Group to offer excellent value-for-money administration of complex multi-manager strategies."

Notwithstanding the low margins associated with institutional investment administration, this line of business gives Sygnia an opportunity to expose large retirement funds to its other services; scrip lending and foreign exchange transacting services, in particular, have application across the Group's large investment administration client-base.

Sygnia Umbrella Retirement Fund

Head: Duane Naicker

The Sygnia employee-benefits pillar offers liability administration and consulting services to standalone retirement funds, as well as sponsoring the Sygnia Umbrella Retirement Fund ("SURF"), which is offered to employer groups.

SURF offers employers access to both pension and provident umbrella funds, with in-fund preservation and annuitisation underpinned by its institutional investment funds and using best-in-class service providers. From its launch in 2016, SURF challenged market convention by offering participation in the fund at a single, all-in fee with no additional administration fees, making it the most cost-effective umbrella fund proposition in South Africa at a time when costs have come under an increasing level of customer and regulatory scrutiny.

SURF continues to enjoy good support from independent employee benefit intermediaries and is the 6th largest commercial umbrella fund in South Africa by assets under management (AUM). With more than 700 employers participating in the fund, compared to around 600 as at 30 September 2021, SURF now manages over R13 billion in assets (accounting for committed assets awaiting regulatory transfer approval) on behalf of its 49,751 members compared to a membership of 42,461 a year ago.

This growth is reflected in the unit's new business close rate of 15.3% as a percentage of new business quotations. These rates tell a story: one of SURF now being recognised as an umbrella fund of choice among the independent intermediary market.

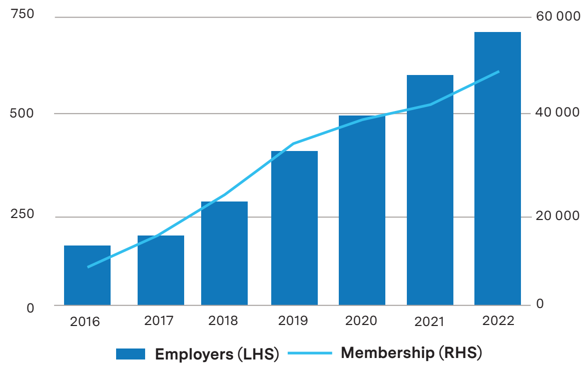
SURF AUM

as at 30 September 2022 and accounting for committed assets.

Over R13 billion

2021: R10.7 billion

Growth in participating employers and membership



Industry consolidation

The growth opportunity for SURF is significant as consolidation among stand-alone funds continues, induced by an increasing regulatory burden placed on boards of trustees in a concerted effort by the National Treasury to reduce the number of stand-alone retirement funds to fewer than 200. At the same time, the enhanced industry cost disclosure requirements serve as a boost to SURF, with its low-cost and transparent pricing model, as does its specialist design which resolves some of the structural conflicts of interests inherent in many one-stop-shop offerings. Apart from the continuing trend of stand-alone funds moving into umbrella fund arrangements, many employers regularly review their existing umbrella fund participation, which means that there is a vibrant secondary market within the umbrella fund industry.

> “SURF’s lowest cost proposition coupled with competitive investment returns makes for one of the most optimal retirement outcomes in the industry.”

Satisfied supporters

Our 2022 intermediary satisfaction survey assessed the design, service, and overall value proposition of SURF and confirmed that it continues to hold great appeal among employee benefit consultants. The Net Promoter Score flowing from the survey, which is a measure of client loyalty, was determined to be 63 (2021: 67) from a range of minus 100 to 100, which falls into the band of excellence. This consecutive high score corroborates our client servicing and administration excellence - a core driver of employers electing to terminate their relationships with industry stalwarts in favour of participating in SURF.

SURF’s growing brand is also evident in its broadening panel of interested independent intermediaries, now standing at 371 financial service providers (2021: 318).

Legislative changes

The retirement funds industry has seen a significant amount of legislative and regulatory changes over the last decade, and the last 12 months is no different. During his annual budget speech in February 2022, the Minister of Finance announced that the offshore allocation limit for institutional investors would be increased to 45%. The previous limit was 30% offshore plus an additional 10% Africa allowance.

The amendment to Regulation 28 of the Pension Funds Act to promote voluntary investments into infrastructure, up to a limit of 45%, was gazetted in July 2022 and comes into effect in January 2023. At the same time, retirement funds are prohibited from investing in crypto currencies because of the lack of regulation (but this could change in future in light of the FSCA recently declaring a crypto asset as a financial product under the FAIS Act).

Policymakers, regulators and the industry at large are currently discussing legislative changes that could fundamentally alter how retirement funds are administered and how investments are managed in the future, and we continue to adopt a pre-emptive approach to responding to any and all changes. This includes the implementation of National Treasury’s proposed “two-pot system”, aimed at promoting the preservation of retirement savings while also providing members with emergency access to their retirement savings, which has been deferred from 1 March 2023 to 1 March 2024. The proposal involves future retirement contributions being applied to “two-pots”: two-thirds to a retirement pot which will not be accessible until retirement date, and the balance to a savings pot that may be accessed once a year under certain conditions and subject to a minimum of R2 000.

Retail business

Head: Trisha Jorge

The Sygnia Linked Investment Service Provider ("LISP") retail platform is growing at a pleasing rate with 42,193 investors using the platform as at 30 September 2022, compared to 35,494 at the end of the previous financial year. Fifty-seven percent of those investors are advice-led and, significantly by industry standards, 43% are DIY investors which speaks to our appeal to all types of investors.

A wide range of Sygnia managed unit trusts and its Itrix range of exchange traded funds are available to those investors either directly or through a comprehensive range of savings products (retirement annuities, living annuities, preservation funds, investment policies, and tax-free savings accounts). The Sygnia LISP platform also offers retail investors access to a comprehensive range of third-party unit trusts, exchange traded funds and exchange traded notes managed by external asset managers. Similarly, many of the Sygnia-managed funds are available on other LISPs.

Sygnia also offers investment planning services via its digital financial planning tool - the Sygnia Roboadvisor. This internet-based tool comprehensively considers an individual's financial position and recommends an appropriate mix of passively-managed investments best suited to an investor's personal circumstances and goals. This service is free of charge.

Retail assets under management and administration increased marginally over the 12 months under review, from R52.1 billion to R52.2 billion as at 30 September 2022 with market depreciation of R5.2 billion offsetting most of the net inflows of R5.3 billion.

Retail AUMA
as at 30 September 2022

R52.2 billion

2021: R52.1 billion

Looking ahead

The Sygnia retail business enjoys the support of a large group of independent financial advisors due to the competitive investment performance and cost-effectiveness of its range of conventional and innovative thematic funds. Sygnia's penetration of the independent financial advisory market continues to grow from year to year, as does its direct market share due to a growing brand recognition.

"Our retail business continues to prosper because of the support of independent financial advisors whose needs are always front of mind for us."

The Sygnia LISP platform remains a strategic priority through which we intend to leverage our retail offering. Despite being well advanced, our re-platforming project has suffered delays and while the new platform is operationally sound we continue to work on delivering a digital user experience that will meet the high standards our investors rightfully expect of Sygnia. We expect to launch the new Sygnia Online platform mid-2023, which will give rise to cost savings, scalability opportunities, and an enhanced investor experience.

Multi-manager funds	**Passively managed funds**	**Index-tracking funds**	**Single manager funds**
Sygnia CPI +2% ⬟	Sygnia Skeleton Balanced 40 ⬟	Sygnia SWIX Index ▲	Sygnia 4th Industrial Revolution Global Equity ▲
Sygnia CPI +4% ●	Sygnia Skeleton Balanced 60 ●	Sygnia Top 40 Index ▲	Sygnia FAANG Plus Equity ▲
Sygnia CPI +6% ■	Sygnia Skeleton Balanced 70 ■	Sygnia Listed Property Index ▲	Sygnia Health Innovation Global Equity ▲
Sygnia Enhanced Income ◆	Sygnia Skeleton Worldwide Flexible ■	Sygnia DIVI Index ▲	Sygnia Enhanced All Bond ◆
Sygnia International Flexible Fund of Funds ■	Sygnia Skeleton International Equity Fund of Funds ▲	Sygnia All Bond Index ◆	Sygnia Money Market ⬟
Sygnia Equity ▲	Sygnia Skeleton Balanced Absolute ⬟		Sygnia China New Economy Global Equity ▲

Exchange traded funds			
Sygnia Itrix 4th Industrial Revolution Global Equity ▲	Sygnia Itrix Euro Stoxx 50 ▲	Sygnia Itrix FTSE 100 ▲	Sygnia Itrix Global Property ▲
Sygnia Itrix MSCI Emerging Markets 50 ▲	Sygnia Itrix MSCI Japan Index ▲	Sygnia Itrix MSCI USA Index ▲	Sygnia Itrix MSCI World Index ▲
Sygnia Itrix S&P Global 1200 ESG ▲	Sygnia Itrix Solactive Healthcare 150 ▲	Sygnia Itrix S&P 500 ▲	Sygnia Itrix SWIX 40 ▲
Sygnia Itrix Top 40 ▲	Sygnia Itrix New China Sectors ▲	Sygnia Itrix Sustainable Economy ▲	

Risk profile: ▲High risk ■ Medium to high risk ● Medium risk ◆ Low to medium risk ⬟Low risk

Investments

Co-heads: Kyle Hulett & Iain Anderson

The ultimate objective of Sygnia's investment process is to grow clients' assets in a stable and consistent manner over time. We believe that achieving this with lower short-term volatility and lower downside risk will, all else being equal, be a better experience for investors than experiencing greater volatility and more significant drawdowns, even if the ultimate long-term returns are similar. Investment in a well-constructed and managed portfolio allows investors to access returns in a risk-controlled manner.

We believe that in an emerging market such as South Africa, asset class and sector allocations are the main determinants of both risk and the ultimate returns of a portfolio. Consequently, Sygnia employs rigorous quantitative analysis processes to determine the optimised allocation of both to ensure that the client's risk and return profile is consistent with their expectations and their liability profile.

Furthermore, we believe in adding index-tracking funds, listed property funds, and inflation-linked bonds to improve the overall risk and return characteristics of the investment strategies.

Extensive quantitative research into the performance behaviour of different asset classes and sectors over time, both local and international, inform the strategic asset allocation targets and bands we employ as the foundation for a range of different investment strategies, including benchmark-relative and absolute return-oriented strategies.

In addition, we believe that tactical asset allocation, within strict limits, adds significant value in periods of heightened volatility, when downside risk protection can generate exceptional returns.

Performance

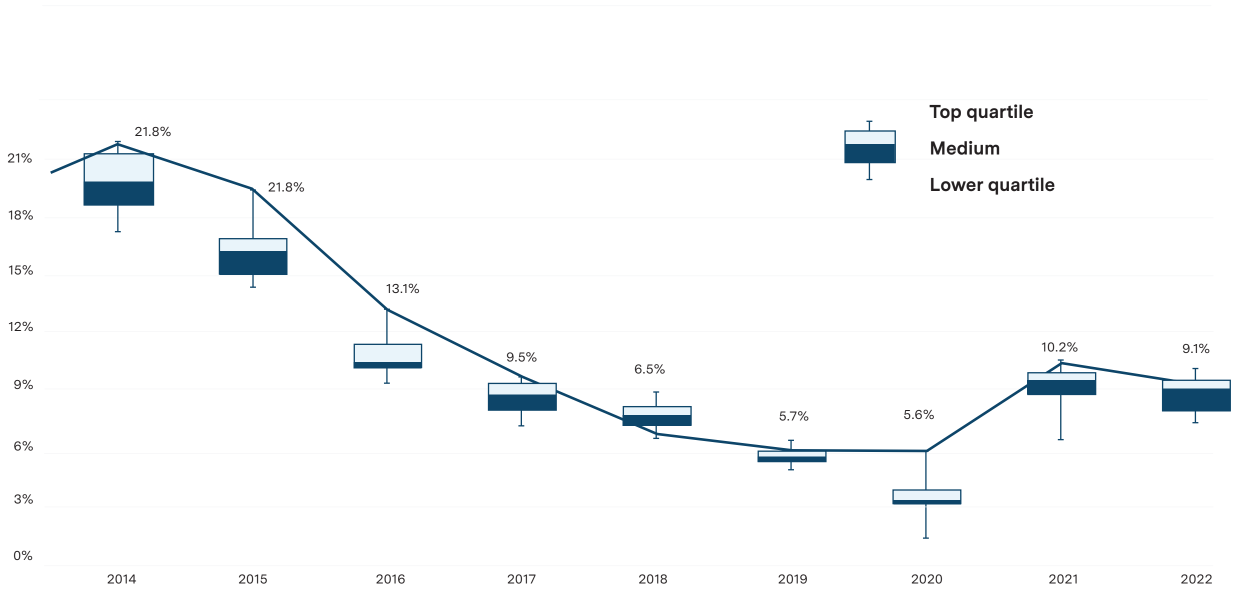
Our institutional flagship Signature multi-manager and passively managed Skeleton fund ranges outperformed their benchmarks over all timeframes and risk profiles. Compared to peers, the Sygnia Signature range ranked first or second in the Alexforbes Multi-Manager Watch™ Survey across all risk profiles over five, seven and ten years to 30 September 2022, and the Sygnia Skeleton range performed in line with the Signature range after fees. Over the ten years to 30 September 2022, the Sygnia Signature 70 fund has outperformed all single mangers' actively managed portfolios in the Alexforbes Global Large Manager Watch™ Survey.

Our wide range of domestic and global funds, specialist index-tracking funds, and our risk-profiled Sygnia Skeleton Balanced unit trusts, continue to produce outstanding peer comparable performance in the retail market since the funds' respective inception dates.

Fund	Ranking		Category
Sygnia Skeleton Balanced 40	5th	out of 69 unit trusts	South African – Multi-Asset – Low Equity
Sygnia Skeleton Balanced 60	5th	out of 48 unit trusts	South African – Multi-Asset – Medium Equity
Sygnia Skeleton Balanced 70	11th	out of 78 unit trusts	South African – Multi-Asset – High Equity
Sygnia CPI + 2%	5th	out of 62 unit trusts	South African - Multi-Asset - Low Equity
Sygnia CPI + 4%	4th	out of 36 unit trusts	South African – Multi-Asset – Medium Equity
Sygnia CPI + 6%	12th	out of 67 unit trusts	South African – Multi-Asset – High Equity
Sygnia 4th Industrial Revolution Global Equity	2nd	out of 40 unit trusts	Global – Equity – General
Sygnia DIVI	8th	out of 77 unit trusts	South African – Equity – General
Sygnia Enhanced Income	15th	out of 83 unit trusts	South African – Multi-Asset – Income

Source: Morningstar

Sygnia Signature 70 Fund peer rolling 3-year performance to 30 September 2022

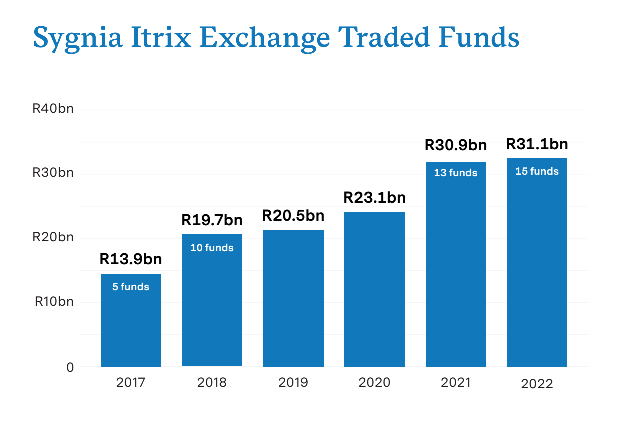


Source: Alexforbes Multi-Manager™ (high-equity and best investment view) Survey.

Product innovation

Since inception, Sygnia has been positioned as an innovative financial services group, always looking for new opportunities to create value for its investors. Sygnia is the only South African exchange traded fund ("ETF") manager that directly invests into global markets from South Africa. Over the past 12 months we expanded on the markets and themes we invest in directly to include emerging markets, China and ESG.

As one of only two companies in South Africa to hold a Chinese QFII license, which allows us to invest on Mainland Chinese stock exchanges and access securities otherwise unavailable, we launched the Sygnia Itrix New China Sectors ETF during the financial year. Shortly after year-end we launched the Sygnia Itrix Sustainable Economy ETF which was designed to invest in innovative companies that are talking climate change and creating the tools, products and services to make tomorrow a better world. These two additional ETFs take the Sygnia Itrix range to 15 funds, further cementing Sygnia's position as the second- largest provider of ETFs listed on the JSE, as well as being the largest South African provider of international ETFs.



Index tracking

Sygnia has a 16-year performance track record managing specialist index-tracking funds and has the longest South African track record managing risk-profiled multi-asset-class and international index-tracking funds. The Group will continue to offer superior service to harness the growing demand among institutional and retail investors for low-cost passive investment solutions.

Demand for local and international index-tracking strategies is expected to grow exponentially in South Africa, especially because of the Default Regulation that obliges boards of trustees of retirement funds to consider passive strategies, and the ASISA Standards in respect of the disclosure of total expense ratios and transaction costs, which came into effect for retail investors in 2016 and for institutional investors in 2019.

As our range of funds have grown, so has our investment team. We employ specialists in equities, fixed interest, foreign exchange, and money markets to manage the complexity of our funds that trade across the globe on an almost continual basis, on multiple exchanges.

Trading

Sygnia Securities is an exclusive independent stockbroker whose primary business is execution-only transactions on the JSE in support of Sygnia's index-tracking funds and transition management services.

The addition of securities lending and foreign exchange transacting services introduced four years ago are well employed within the Sygnia institutional product mix and have potential application across the Group's large investment administration client-base.

Our stakeholders

Sygnia views clear and transparent engagement with all its stakeholders as vital to building sustainable and constructive long- term relationships. In preparing the 2022 Integrated Report, Sygnia aimed to identify and report on all matters that are material to its stakeholders, where materiality is defined as any matter that can affect short, medium and long-term value creation by the Group.

Our shareholders

We are accountable to our shareholders in delivering on the Group's strategic goals and they, in turn, support the long-term growth of our business by investing in the Group.

Expectations

- A compelling business model and clear growth path
- A sustainable business over the long-term
- Sound corporate governance, compliance, and risk management
- Good corporate citizenship

Stakeholder engagement

- Individual and group meetings with institutional investors
- Annual general meeting
- SENS announcements
- Shareholders' section on the website
- Annual financial statement and Integrated Report
- Clear and transparent policies and procedures, including those relating to environmental, social and corporate governance ("ESG"), corporate social initiatives, ethics and transformation

Our regulators

Our regulators include the Financial Sector Conduct Authority, the Prudential Authority, the South African Revenue Service, the Financial Intelligence Centre, the Johannesburg Stock Exchange, A2X, the South African Reserve Bank and the UK Financial Conduct Authority.

Expectations

- Regulatory compliance
- Transparency
- Active engagement on an ongoing basis
- Acting in client's best interests
- Provision of commentary on proposed regulatory changes

Stakeholder engagement

- On-site visits by the regulators
- Ongoing reporting to the regulators
- Ad hoc discussions and engagement based on an open and transparent relationship with the regulators
- Participation in industry bodies, including ASISA, SAICA and ASSA
- Provision of commentary on draft legislation

Our clients

We help our institutional and retail clients to achieve their investment goals with access to a wide-range of savings and investment products. Our clients also include a variety of intermediaries who are critical to the distribution of our products.

Expectations

- Provision of appropriate investment and savings products to meet evolving needs
- Access to an appropriate range of funds
- Client service excellence and administrative accuracy
- Regular and clear communication
- Reasonability of costs
- Security of assets
- Adoption of the principles of Treating Customers Fairly framework

Stakeholder engagement

- Dedicated client service team of investment and employee benefit professionals, and client relationship managers
- Regular client meetings and operational due diligence exercises
- Quarterly report-back presentations to institutional clients
- Monthly administration and investment reports, and fund fact sheets
- Quarterly regulatory reporting
- Access to daily investment and performance data via the Sygnia Platinum Light portal for institutional investors and the Sygnia Alchemy portal for retail investors
- Access to www.sygnia. co.za for comprehensive product descriptions and monthly performance reporting
- Formal client complaints procedure
- Monthly economic and market commentary
- Access to free investment planning advice via the Sygnia RoboAdvisor digital financial planning tool

Our people

Our people are central to the ongoing success of the Group and to delivering service of the highest quality to our clients. In return, we offer them challenging and rewarding careers at Sygnia.

Expectations

- Market-related remuneration
- Performance recognition
- Ongoing development and training
- Career progression
- Job security
- Alignment of values and ethical and social standards

Stakeholder engagement

- Market-related remuneration including performance-based bonuses
- Share option schemes for key staff members
- Ongoing internal and external training and development
- Financial support for approved study courses and regulatory exams
- Performance management scorecards and appraisals
- Team-building activities, company functions and other sponsored events
- Business updates from chief executive officer
- Clearly articulated codes of conduct, ethical standards and governance and risk policies

Corporate governance

Sygnia subscribes to responsible leadership, business sustainability, stakeholder inclusivity and the sound values of good corporate governance, integrity and ethical behaviour.

Our board of directors

Executive directors

Magdalena Wierzycka
Chairperson
Appointed: 17 September 2007

Magda is a Fellow of the Faculty of Actuaries and has served on the council of the Actuarial Society of South Africa. She has over 26 years' experience in asset management and is widely published in the field. Magda joined Southern Life in 1993, followed by two years at Alexander Forbes as an investment consultant. In 1997, she joined Coronation Fund Managers as Head of Institutional Business before leaving in 2003 to start a fund-of-hedge-funds business which was later sold to the African Harvest group, where she was appointed its CEO.

After the sale of African Harvest Fund Managers in 2006, she led the management buy-out of the remainder of the group, leading to the formation of Sygnia which she headed as its CEO until her appointment as the Group chairperson in June 2021. She is also a founding partner of Braavos Investment Advisers LLP in the UK and a senior adviser to the board of Atlas Merchant Capital LLC (UK and USA).

David Hufton
Chief Executive Officer
Appointed: 01 September 2018

David is a Fellow of the Actuarial Society of South Africa and a Fellow of the Institute of Actuaries. He worked at Alexander Forbes Financial Services for 25 years, holding various leadership positions and served on its Executive Committee for many years. In his final role as the National Head of Consulting, he had oversight of the Consultants & Actuaries, Umbrella Funds, Asset Consulting, Insurance Consulting, and Healthcare divisions. David has vast experience as an employee benefits consultant and a valuator to large retirement funds.

David joined Sygnia in early 2016 as Head of Strategic Projects and managed the launch of the Sygnia Umbrella Retirement Fund and certain business acquisitions. He was appointed Deputy CEO in July 2019 and joint CEO in April 2020. On 1 June 2021 he assumed the role of sole CEO of the Group.

Murad Sirkot
Financial Director
Appointed: 16 January 2019
Member: Social and Ethics Committee

Murad qualified as a Chartered Accountant and holds a Bachelor of Commerce degree from the University of Cape Town. He completed his training with Ernst & Young Cape Town, and worked as an account executive in their London office and an audit manager in their Cape Town financial services division.

Before joining Sygnia as its Financial Director in 2019, Murad worked at Ninety One as Head of Fund Accounting and Risk from 2006 to 2010 when he was appointed Head of Finance for Southern Africa. In June 2013, he was appointed Global Head of Financial Reporting, leading finance teams in Cape Town, London and Hong Kong. Murad has also served on sub-committees of the Association of Savings and Investment in South Africa.

Wojtek Wierzycki
Head: Technology
Appointed: 10 June 2021

Wojtek is a certified systems and network engineer and worked as an enterprise infrastructure architect in the UK public and private sectors. Wojtek joined ITNET in 1999 as a senior architect on several customer accounts, including Transport for London, and The Law Society and National Air Traffic Services.

In 2002, Wojtek transitioned to the Computer Sciences Corporation and then to LogicaCMG as part of their Technical Architectures Group. In 2007 he joined the Technical Design Authority for the CLM consortium responsible for delivering the London 2012 Olympic Games. He returned to South Africa in 2013 and joined the Sygnia Group as Head: Technology.

Independent non-executive directors

George Cavaleros
Lead Independent
Appointed: 28 June 2019
Chair: Audit and Risk Committee
Member: Remuneration Committee

George was a Partner at Deloitte until his retirement on 31 May 2015 after a career spanning 30 years. George is a Chartered Accountant, holds a Master of Commerce in Applied Risk Management (MCom, cum laude) and is a CFA charterholder. George currently serves as an independent non-executive director on the board of a diversified chemicals group, Omnia Holdings Limited.

Haroon Bhorat
Appointed: 11 June 2015
Chair: Remuneration Committee
Member: Social and Ethics Committee

Haroon is a Professor of Economics and is the Director of the Development Policy Research Unit (DPRU) at the University of Cape Town. He obtained his PhD in Economics through Stellenbosch University, studied at the Massachusetts Institute of Technology and was a Cornell University research fellow. He is currently a member of the Presidential Economic Advisory Council (PEAC), established in 2019 by President Ramaphosa to generate new ideas for economic growth, job creation and addressing poverty in South Africa.

Mcebisi Jonas
Appointed: 01 September 2018
Chair: Social and Ethics Committee

Mcebisi is the board chairman of the MTN Group. He is also a non-executive board member at Northam Platinum, BKB and Country Consultative Board (CCB) for the World Bank. Mcebisi is currently one of seven Presidential Investment Envoys appointed by President Cyril Ramaphosa to attract USD100 billion to South Africa. Mcebisi served as Deputy Minister of Finance from 2014 to 2016 and as a Member of the National Assembly of South Africa from 2014 to 2017.

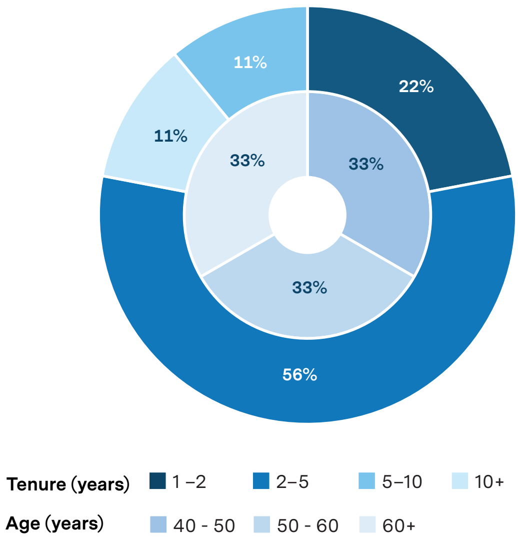
Clarissa Appana
Appointed: 08 September 2020
Member: Audit and Risk Committee

Clarissa is an experienced leader with a demonstrated history of 20 years working in listed and non-listed groups. Her previous experience includes: Chief Financial Officer of Lafarge South Africa, 10 years with the Tenova Group in various senior roles (including as Global Head of Internal Audit and Compliance) and time at Sasol Limited and PWC. She has worked in South Africa, the USA and Europe, managing teams across different geographies and disciplines, with a strong focus on coaching people and teamwork.

Jurgen Boyd
Appointed: 29 July 2021
Member: Audit and Risk Committee
Member: Remuneration Committee

Jurgen joined the Financial Sector Conduct Authority in November 2000 and retired as Divisional Executive for Market Integrity Supervision at the end of March 2021. He previously held roles in the private sector as an accountant, auditor, financial manager, business consultant and financial director. At the FSCA he was responsible for conduct oversight of market infrastructures, over-the counter derivatives providers and rating agencies.

Age and Tenure



Role of the board

Sygnia has a rigorous corporate governance framework in place, headed by its unitary board of directors ("the board") and several board committees, all of which are supported by the appointment of independent assurance providers. Responsibility for the maintenance of the corporate governance framework rests with the board, supported by the Group's risk, legal and compliance, and company secretarial departments, as well as advice provided by external risk, legal, regulatory and compliance experts.

The board acts as the focal point for, and custodian of, corporate governance by managing its relationship with management, shareholders and other stakeholders of the Group along sound corporate governance principles. The board ensures that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Group but also the impact that business operations have on the environment and the societies within which it operates. It provides strategic input to management and approves the implementation of strategic plans to create sustainable value for all stakeholders. In creating such value the board is, at all times, governed by the need for ethical conduct, business sustainability, strong corporate governance and rigorous risk management. The board has full and effective control of the Group, which is exercised through senior management and the subsidiary boards.

The roles of the chairperson and the chief executive officer have been separated. An approved board charter regulates the directors' obligations in respect of the Group, which ensures that no one director has unfettered power of decision making. An approved delegation of authority framework articulates the board's direction on reservation and delegation of power. The board is satisfied that it has fulfilled its responsibilities in accordance with its charter. The board is further satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

The board meets a minimum of four times a year to review and discuss the performance of the Group, any strategic issues and other matters regarded as material. Material decisions may also be taken between meetings through written resolutions, as provided for in the Memorandum of Incorporation. The board has approved the strategic direction of the Group for 2023.

Board composition

As at 30 September 2022, the board of nine directors comprised an executive chairperson, three executive directors (chief executive officer, financial director, and head of technology), a lead independent non-executive director, and four independent non-executive directors. The independence of non-executive directors is assessed by the board on a regular basis.

Directors are identified through a formal process and must be persons with sound ethical reputations and business or professional acumen. The board must have, on an ongoing basis, an appropriate number and mix of individuals to ensure overall adequate levels of knowledge, skill and expertise at the board level commensurate with the governance structure and the nature, scale and complexity of the Group's business.

To ensure the promotion of gender and race diversity, the board's long-term aim is to ensure that at least 50% of the board of Sygnia is made up of black people, and at least one-third of the directors are women. As at 30 September 2022, 55.6% of the current board members are black and 22.2% are women, one of whom is the chairperson. The board continues its efforts to improve its gender and race diversity.

Company Secretary

The board selects and appoints the company secretary in recognition of the importance of this role in entrenching good corporate governance. All directors have unlimited access to the services of the company secretary, who, in turn, has access to appropriate resources in the provision of this support, such as obtaining independent professional advice on any issues that may arise.

Mr Glen MacLachlan serves as company secretary, appointed by the board in accordance with the Companies Act and the JSE Listings Requirements. The board is satisfied as to his competence, qualifications and experience. There is an "arm's length relationship" between the board and the company secretary so that the objectivity and independence of the company secretary is not unduly influenced.

Conflicts of interest

Actual or potential conflicts of interest are inherent in the financial services industry. It is therefore essential that the Group be able to identify such conflicts and manage them fairly and appropriately. While not all potential conflicts of interest will manifest in actual conflicts, the very perception of bias can lead to a negative impression in the industry and result in reputational damage. Sygnia's Conflicts of Interest Policy is adopted by the board and applied throughout the Group. The policy provides guidance and mechanisms for the identification of conflicts of interest and to provide measures for the avoidance, disclosure, mitigation and/or management of such conflicts. The policy also regulates the relationship between the Sygnia Group and its employees, directors, relationship with clients, suppliers, service providers and intermediaries.

The Group's Conflicts of Interest Policy is available on Sygnia's website (www.sygnia.co.za).

Performance

The board is responsible for the appraisal of its own performance, the performance of its committees and that of the chief executive officer. A formal board evaluation was performed in March 2022 and confirmed that the board, its committees, and the chief executive officer are appropriate and effective.

Board committees

The board has set up the following committees to assist in the process of monitoring the implementation of strategies and policies adopted by the board:

- Audit and Risk Committee
- Remuneration Committee
- Social and Ethics Committee

All committees discharge their responsibilities on behalf of the company and its subsidiaries.

Meetings and attendance

The attendance and composition of directors at board and committee meetings during the 2022 financial year is detailed below.

Board Member	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee
Magda Wierzycka	3 / 4		Invitee	
David Hufton	4 / 4	Invitee	Invitee	Invitee
Murad Sirkot	4 / 4	Invitee	Invitee	2 / 2
Wojtek Wierzycki	4 / 4	Invitee		
George Cavaleros	4 / 4	4 / 4	2 / 2	
Haroon Bhorat	4 / 4		2 / 2	2 / 2
Mcebisi Jonas	3 / 4			2 / 2
Clarissa Appana	4 / 4	3 / 4		
Jurgen Boyd	4 / 4	4 / 4	2 / 2	

Audit and Risk committee

The Group's Audit and Risk Committee ("ARC") is chaired by the lead independent non-executive director and consists of two other independent non-executive directors. The ARC meets four times a year, as well as on an ad hoc basis if required.

The ARC has decision-making authority in regard to its statutory duties and is accountable in this respect to both the board and the shareholders. The ARC is required to assist the board in discharging its responsibilities as they relate to the safeguarding of assets, the operation of adequate and effective systems, controls and risk processes. These responsibilities also extend to the preparation by the executives of fairly presented financial statements and integrated reports in compliance with all applicable legal and regulatory requirements and accounting standards.

The ARC assumes oversight responsibility for the governance of technology and information by recommending the policy on the employment of technology and information, based on the approved board strategy, to the board for approval. The ARC is also responsible for ensuring that information and technology insofar as they relate to financial reporting and the going concern status of the Group are adequately managed. This includes ensuring adequate arrangements exist to provide for business resilience, including proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events. This responsibility also extends to exercising ongoing oversight of the management of information, in particular, that results in the leveraging of information to sustain and enhance the Group's intellectual capital, information architecture that supports confidentiality, integrity and availability of information, the privacy and protection of personal information, and the monitoring of security of information and the security culture within the organisation.

The ARC is also responsible for oversight of the external and internal audit appointments, terminations and functions. The ARC's report can be found on page 51. Following the ARC's request for information from Mazars to assess the suitability of their appointment and that of the designated partner, the ARC recommended to shareholders the appointment of Mazars as external auditors and the approval of their terms of engagement. The ARC also confirmed the reappointment of PwC as internal auditors for 2023 and approved the internal audit plan for the Group. The ARC is satisfied that the Financial Director has the appropriate expertise and experience to perform the duties required by the position. The ARC ensures that the Group has established appropriate financial reporting procedures and that those procedures are operating.

The board of directors confirms that the ARC has executed its responsibilities.

Risk management

Effective risk management is essential for the Group to operate at a competitive advantage within its market. As risk is an unavoidable consequence of business activities, the purpose of risk management is to provide a framework within a sound risk culture in which management can operate. This is crucial to the protection of stakeholders' interests, adherence to regulatory requirements and the conservation of the long-term sustainability of the business.

Risk management requires expert knowledge, independent review and monitoring and frequent communication to stakeholders.

Risk management is an ongoing process that should ensure that resources are effectively employed to minimise negative impacts within the Group's risk appetite and maximise opportunities and positive impacts.

Management is responsible for identifying the risks that face the Group, ensuring that the controls established to manage those risks are adequate and effective, and for monitoring their application. Annual risk management workshops are held with each key department and executive management to identify and measure risks in line with the approved risk measurement methodology (as defined in the risk management framework). Ongoing monitoring is performed by a dedicated risk manager, and ad hoc risk workshops are held if new business initiatives or ventures are undertaken by the Group. All risks are identified, ranked in order of impact and probability and then actively managed – being terminated, tolerated or managed through mitigating controls. The effectiveness of these controls is also assessed as part of the Combined Assurance Model. The results of all the workshops are presented to the ARC and to the board. The ARC is not aware of any material issues in relation to the risk management and compliance functions that have arisen in 2022. The ARC recognises that risk management is a continuously evolving process that must adapt to the complex financial services environment.

Risk matrix

The below risk matrix summarises the major risks facing the Group, as well as the mitigating controls put in place to manage the identified risks.

Risk	Management and mitigation
Market risk The risk of clients achieving poor investment performance relative to expectations, or the risk of losses to the Group's capital investments.	▪ Management by the Investment Committee. ▪ Well-established investment process and philosophy. ▪ For multi-managed funds, expert asset managers are selected, who apply their own processes to manage risk. ▪ For passive funds, tracking error is closely monitored and managed. ▪ The Group's statutory capital is only invested in cash and fixed interest securities.
Regulatory and legislative risk The risk of non-compliance with existing and/or new legislation and/or regulation having an adverse impact on the business of the Group.	▪ A dedicated legal and compliance team monitors compliance with financial sector regulation and assesses the impact of any legislative and regulatory changes. ▪ Business unit heads and senior managers ensure compliance with all applicable regulations and assesses the impact of any legislative and regulatory changes. ▪ Membership of appropriate industry bodies. ▪ Ongoing engagement with the regulators. ▪ Regular training of management and staff about new legislation. ▪ Internal Audit Function and Head of Actuarial Function oversight.
Operational risk The risk of errors or fraud arising as a result of breakdowns in internal control functions in respect of internal processes, systems, people or external factors.	▪ Sygnia has automated processes that are subject to ongoing systems development. ▪ Defined incident management process in place. ▪ Monthly Risk Events and Compliance Committee assesses the internal controls environment, identifying areas for improvement. ▪ Risk workshops held at departmental level are used to identify, assess and manage operational risks. Treatment plans to improve the control environment are monitored. ▪ Internal Audit Function and Head of Actuarial Function oversight. ▪ ISAE3402 Type II reviews. ▪ The combined assurance model ensures ongoing assessment of the design and operating effectiveness of the control environment. ▪ Insurance cover in excess of independently recommended or regulated amounts. ▪ Own Risk and Solvency Assessment performed annually. ▪ Staff whistleblowing process in place.
Loss of client risk The risk that poor client service or investment performance may result in client losses, uncompetitive pricing and reputational concerns.	▪ Adhering to the six outcomes of the Treating Customers Fairly framework. ▪ Dedicated retail and institutional client-service teams to deal with client-service-related issues and to manage relationships on a proactive basis. ▪ Investments managed by an investment committee of experienced investment professionals who follow a structured and well-established process and philosophy. ▪ Performance and fees assessed relative to benchmark and peers. ▪ Frequent and transparent client communication. ▪ Access to daily information is provided to clients via dedicated retail and institutional internet-based platforms. ▪ Complaints procedures and escalation policies are in place. ▪ Clients at risk are continually identified and remedial action is taken.

Risk	Management and mitigation
Business development risk The risk of not growing our client base.	▪ Dedicated business development teams focused on attracting new direct clients and expanding external distribution by way of broadening and deepening relationships with third-party consulting and advisory firms. ▪ Marketing strategy focused on enhancing brand awareness to particularly support the growth of the retail business. ▪ Continuing to launch innovative and cost-effective products and services via the Research and Product Development Committee. ▪ Leveraging existing client relationships.
Reputational risk The risk that a decision, event or action could compromise or damage Sygnia's brand.	▪ Adhering to the six outcomes of the Treating Customers Fairly framework. ▪ Fit and proper policies are in place, and ongoing monitoring is performed on Key Individuals and Representatives of the Group. ▪ All staff are required to comply with the Group's personal account trading policy. ▪ All staff are required to comply with the Code of Conduct and Ethics policy. ▪ A policy is in place regarding all media engagement. This is actively monitored by dedicated staff. ▪ Complaints procedures and escalation policies are in place. ▪ Staff whistleblowing process in place. ▪ Adherence to FICA requirements.
Business continuity risk The risk that the business is unable to operate due to unforeseen events or external factors.	▪ A comprehensive business continuity plan is in place. ▪ Disaster recovery plans are tested bi-annually and are measured by external auditors as part of the ISAE3402 engagement. ▪ All operational staff are IT-mobile enabled. ▪ All client data is stored in a secure off-site location and is backed up daily. ▪ Offices in Cape Town and Johannesburg are equipped with generators.
Cybersecurity risk Ineffective management of cyber threats may significantly disrupt core operations, cause financial/data loss and reputational damage.	▪ Cyber-risk management is performed across key risk areas, i.e. people, processes and technology. This includes compliance with appropriate policies, ongoing employee awareness and employing technology to prevent and/or detect potential or actual cybersecurity threats. ▪ Vulnerability management occurs on an ongoing basis, wherein server and desktop environments are scanned for threats, and patches are deployed as needed. ▪ The internal audit function, in their capacity as independent subject matter experts, perform penetration testing. The implementation of recommendations is closely monitored by the ARC.
Human resource risk The risk of key staff leaving, which could negatively affect the business.	▪ Sygnia's remuneration policy is designed to attract and retain skilled and experienced staff. ▪ Salary benchmarking exercise ensures employees are paid market-related salaries. ▪ Financial retention schemes are in place. ▪ Key staff and management own approximately 64% of the Group. ▪ The Group has a succession plan in place, which includes the CEO. ▪ Ongoing skills development.

Assurance
A combined assurance framework has been adopted by the Group to monitor the effectiveness of the controls implemented to mitigate risk. This comprises:

- Senior management
- Compliance officer and risk manager
- Internal auditors and statutory actuaries
- Risk assurance providers (ISAE3402 reporting) and external assurance provider (external auditors).

These multiple lines of assurance are in place to ensure that Sygnia's risk management framework is collectively but independently stress-tested and validated. The collaboration between the role players in a combined assurance framework provides a more complete, transparent and trustworthy view of the Group's risk profile and assurance activities to all stakeholders.

In particular, an independent internal audit function provides appropriate independent assurance to the ARC on the integrity and robustness of the risk management processes. The internal audit follows a risk-based approach to audit planning and execution. Annual risk-based internal audit plans are developed and presented for approval to the ARC.

The internal audit function is outsourced to PwC. No material breakdowns in the risk management function, processes or systems were identified during the year to be brought to the attention of management or the ARC.

Compliance
Sygnia is committed to comply with both the letter and the spirit of all applicable laws. The board of directors has approved the establishment of an effective compliance function as part of the Group's compliance strategy.

Although the board accepts ultimate responsibility for compliance within Sygnia, the mandate for the effective oversight of financial regulatory compliance is delegated to the ARC. The Head of Legal and Compliance, with the support of the Compliance team, is responsible for monitoring and assisting with the effective implementation of financial regulation. The business unit heads are responsible for the effective implementation of all regulation.

The roles underpinning the compliance function are varied but culminate in the attainment of a single objective, namely the adherence to regulatory and statutory requirements, standards and codes. Effective compliance management is the responsibility of each employee. The compliance process and responsibilities do not, however reside in any one individual or function, but requires an inclusive team-based approach for effective application across Sygnia.

The ARC regards compliance as a matter of the highest priority. All employees understand that failure to comply can result in exposure of the Group to penalties and / or risk of loss of licences to conduct business in the financial services industry. Sygnia has not had any material or repeated regulatory penalties, sanctions or fines for contraventions or non-compliance with regulatory obligations imposed on it, or any of its directors or officers, since its inception.

Client complaints
Client satisfaction with Sygnia's products and services is a key component of client retention and of the long-term sustainability of the business.

Sygnia is committed to rendering financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry. This requires a robust and transparent complaints process that ensures clients have full knowledge of the steps to resolve a complaint and that the resolution of all complaints is fair to the client, Sygnia and its staff.

A comprehensive Complaints Policy and process is in place and is available on the Group's website (www.sygnia. co.za). The policy defines the process to log a complaint and the steps taken to resolve it.

Remuneration committee

The Remuneration Committee ("Committee") is chaired by a non-executive director and consists of two other non-executive directors at 30 September 2022. The Committee meets twice a year, as well as on an ad hoc basis if required.

The role of the Committee is to assist the board to ensure that the Group remunerates its directors and employees fairly, responsibly and transparently by, amongst other means, implementing affordable, competitive and fair reward practices in order to promote the achievement of strategic objectives.

The Committee is responsible for ensuring that the Group recruits and retains talented management and that appropriate remuneration policies and succession plans are in place to support the strategy of the Group. The Committee reviews the level of executive remuneration to ensure it fairly reflects their contribution to the Group's overall performance. It also approves the overall nature and appropriateness of benefits available to staff, including long-term incentives, annual bonuses and health and retirement benefits.

The Committee may consult external experts on remuneration structures to assist it to fulfil its obligations, as well as commission external remuneration surveys.

Remuneration Policy and Implementation Report
Introduction
The Sygnia Remuneration Policy ("the Policy") targets the attraction, retention and appropriate rewarding of employees at all levels of the organisation, and has been designed in line with the recommendations of King IV.

Responsibility and approval
The Policy is designed, reviewed and monitored by the Committee and is approved by the board of directors.

The Committee reviews the Policy at least annually, or more frequently if required, and reports on its appropriateness to the board. The Committee is responsible for ensuring that the Policy is implemented by management and for the publication of the required implementation report in the Group's annual integrated report.

Non-binding vote on remuneration

The Policy and the implementation report are subject to separate non-binding advisory votes by shareholders every year at the annual general meeting, or whenever a material change has been approved by the board.

In the event that either the Policy or the implementation report, or both, are voted against by 25% or more of the votes exercised, the board shall at a minimum implement the following measures in good faith and with best reasonable efforts:

- An engagement process under the direction of the Committee's chair, to ascertain the reasons for the dissenting votes.
- An appropriate response to legitimate and reasonable objections and concerns raised, which may include amending the Policy or clarifying or adjusting remuneration governance and/or processes.

The announcement of the voting results must include an invitation to dissenting shareholders to engage with Sygnia, and the manner and timing of such engagement. The following should then be disclosed in the background statement of the remuneration report that follows the voting:

- With whom Sygnia engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes.
- The nature of steps taken to address legitimate and reasonable objections and concerns.

At the 2022 AGM, 93.99% of the votes cast were in favour of the Remuneration Policy and 94.00% were in favour of the Implementation Report.

Considerations

In developing this Policy, the following factors have been considered:

- The strategy and business objectives of the Group.
- The need to create sustainable value for all stakeholders.
- The need to attract and retain employees with the requisite skills.
- Alignment of business objectives with the interests of all stakeholders.
- Prevailing market conditions and market-related remuneration levels.
- Fair and equitable treatment of all employees.
- Ensuring that key employees share in the success of the Group in order to promote the culture of entrepreneurship and ownership that has driven the Group's success to date.
- Compliance with all relevant applicable laws or regulatory provisions.
- The Group's transformation objectives.

Employee remuneration

The Group applies the following remuneration framework to all employees:

Fixed remuneration

Fixed remuneration consists of salaries and thirteenth cheques (for specific roles). Salaries are paid on a total cost-to-company basis incorporating basic salaries and the benefits and allowances mentioned below. Salary levels are determined with reference to similar positions in the market and further adjusted for any additional responsibilities, performance and length of service.

Reference points include independent remuneration surveys, salary of similar positions advertised, insight from recruitment agents, as well as the salary levels of new employees. Salaries are reviewed and increased, where necessary, on 1 October each year.

Benefits and allowances consist of:

- Retirement annuity: All staff can contribute to the Sygnia Retirement Annuity Fund with an option of four levels of contribution rates.
- Medical aid: The Group facilitates staff contributions to a group-determined medical aid scheme. The membership of the scheme is not compulsory, but consulting services are provided to all staff to encourage participation.
- Insured risk benefits: Staff contribute to life, disability, severe illness, and funeral cover.

Short-term incentives

Short-term incentives consist of cash bonuses which are declared in September each year and paid in the ensuing December, provided the employee remains in the employment of the Group. Cash bonuses are based on the performance of the Group and are determined for individual employees, by taking the following into account:

- The employee's performance against agreed key performance indicators ("KPI") set at the beginning of the year, or at the time of employment for those joining during the year.
- Additional tasks completed or responsibilities assumed.
- Roles and responsibilities.

Long-term incentives

Share options: The Group operates two share option schemes involving share options in Sygnia Limited, being The Sygnia Share Option Scheme ("Scheme A") and The Sygnia Share Option Scheme B ("Scheme B"). Scheme A was issued at a strike price with reference to the 30-day volume weighted average trading price; Scheme B is issued at a nil strike price. The share options are an option to purchase shares in Sygnia Limited with 20%, 30% and 50% vesting over a period of three, four and five years, respectively. The maximum cumulative number of ordinary shares that may be issued in Scheme A and Scheme B is 5 million and 10 million, respectively. Scheme A options are no longer issued, with the last of these options vesting in January 2024.

Recruitment allocation

In cases where individuals joining the Group forfeit deferred remuneration or must settle a financial obligation with their previous employer, a recruitment allocation can be made to the individual. The allocation will in most cases be on the same basis as agreed with the previous employer, but this can be adjusted. All recruitment allocations are approved by the Chief Executive Officer ("CEO") or Financial Director ("FD"). Recruitment allocations for senior roles, including the CEO and FD, are approved by the Committee.

Directors' Remuneration

Non-Executive Directors

An annual fixed fee is paid to non-executive directors taking into account their experience, appointment as chairperson and membership of the board and its sub-committees. The fees are benchmarked to market surveys each year. The fees are not linked to the performance of the Group or the share price.

Executive directors

Executive directors are remunerated as employees only and not as directors of the Group. The employee remuneration framework explained above for fixed remuneration, short and long term incentives applies to executive directors as well. KPIs are agreed with the Committee and the board at the beginning of each year. Performance against these KPIs is assessed by the Committee. The Committee determines the salary increase, cash bonus and any share option allocation.

Malus

Malus applies to employee incentives. The malus provision aims to ensure that there is effective alignment between employee remuneration outcomes and prudent risk taking, and to ensure that excessive or inappropriate risk-taking is not rewarded by the Group.

The transgressions (trigger events) are typically those that result in a serious breach of contract or regulation. Some of these transgressions are as follows:

- Misstatement of financial results.
- Breach of regulation which could result in reputational risk or regulatory fine.
- Breach of Sygnia's policies and code of conduct.
- Executing transactions that exceed the board approved risk appetite or have not been authorised in terms of the group's Delegation of Authority.
- Misleading the Sygnia Limited board, senior management or regulatory authorities.
- Inappropriate standards of conduct.

In addition, the transgressions mentioned above may result in employee dismissal.

The Committee confirms that the policy has been implemented with no deviations. Remuneration of directors and staff is disclosed in the notes to the consolidated financial statements. Information related to staff demographics is disclosed on page 36. The Committee confirms that no remuneration consultants were used and that future areas of focus have been determined.

> "Our programmes foster healing and facilitate growth and development for children affected by life on the streets."
>
> Homestead

Social and Ethics Committee

The Social and Ethics Committee ("SEC") is chaired by an independent non-executive director and includes another independent non-executive director and an executive director. The SEC meets formally twice a year.

The SEC is constituted by the board to assist it in discharging the Group's statutory duties in terms of section 72 of the Companies Act, 2008 and Regulation 43 of the Companies Regulations 2011, as well to exercise oversight and report on organizational ethics, corporate social responsibility, transformation, sustainability and stakeholder relationships.

The SEC monitors and reviews all transformation strategies designed and implemented by management. It is responsible for reviewing the annual transformation scorecard and assesses and provides feedback to the board on transformation initiatives undertaken by management. The committee complies at all times with the prevailing regulatory framework, including transformation scorecards and the Group's strategic objectives.

Sygnia's key Corporate Social Investment focus is on education, investing in initiatives from early childhood development through to tertiary education programmes.

Supporting sustainable organisations and projects, Sygnia provides bursaries to scholars and supports outreach education initiatives in under-resourced schools. We recognise that the future of South Africa rests in the hands of its youth and we are determined to empower them to become beneficiaries of a better future.

Sygnia's corporate social investment objectives aim to support:

- Programmes and organisations that facilitate improvement and access to training and learning in South Africa.
- Projects that focus on the welfare and development of children.
- Projects where talent is recognised and developed.
- Projects with direct and clear delivery objectives, and where administration costs are kept to a minimum.

By supporting the following organisations we believe we can have a positive social impact on individuals through education and help them to actively participate in the South African economy.

Sygnia is proud to partner with and supports the following organisations:

Ensuring that children have access to basic human rights

Children need their basic human needs fulfilled to thrive. Focusing on children in desperate need of building a sustainable future through the development of social and environmental awareness.

Homestead

The Homestead focuses on the healing, care and upliftment of street children. The organisation runs a number of different projects focusing on neglected, abused and vulnerable children who are living and begging on the streets. These projects aim to provide for the physical needs (food, shelter, safety, clothing), psycho-social needs (trauma counselling, behaviour modification, positive self-image and identity, etc.) developmental needs (access to education, support to improve school performance, life sustaining skills), and sporting and recreational activities.

Andrew Murray House

Andrew Murray House is a registered child and youth care centre (children's home) which provides residential care to 155 children (1 – 18 years old) outside the children's family environment in accordance with a residential care programme suited and developed for the children in the centre. The Children's Home is responsible for the care, support, protection and development of the children in its custody through various therapeutic and developmental programmes. This is done through mentoring and coaching of socially acceptable behaviour based on a religious, educational, physical, social and psychological process, executed by a multi-disciplinary team of experts. The children are equipped to skilfully manage the difficult tasks of life and to fulfil their duty as responsible and law-abiding citizens.

Building a sustainable future through the development of social and environmental awareness

Children should be given the tools to be the stewards of their environment so that they can have a positive impact on their community. Awareness of societal and environment issues helps them to shape their future world.

Impact Trust

The Impact Trust runs programs which aim to identify the key value of resilience in learners. One of their programmes is Routes to Resilience, which works with high school students and young work-seekers, to build leadership skills focused on sustainability and a sense of their purpose, individually and in the community. The orientation of the programmes is towards a systemic view of global issues, recognising social injustice, extractive growth and ecological breakdown as part of the interconnected challenges to a sustainable future.

Developing a fully equipped future workforce and entrepreneurship base

There is a strong need to bridge the economic disparity in South Africa. We believe that the development of educated and skilled individuals will lead to economic change and protect the future labour force.

Mitchell's Plain Bursary Trust

The Mitchell's Plain Bursary and Role Model Trust gives funding to students studying at one of the 17 identified schools in Mitchell's Plain or those who live in the area. These students have difficulty accessing tertiary education due to limited finances. The trust assists students with registration and/or tuition fees for studies at higher education institutions and further education and training colleges.

O Grace Land

Providing a temporary safe haven for vulnerable young women who grew up in homes and institutions and are preparing to enter adult life. The organisation offers both life skills and transitional support while the young women complete their education and prepare for the working world.

Ray Mhlaba Skills Training Centre

The centre offers a variety of SETA-accredited and entrepreneurial training programmes to students who grew up in care homes. Students are provided with the practical skills to pursue employment or entrepreneurial opportunities.

Regional Educare Council

Specialising in early childhood development ("ECD") programmes, the organisation's passion lies in the holistic improvement of the quality of education for children, and they strive to motivate and provide training programmes for ECD practitioners to allow growth in the field.

Building active communities through movement and sport

A well-rounded child is a physical and healthy child. This is achieved through extra mural activities and sport participation. Sports also teaches discipline, teamwork and leadership, all life-skills that a child can carry throughout their life.

Teacher and student in the classroom, Christel House

Young entrepreneur, Christel House

VUSA

The VUSA Academy creates social upliftment for children from under privileged communities, through structured academic, sporting and recreational programmes.

VUSA (the isiXhosa word for awaken) was an initiative that began in 2002 as a part-time rugby programme for children in the Langa community. As the programme developed, greater needs were identified. The root cause of the challenges that some of our youth face, such as poor mental and physical health, addiction, homelessness, crime and family breakdown are often attributed to deficiencies in early childhood. VUSA works predominantly with children from five schools in the Langa community. None of these schools have the staff or resources to implement effective sporting or extra mural programmes for their learners.

Breaking the cycle of poverty through education and holistic care

Children living in poverty are likely to lack access to proper education. They are also likely to experience malnutrition, illness due to poor sanitation and inadequate health care. Alleviating these issues transforms the lives of impoverished children allowing them to evolve into contributing members of society.

Christel House

Christel House transforms the lives of impoverished children through robust education and a strong character development program supported by regular healthcare, nutritious meals, guidance counselling, career planning, family assistance and College & Careers support.

Development of Numeracy, Science Knowledge and English Literacy

South African children have one of the poorest performances in mathematics, science and literacy and this is more evident in disadvantaged schools. A focus on these basic tenets of education will allow these children to access a better, more knowledgeable future.

LEAP Science and Maths Schools

For more than ten years LEAP has developed unique, self-liberating high school education programmes with marginalised children through the only network of independent, no-fee schools in South Africa. The programme identifies student potential in high need communities and offers free education with the prerequisite that all students study mathematics, physical science and English.

The LEAP Movement works with a range of partners to effect broader systemic change in education in South Africa.

Won Life

Won Life is a registered non-profit organisation dedicated to improving the quality of education for the learners in the community of Fisantekraal, just outside of Durbanville. This is achieved through four education-based programmes, namely:

- Early Learning Centre (Grade R)
- Literacy Centre
- High School Education Centre and
- Teacher Mentorship Programme

Won Life believes that with a good education, children have the opportunity to break the cycle of poverty and are empowered to better carve out a preferred future for themselves and their families. Continued positive impact and influence on the lives of children will see the development of responsible and active citizens.

Business sustainability

Sygnia recognises that the sustainability of the Group lies in its ability to retain existing clients and to expand its client base. To achieve these objectives, it is essential that the Group delivers consistent and superior investment performance, provides appropriate products, delivers excellent service, and treats all clients fairly. Staff retention and attracting talented individuals to the Group is key to all the above.

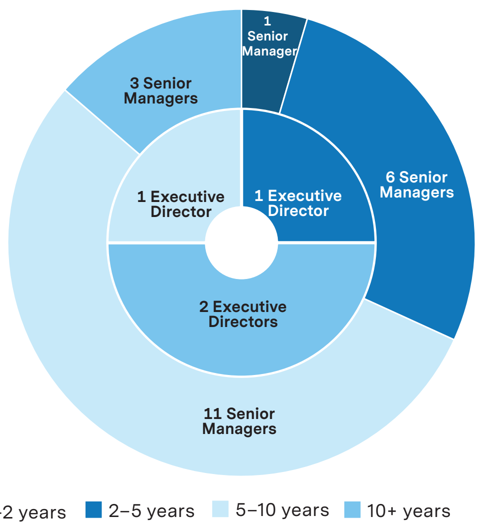
Our people

Human and intellectual capital is a key component of the Group's ability to deliver sustainable value to stakeholders.

Sygnia's competitive advantage derives from the intellectual capital inherent in the experience and expertise of its management team. The Sygnia management team has been stable, with limited turnover of key personnel over the years. This has provided overall stability to the business strategy, as well as long-term corporate memory of the evolution of all business units and client relationships. The key staff are all significant shareholders in the business, while the share option schemes should assist in retaining the broader team and help recruit additional senior staff going forward.

Sygnia's middle management team has also been stable, with only a few career-based departures over the years. The share option schemes are material components of staff retention at the middle management tier.

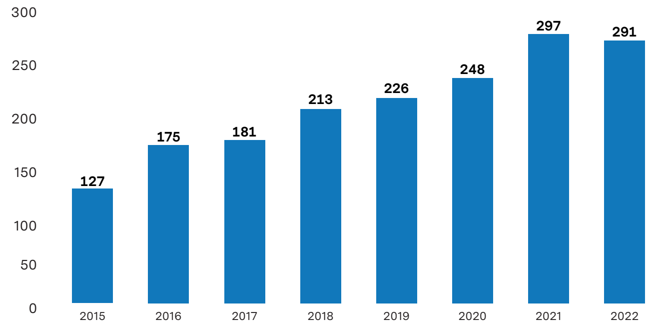
Top management tenure



The junior staff tier, largely administrative in nature, experiences higher turnover due to the high level of competition for administrative staff within the financial services industry in Cape Town. Sygnia's staff are generally regarded as being of a very high calibre due to the Group's rigorous training.

Sygnia employs a staff complement of 291 as at 30 September 2022 (2021: 297). The staff numbers has been steady and continues to specifically bolster the capacity and capability of the employee benefits and retail areas of the Group. The scalability of the business infrastructure and a strong focus on training allows for the quick integration of new staff, and Sygnia maintains an uncompromising focus to ensure that all its staff share Sygnia's passion and values. Sygnia maintains a relatively flat management structure, although the growth of the business has dictated more rigour in the way divisions are managed and evaluated.

Growth in staff complement



The human resources team has been strengthened to manage the growth in staff numbers, and there has been a constant roll-out of initiatives, which include performance management, wellness evaluations and staff integration mechanisms.

Recruitment, development and retention

Sygnia is committed to recruiting and retaining appropriately skilled staff and to deepening the expertise of its core management team. The retention of staff, as well as their effort and motivation to innovate, are premised on aligning the individual's personal objectives with the Group's culture, risk management, governance framework and ethical values, along with the individual's ability to understand and implement the Group's strategy and to improve Sygnia's products, processes and services. Sygnia offers short-term and longer-term incentives, and sets policies and processes that facilitate all of the above.

The Group prioritises the employment of black candidates for all positions, with 72% of staff being black (2021: 71%).

Sygnia regards rigorous internal training as key to its success and as such is less reliant on finding people with suitable experience. Emphasis is instead placed on finding individuals with the potential to excel and to be fasttracked within the Group to ensure career satisfaction and retention. A number of internship programmes are in place that have led to permanent placements. The internships are used to train junior staff and, over time, identify skilled individuals who are retained by the business. We also have eight external black disabled learnerships being sponsored through Training Force, our training provider. New starters are subject to thorough on-the-job training within their divisions, as well as a corporate induction programme aimed at ensuring that they are immersed in the values and performance-oriented culture of the business as quickly as possible.

Staff are encouraged and financially supported to pursue further training in the areas relevant to financial services and systems development.

Social and relationship capital

Sygnia's success is premised on the strength of its relationships with all key stakeholders, including the communities it interacts with and on behalf of which it manages assets. It places a strong focus on client loyalty, government relationships and community acceptance. To build trust and develop relationships over time, the Group engages in a number of initiatives to ensure that it retains its social licence to operate with integrity in the financial services industry.

Treating customers fairly

Treating Customers Fairly ("TCF") is an outcomes-based regulatory and supervisory framework designed to ensure that regulated financial services companies meet specific, clearly articulated fairness outcomes for their clients. Companies are expected to demonstrate that they deliver the six TCF outcomes through the entire product value chain and the entire product life cycle, from product design and promotion through advice and servicing to complaints and claims handling.

In adopting the TCF principles, Sygnia recognises that fair treatment of its clients is about adding value to the services it offers, by aiming to:

- Protect the interests of its clients at each stage of the product life cycle, from promotion right through to after sales services.
- Meet the unique needs of each client, by offering a transparent, efficient and professional service, and constantly reviewing its service to identify areas for improvement.

Sygnia undertakes to meet the needs of its clients in an honest and fair manner, as client satisfaction is paramount to the sustainability of the business. The Group strives to ensure that the TCF principles are reflected in its culture, strategies, policies, products and client service. The board has adopted a TCF Policy to confirm Sygnia's commitment to the TCF outcomes by setting out the Group's approach to implementation. TCF is a standing agenda item at each board meeting. The responsibility for implementation lies with the board, management and every staff member.

Outcome 1: Consumers can be confident that they are dealing with firms, where the fair treatment of customers is central to the corporate culture.
As a financial services organisation, Sygnia has a strong client focus. Responsibility is placed not only on the Sygnia Group board of directors and senior management to deliver fair outcomes for clients in a manner which does not hamper efficiency, but also falls to all staff employed within the Sygnia Group. Sygnia prides itself on full transparency of all costs and charges. That transparency was the core proposition to the institutional market, and the differentiating factor when Sygnia launched its multi-manager and customised multimanager products and services in 2006. In 2013, Sygnia launched the most cost-effective savings and investment products in South Africa to the retail market.

The Group's focus on offering index-tracking funds to both groups of investors ensures fair treatment from both a cost and a performance expectations perspective.

Sygnia also pioneered the concept of using institutional investment funds as an underpin to retirement annuities, living annuities and preservation funds offered to members exiting occupational retirement funds through withdrawal or retirement. This ensures that clients enjoy continuity of investment strategies at a reasonable cost. This includes SURF, whereby members of SURF who leave employment through withdrawal or retirement can remain members of SURF to enjoy the benefits of unchanged investment strategies and low fees. Sygnia places a strong focus on educating the general consumer about all aspects of saving and investing. This is achieved through articles, radio interviews, participation in conferences and specific client functions organised by Sygnia.

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.
All Sygnia's products have been designed to meet specific needs and the product structure is simple and accessible. The retail products offer different risk profiles to different target markets. A passive product range is offered alongside a blend of passive and active strategies to address the needs of different consumers and to offer a choice of different charging structures.

Sygnia's retail funds mirror those offered to institutional investors so that members of retirement funds can invest in the same strategies after they leave their occupational retirement fund (or in their discretionary capacity).

The retail portal offers clients access to financial planning tools that help to guide their savings and investments decisions.

The Sygnia RoboAdvisor, a digital financial planning tool, offers customers the option of designing investment strategies that take personal circumstances into account, and implements the strategies at a very low cost through passive products.

Outcome 3: Consumers are provided with clear information and kept appropriately informed before, during and after the point of sale.
All of Sygnia's financial promotions and marketing literature are reviewed to ensure that they are clear, compliant and not misleading in any manner. All product information is available on Sygnia's website and through the retail and institutional portals, Alchemy and Platinum Light. Access to these portals allows consumers to view their transactions and investment information at any time. Development of these portals is ongoing to ensure that the needs of consumers are anticipated and addressed. Dedicated retail and institutional client service teams are available to answer direct questions. Clients receive monthly and quarterly statements, investment reports, economic commentary and other investment-related communications from Sygnia.

Outcome 4: When consumers receive advice, the advice is suitable and takes account of their circumstances.
Sygnia offers advice through its digital financial planning tool, Sygnia RoboAdvisor. The financial planning model that underpins the advice has been developed over a number of years by experts in the fields of financial mathematics and investments and takes detailed information about each potential client into account prior to customising an investment strategy for that client. Ongoing advice is provided via the Sygnia Alchemy retail portal.

All product information provided by Sygnia includes investment objectives, risk profiles and benchmarks to ensure that consumers can make informed choices.

Outcome 5: Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect.
Sygnia's investment products have clear investment objectives, and specified performance benchmarks, to ensure that consumers are aware of the relevant risk and return profiles prior to investing.

Monthly fund fact sheets include comparative performance and risk statistics, cost disclosures and a summary of prevailing market conditions to ensure that performance expectations are actively managed. Sygnia's monthly economic summary, Sygnals, provides a more comprehensive description of the global and domestic macroenvironment, which helps to guide performance expectations. Retail and institutional portals provide clients with access to daily valuations, investment strategy breakdowns and performance information. Sophisticated transacting functionality allows clients to execute their investment decisions instantaneously.

Dedicated retail and institutional client service teams are well trained to handle queries and guide clients through the administration process. A dedicated call centre is capable of dealing with numerous queries at the same time.
Outcome 6: Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.
Sygnia does not charge switching fees, or impose any penalties should a client wish to switch providers. Online transacting functionality makes issuing instructions easy and quick. All claims are processed within well-explained timelines with no unnecessary delays. The complaints policy is available on the company's website, with contact details readily available to clients. All complaints are recorded by Sygnia's compliance department and are reported and analysed in the risk and compliance committee meetings, management information reporting and board meetings.

Environmental, social and governance factors

Sygnia endorses the principles of sustainable development and supports the incorporation of environmental, social and governance ("ESG") factors in investment decision making. As a multi-manager, Sygnia monitors the ESG policies of third-party asset managers employed to manage Sygnia's clients' assets. ESG factors are evaluated in terms of the extent to which they are taken into account in the investment processes followed by the appointed asset managers. Managers are

> Sygnia undertakes to meet the needs of its clients in an honest and fair manner, as client satisfaction is paramount to the sustainability of the business"

encouraged to become signatories to the Code for Responsible Investing in South Africa ("CRISA"), and this is taken into account in Sygnia's manager selection process.

Integrating ESG factors into the investment process at Sygnia takes the form of a multi-pronged approach that is adapted to meet the specific nature of the business and financial products managed. There is no one-size-fits-all when it comes to ESG integration, and therefore a tailored and evolving approach is required.

The approach to ESG integration can be broken down between multi-manager, passive, and fixed income investments. Products with ESG mandates may fall into any of these categories, and overarching this is ongoing shareholder activism, as well as agitation for social change from Sygnia as a business.

Stewardship is the future
Sustainability, commonly defined as the ability to meet the needs of the present without compromising on the ability of future generations to meet their needs, is an important consideration for long-term investors to ensure that decisions today do not adversely affect the ability to meet long-term goals. Sygnia Asset Management, and our clients, typically have long-term investment horizons and sustainability, therefore, is integral in ensuring our portfolios constructively contribute to growth into the future, and ultimately generate superior investment performance over time. Therefore, we ensure that appropriate measures are taken to incorporate sustainability factors into our portfolio construction process, alongside financial considerations.

Shareholder activism and the integration of sustainability factors, which includes ESG factors, have been an important part of the Sygnia investment process for many years. As a business, Sygnia has influenced a number of corporate events and governance shortcomings in South Africa. This includes exposing the exploitation of the poor at Net1, dismissing KPMG after evidence of their role in state capture, and challenging the asset management industry on a number of governance failings that resulted in significant losses for shareholders.
Over the past few years, substantial efforts have been made to formalise and standardise the integration of sustainability into the investment industry.

When it comes to responsible investing at Sygnia, the following industry frameworks and codes currently guide our approach:

- Regulation 28 of the Pension Funds Act in so far as it requires ESG considerations to be taken into account when

devising investment strategies for retirement funds.
- The principles embodied in CRISA.
- United Nations' Principles of Responsible Investment.

We also look to available research and industry best practice to ensure the approaches taken remain relevant, and therefore the responsible investment paradigm implemented by Sygnia is continually evolving and improving.

Transformation

Sygnia recognises that the sustainability of the business lies in its ability to attract and retain clients. Meeting the targets set by the Amended Financial Sector Code (“New FSC”) is an important component of client retention in the institutional market and is also important in the context of contributing towards the broader transformation of South Africa towards an integrated, balanced and growing society and economy.

Sygnia takes a holistic approach to transformation, implementing strategies across the Group, and takes a long-term view on compliance with the New FSC. The ownership aspect was partially addressed through the formation of the vendor-financed Ulundi Staff Trust for black staff and management in 2013 and its successful value creation for eligible beneficiaries on its unwinding during the 2021 financial year.

Sygnia has also taken further steps to address its B-BBEE standing. These include:

- Changing the composition of its board of directors.
- Expansion of B-BBEE staff training initiatives.
- Participation in the YES initiative.

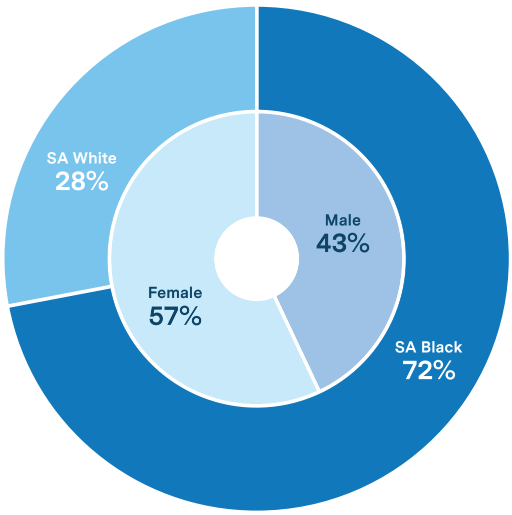
Preferential procurement has been an important aspect of the transformation strategy, with an active approach taken to ensure that procurement explicitly targets B-BBEE as a criterion for service provider selection. Sygnia has actively switched providers to those compliant with its objectives. Support for small, entrepreneurial businesses has also been a feature of the strategy. The empowerment credentials of all suppliers and service providers are reviewed by independent parties. Sygnia continues to improve its compliance with the New FSC.

Diversity and equal opportunity

Transformation and gender equality are part of the fabric of the Group, with a strong focus on attracting and promoting talented individuals from diverse backgrounds. Gender equality is strongly promoted with significant focus placed on the promotion of women to key management positions. The following statistics reflect that commitment:

- The chairperson is a woman.
- 22% of the board of directors is female.
- 57% of staff are women.
- Many senior management positions are held by women, including Head: Special Projects; Head: Employee Benefit Operations; Head: Institutional Administration; Head: Human Resources; Head: Retail Business; Head: Marketing; and Head: Risk Management.
- 72% of staff are black South African.

In terms of broader staff diversity, inclusive of eight disabled staff members, the Group’s demographics at year-end are highlighted below.



Notice of the annual general meeting

Notice is hereby given that the annual general meeting ("Meeting") of Sygnia Limited ("Sygnia" or "the Company") will be held, subject to any cancellation, postponement and adjournment, in the auditorium of the offices of the Company at 7th Floor, The Foundry, Cardiff Street, Green Point, Cape Town, 8001 on Monday, 30 January 2023 at 10:00am (SAST).

Record dates, voting and proxies

The record date to receive the notice of the Meeting, determined in accordance with section 59(1)(a) of the Companies Act, No. 71 of 2008, as amended ("the Act"), is Friday, 25 November 2022, being the date on which a person must be registered as a shareholder of the Company for purposes of being entitled to receive a notice of the Meeting. The record date for the Meeting, determined in accordance with section 59(1)(b) of the Act, is Friday, 20 January 2023, being the date on which a person must be registered as a shareholder of the Company for purposes of being entitled to participate in and vote at the Meeting. The last day to trade to be able to participate in and vote at the Meeting is Tuesday, 17 January 2023.

References to all page numbers are in relation to the Annual Financial Statements and the 2022 Integrated Report as indicated.

Votes at the Meeting will be taken by way of a poll and not on a show of hands. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend, speak, act and, on a poll, vote in his or her stead. The proxy so appointed need not be a shareholder of the Company. A form of proxy is attached to this notice.

Kindly note that, in accordance with section 63(1) of the Act, participants (including proxies) are required to provide satisfactory identification before being entitled to attend or participate in a shareholders' meeting. In addition, the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or proxy, has been reasonably verified. Suitable forms of identification include a valid identity document, a driver's licence or a passport.

Each ordinary resolution to be considered at the Meeting requires the support of more than 50% of the voting rights exercised on the resolution in order to be adopted, unless otherwise stipulated.

Each special resolution to be considered at the Meeting requires the support of at least 75% of the voting rights exercised on that resolution in order to be adopted.

The attention of the shareholders is drawn to the fact that, if it is to be effective, the completed form of proxy must reach the Company's transfer secretaries in Johannesburg before the time appointed for the Meeting. For administrative purposes, proxies should however be submitted to the transfer secretaries before 10:00 on Thursday, 26 January 2023.

In terms of the Listings Requirements of the JSE Limited ("JSE Listings Requirements"), equity securities held by a share trust or scheme established by the Company will not have their votes at the Meeting taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Shareholders who have not dematerialised their shares, or who have dematerialised their shares but with "own name" registration (entitled shareholders), may appoint one or more proxies to attend, speak and vote or abstain from voting in such shareholders' stead. A form of proxy is attached for the use of those entitled shareholders who wish to be so represented.

Shareholders who have already dematerialised their shares (other than those with "own name" registration) are required to inform their duly-appointed central securities depository participant ("CSDP") or broker, as the case may be, of their intention to attend the Meeting and request that their duly-appointed CSDP or broker, as the case may be, issue them with the necessary letters of representation to attend or provide their duly-appointed CSDP or broker, as the case may be, with their voting instruction should they not wish to attend the Meeting in person but wish to be represented thereat.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the Meeting by way of electronic participation, that shareholder should make an application in writing (including details as to how the shareholder or its representative (including its proxy) can be contacted) to so participate to the company secretary, PO Box 51591, Waterfront, 8002, or via email to gmaclachlan@sygnia.co.za, to be received by the company secretary at least ten (10) business days prior to the Meeting (i.e. Monday, 16 January 2023) in order for the company secretary to arrange for the shareholder (or its representative or proxy) to provide reasonable, satisfactory identification to the company secretary for the purposes of section 63(1) of the Act and for the company secretary to provide the shareholder (or its representative or proxy) with details as to how to access the Meeting by means of electronic participation. Shareholders participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above.

The purpose of the meeting is to transact the business set out below.

A. Presentation of audited financial statements

The audited annual financial statements of the Company for the year ended 30 September 2022, together with the reports by the directors, the external auditors and the Audit and Risk Committee have been approved by the board of directors of the Company on 5 December 2022 and are available on the Company's website, www.sygnia.co.za.

B. Presentation of social and ethics committee report

In accordance with regulation 43(5)(c) of the Companies Regulations, 2011, the Social and Ethics Committee of the Board will report, through one of its members, to the shareholders at the Meeting on the matters within its mandate.

C. To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

Ordinary Resolution 1: To appoint the auditor of the Company

To appoint Mazars, as recommended by the Audit and Risk Committee, to be the Company's registered auditor for the ensuing year ending 30 September 2023 and to note Ms Yolandie Ferreira as the designated audit partner.

Ordinary Resolution 2: To re-elect the non-executive directors

To re-elect the following individuals as non-executive directors, who retire by rotation in accordance with the provisions of the Company's memorandum of incorporation but are eligible and available for re-election:

2.1 Prof H Bhorat
2.2 Ms C Appana

A profile in respect of each director is contained on page 23 of the 2022 Integrated Report. The re-election of the directors of the board will be conducted by way of a separate vote in respect of each individual.

Ordinary Resolution 3: : To elect the Audit and Risk Committee members

To elect the Audit and Risk Committee members as required in terms of the Act and the JSE Listings Requirements. The following individuals are recommended for election to the Audit and Risk Committee:

3.1 Mr G Cavaleros (chairman of the Audit and Risk Committee)
3.2 Ms C Appana
3.3 Mr J Boyd

A profile in respect of each member recommended for election to the Audit and Risk Committee is contained on page 23 of the 2022 Integrated Report. The election of the members of the Audit and Risk Committee will be conducted by way of a separate vote in respect of each individual.

Ordinary Resolution 4: To authorise the issue of ordinary shares for cash

To resolve that the Directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue ordinary shares in the capital of the Company for cash, including, within the scope of such authority, the ability to issue options and securities (including any convertible preference shares in the authorised share capital of the Company) that are convertible into ordinary shares, subject to the limitation set out in the MOI, the provisions of the Act and the JSE Listings Requirements from time to time on the following basis:

The ordinary shares that are the subject of the allotment and issue for cash must be of a class already in issue or, where this is not the case, must be limited to such ordinary shares or rights that are convertible into a class of ordinary shares already in issue.

There will be no restrictions in regard to the persons to whom the ordinary shares may be allotted and issued, provided that such shares are to be allotted and issued to public shareholders (as defined by the JSE Listings Requirements) and not to related parties (except as may be permitted by the JSE Listings Requirements).

The total aggregate number of ordinary shares that may be issued for cash in terms of this authority may not exceed 22 564 573 ordinary shares, constituting 15% of the aggregate number of ordinary shares in issue as at the date of notice of the Meeting. The number of ordinary shares that may be issued shall be based on the number of ordinary shares in issue at the date of this notice of Meeting, less any ordinary shares issued in terms of this authority by the Company during the current financial year.

In the event of sub-division or consolidation of ordinary shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio.

The maximum discount at which the ordinary shares may be issued is 10% (ten percent) of the weighted average traded price of those ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party(ies) subscribing for the ordinary shares. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30 (thirty) business day period.

This authority shall not endure beyond the earlier of the next annual general meeting of the Company or beyond 15 (fifteen) months from the date of this ordinary resolution, whichever is shorter. Upon any issue of ordinary shares that, together with prior issues of ordinary shares within the period that this authority is valid, constitute 5% (five percent) or more of the total number of ordinary shares in issue prior to that issue, the Company shall publish an announcement in terms of section 11.22 of the JSE Listings Requirements, giving full details thereof.

In terms of the JSE Listings Requirements, for Ordinary Resolution 4 to be approved by shareholders, it must be supported by at least 75% of shareholders.

Explanatory note: The board of directors, as at the date of this notice, has no definite intention of issuing further shares. However, the board of directors believes that shareholders should pass this resolution to enable the board of directors to issue additional shares should it be in the best interests of the Company to do so.

Ordinary Resolution 5: Control of authorised but unissued shares

To resolve that all the unissued shares in the authorised share capital of the Company be placed under the control of the directors of the Company, who are authorised to allot and issue the same to such persons and on such terms and conditions as they may determine in their sole and absolute discretion, subject to the provisions of the Act and the JSE Listings Requirements.

Ordinary Resolution 6: Non-binding advisory vote on the Sygnia remuneration policy

To endorse, through a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of non-executive directors) as contained on pages 28 to 30 of the 2022 Integrated Report.

The vote allows shareholders to express their views on the remuneration policy adopted. The vote is of an advisory nature only and will not be binding on the Company. In the event that 25% or more of the shareholders vote against the Company's remuneration policy, the Company will follow an engagement process with shareholders.

Ordinary Resolution 7: Non-binding advisory vote on the Sygnia implementation report

To endorse, through a non-binding advisory vote, the Company's remuneration implementation report as contained on pages 28 to 30 of the 2022 Integrated Report.

The vote allows shareholders to express their views on the Company's remuneration implementation report. The vote is of an advisory nature only and will not be binding on the Company. In the event that 25% or more of the shareholders vote against the Company's remuneration implementation report, the Company will follow an engagement process with shareholders.

Ordinary Resolution 8: To authorise directors and the company secretary to implement special and ordinary resolutions

To resolve that each and every director of the Company and the company secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this Meeting.

Special resolutions

Special Resolution 1: To approve remuneration of non-executive directors

To resolve that fees payable by the Company to directors for their services as directors (in terms of section 66(9) of the Act)

be and are hereby approved for a period of one year from the passing of this special resolution or until its renewal, whichever is the earlier, as follows (exclusive of VAT):

1.1 in respect of Professor Haroon Bhorat, a proposed annual fee of R995 000
1.2 in respect of Mr George Cavaleros, a proposed annual fee of R802 000
1.3 in respect of Mr Mcebisi Jonas, a proposed annual fee of R1 209 000
1.4 in respect of Ms Clarissa Appana, a proposed annual fee of R500 000
1.5 in respect of Mr Jurgen Boyd, a proposed annual fee of R695 000
1.6 in respect of any other director, an annual fee not exceeding R700 000.

Special Resolution 2: To authorise the repurchase of shares

To resolve that, in accordance with the MOI and as a general authority contemplated in the JSE Listings Requirements, Sygnia, and/or any of its subsidiaries, are authorised to acquire the issued ordinary shares of Sygnia, upon such terms and conditions and in such amounts as the directors of Sygnia may from time to time decide, but subject to the following provisions:

- This general authority shall be valid until the Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter.
- The ordinary shares be purchased through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty from whom the shares are purchased.
- An announcement complying with paragraph 11.27 of the JSE Listings Requirements be published by the Company
    i. when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time the general authority was given (the initial number); and
    ii. for each 3% in aggregate of the initial number of ordinary shares acquired by the Company and/or its subsidiaries.
- The general repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 20% of the Company's issued share capital of that class, provided that the acquisition of ordinary shares as treasury stock by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued shares in the Company.
- Repurchases are not to be made at a price more than 10% above the weighted average of the market value for the ordinary shares for the five business days immediately preceding the date upon which the repurchase is effected.
- At any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any of its subsidiaries.
- A resolution is passed by the board of directors authorising the repurchase, that the Company passed the solvency and liquidity test and that since this test was done there have been no material changes to the financial position of the Group.
- The Company and its subsidiaries do not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements), unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the Company's prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.
- Such repurchase shall be subject to compliance with the Act, the MOI and the JSE Listings Requirements.

Explanatory note and statement required in terms of paragraph 11.26 of the JSE Listings Requirements

To grant the board of directors the general authority to contract the Company and/or any of its subsidiaries to acquire shares in the Company, should the board of directors consider it appropriate in the circumstances.

The effect of Special Resolution 2 is that the directors will be granted the general authority, subject to the provisions set out in the resolution, to acquire shares in the Company. The intention of the board of directors is to use the authority to repurchase the Company's shares should it be of the view that it is in the best interests of the Company to do so.

Statement in terms of paragraph 11.26 of the JSE Listings Requirements

The board of directors shall not make any payment in whatever form to acquire any shares issued by the Company contemplated in Special Resolution 2 if, after the directors have considered the effects of the maximum repurchase or payment, there are reasonable grounds for believing that:

- The Company and the Group are, or will, at any time during the period of 12 months after the date of this notice, be unable, in the ordinary course of business, to repay their debts as they become due.
- The Company's and the Group's consolidated assets, recognised and measured according to the accounting policies used in the latest audited annual financial statements and IFRS, will not be more than their consolidated liabilities for the period of 12 months after the date of this notice.
- The ordinary share capital and reserves of the Company and the Group will not be adequate for ordinary business purposes for a period of 12 months after the date of this notice.
- The Company and the Group will not have sufficient working capital to meet its needs for a period of 12 months after the date of this notice.

Any repurchases shall comply with the limitations set out in Special Resolution 2, the requirements of the JSE Listings Requirements and the Act.

In compliance with paragraph 11.26(b) of the JSE Listings Requirements, the information listed below has been included in the 2022 Integrated Report in which this notice is included, at the places indicated:

- Major shareholders (page 92 of the 2022 Integrated Report)
- Stated capital (page 50 of the 2022 Integrated Report)

Material change

Other than the facts and developments reported on in the 2022 Integrated Report, there have been no material changes in the affairs, and in the financial or trading position of the Group, since the financial period ended 30 September 2022 and the signature date of this notice.

Directors' responsibility statement

The directors whose names are set out on pages 22 and 23 of the 2022 Integrated Report collectively and individually accept full responsibility for the accuracy of the information contained in Special Resolution 2 and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading, and that they have made all reasonable queries in this regard, and that the notice of the Meeting contains all information required by law and by the JSE Listings Requirements.

Special Resolution 3: To provide financial assistance to subsidiaries and related or inter-related companies

To resolve that the Company is authorised to provide any direct or indirect financial assistance as contemplated in section 45 of the Act to any related or inter-related company or juristic person, in terms of and pursuant to the provisions of section 45 of the Act.

Explanatory note: To grant the board of directors the authority to provide direct or indirect financial assistance to any company or corporation that is related or inter-related to the Company. This means that the Company is, for example, authorised to grant loans to its subsidiaries and to guarantee the debt of subsidiaries.

Special Resolution 4: To provide financial assistance for the subscription or purchase of securities

To resolve that the Company is authorised to provide financial assistance as contemplated in section 44 of the Act to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, in terms of and pursuant to the provisions of section 44 of the Act.

Explanatory note: To grant the board of directors of the Company the authority to provide direct or indirect financial assistance to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company. This means that the Company is, inter alia, authorised to grant loans to any persons to enable them to acquire shares in the Company or a subsidiary. The Company has no immediate plans to use this authority but is obtaining it in the interests of prudence and good corporate governance should the unforeseen need arise to use such authority.

By order of the board
Glen MacLachlan
Company secretary
5 December 2022

Registered office
7th Floor, The Foundry
Cardiff Street
Green Point 8001
South Africa

Form of proxy

Sygnia Limited

Incorporated in the Republic of South Africa | Registration number: 2007/025416/06

Share code: SYG | ISIN: ZAE000208815 | "Sygnia" or "the Company"

For use at the annual general meeting of the Company to be held at 10:00am (SAST) on Monday, 30 January 2023, and at any cancellation, postponement or adjournment thereof.

To be completed by certificated shareholders and dematerialised shareholders with "own name" registration only.

I/we (full name):

of (address):

Telephone number: Cell number:

Email address:

being a shareholder of Sygnia Limited and holding ordinary shares of the company

hereby appoint (1) or failing him/her

hereby appoint (2) or failing him/her

the chairman of the annual general meeting, as my/our proxy to act for me/us and on my/our behalf at the annual general meeting, which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the ordinary and special resolutions and/or abstain from voting in respect of the Sygnia ordinary shares registered in my/our name(s), in accordance with the instructions below.

Signature/s:

Signed at:

On: D D M M Y Y Y Y

Mark whichever is applicable with an X

	Ordinary resolutions	For	Against	Abstain
1	**To appoint the auditor of the Company**			
2	**To re-elect the non-executive directors**			
2.1	Prof H Bhorat			
2.2	Ms C Appana			
3	**To elect the Audit and Risk Committee members**			
3.1	Mr G Cavaleros			
3.2	Ms C Appana			
3.3	Mr J Boyd			
4	**To authorise the issue of ordinary shares for cash**			
5	**Control of authorised but unissued shares**			
6	**Non-binding advisory vote on the Sygnia remuneration policy**			
7	**Non-binding advisory vote on the Sygnia implementation report**			
8	**To authorise directors and the company secretary to implement special and ordinary resolutions**			

	Special resolutions	For	Against	Abstain
1	**To approve remuneration of non-executive directors**			
2	**To authorise the repurchase of shares**			
3	**To provide financial assistance to subsidiaries and related or inter-related companies**			
4	**To provide financial assistance for the subscription or purchase of securities**			

Shareholders holding certificated shares or dematerialised shares registered in their own name

1. Only shareholders who hold certificated shares and shareholders who have dematerialised their shares with “own name” registration may use this form of proxy.
2. Each shareholder is entitled to appoint one or more proxies (none of whom needs be a shareholder of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting, by inserting the name of the proxy or the names of two alternate proxies of the shareholder’s choice in the space provided, with or without deleting “the chairman of the annual general meeting”. The person whose name stands first on the form of proxy and who is present at the Meeting will be entitled to act as the proxy to the exclusion of those whose names follow.
3. A shareholder’s instructions to the proxy must be indicated by the insertion of an “X” in the relevant space according to how hat shareholder wishes their votes to be cast. However, if a shareholder wishes to cast a vote in respect of a lesser number of ordinary shares than they own in the Company, they should insert the number of ordinary shares held in respect of which they wish to vote in the relevant spaces. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting, as he deems fit, in respect of all the shareholder’s votes exercisable thereat.
4. A shareholder or its proxy is not obliged to vote in respect of all the shares held or represented by it, but the total number of votes for or against the resolutions in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or its proxy is entitled.
5. Forms of proxy must be lodged and/or posted to the Company’s transfer secretaries (Computershare Investor Services (Pty) Ltd) at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to proxy@computershare.co.za , to be received by the transfer secretaries by no later than 10:00am (SAST) on Thursday, 26 January 2023, or handed to the chairman of the annual general meeting at any time prior to the vote.
6. The completion and return of this form of proxy in accordance with point 5 above will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. A minor must be assisted by the minor’s parent or guardian, unless the relevant documents establishing the minor’s capacity are produced or have been registered by the Company.
8. Any alterations or corrections to this form of proxy must be initialed by the signatory(ies).
9. This form of proxy must be signed by all joint shareholders. If more than one of those shareholders are present at the annual general meeting either in person or by proxy, the person whose name stands first in the register shall alone be entitled to vote.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company’s transfer office or waived by the chairman of the annual general meeting.
11. The chairman of the annual general meeting may reject or accept any form of proxy that is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

Shareholders holding dematerialised shares

1. Shareholders who have dematerialised their shares through a central securities depository participant (“CSDP”) or broker (except those shareholders who have elected to dematerialise their shares with “own name” registration) and all beneficial shareholders holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the transfer secretaries of the Company of their voting instructions before the closing time as detailed in point 5 above.
2. All such shareholders wishing to attend the Meeting in person may do so only by requesting their CSDP, broker or nominee to issue the shareholder with a letter of representation in terms of the custody agreement. Such letter of representation must also be lodged with the transfer secretaries before the closing time, as detailed in point 5 above.

Summary of the rights of a shareholder to be represented by proxy

Shareholders’ rights regarding proxies in terms of section 58 of the Act are as follows:

At any time, the shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:

- participate in, and speak and vote at, a shareholders’ meeting on behalf of the shareholder; or
- give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Act.

A proxy appointment:

- must be in writing, dated and signed by the shareholder; and
- remains valid for:
  - › one year after the date on which it was signed; or
  - › any longer or shorter period expressly set out in the appointment,
- unless it is revoked in a manner contemplated in subsection (4)(c) or expires earlier as contemplated in subsection
- (8)(d) of section 58 of the Act.

Except to the extent that the MOI of a company provides otherwise:

- a shareholder of that company may appoint two or more persons concurrent as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;

- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

Irrespective of the form of instrument used to appoint a proxy:

- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder may revoke the proxy appointment by
  - › cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - › delivering a copy of the revocation instrument to the proxy and to the company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder.

Glossary of terms

ASISA	Association for Savings and Investment South Africa
AUA	Assets under administration
AUM	Assets under management
B-BBEE	Broad-based Black Economic Empowerment
CFA	Chartered Financial Analyst
CRISA	Code for Responsible Investing in South Africa
CSDP	Central Securities Depository Participant
CSI	Corporate Social Investment
ESG	Environmental, Social and Governance
FSCA	Financial Sector Conduct Authority
FSC	Financial Sector Code
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IIRF	International Integrated Reporting Framework
IRCSA	Integrated Reporting Council of South Africa
ISAE	International Standard on Assurance Engagements
IT	Information Technology
JSE	The Johannesburg Stock Exchange
King IV	King Code of Governance for South Africa 2016
LISP	Linked Investment Service Provider
Listing Date/Listing	14 October 2015
MOI	Memorandum of Incorporation
Prudential Authority	The South African Reserve Bank
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment and Management
SENS	Stock Exchange News Service
TCF	Treating Customers Fairly

Audited Consolidated Annual Financial Statements

for the year ended
30 September 2022

Sygnia

These financial statements have been prepared under the supervision of the Financial Director, MA Sirkot (CA (SA)) and have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Audited consolidated annual financial statements

Corporate information

Annual general meeting: 30 January 2023
Share code (ordinary shares): SYG
ISIN: ZAE000208815

Board of Directors

Name	Date of appointment
MF Wierzycka (Chairperson) #	17/09/2007
DR Hufton (CEO) #	01/09/2018
MA Sirkot (Financial Director) #	16/01/2019
WA Wierzycki #	10/06/2021
G Cavaleros (Lead Independent) *	28/06/2019
HI Bhorat *	11/06/2015
MH Jonas *	01/09/2018
C Appana *	08/09/2020
J Boyd *	29/07/2021

* Independent Non-executive Director # Executive Director

Registered office:
7th Floor, The Foundry
Cardiff Street
Green Point
8001

Postal address:
PO Box 51591
Waterfront
8002

Company registration number
2007/025416/06

Company secretary:
G MacLachlan
Appointed: 01/11/2016

Sponsor:
The Standard Bank of South Africa Limited
30 Baker Street, Rosebank,
Johannesburg, 2196

External auditor:
Mazars
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441
South Africa

Transfer secretaries:
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank,
Johannesburg, 2196

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Sygnia Limited and its subsidiaries ("the Group"). The annual financial statements comprise the Directors' report, Audit and Risk Committee report, Report by the company secretary and the financial statements. The financial statements comprise the consolidated statement of financial position at 30 September 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements which include a summary of significant accounting policies and other explanatory notes. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. The directors have made an assessment of the ability of the Group to continue as a going concern and have no reason to believe that the businesses will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of annual financial statements

The consolidated annual financial statements were approved by the board of directors on 5 December 2022.

Chief Executive Officer and Financial Director confirmation

The directors, whose names are stated below, hereby confirm that -

a. the annual financial statements set out on pages 56 to 91, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS;
b. to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c. the internal financial controls have been put in place to ensure that material information relating to the Group have been provided to effectively prepare the financial statements of the Group;
d. the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
e. where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
f. we are not aware of any fraud involving directors.

David Hufton
Chief Executive Officer

Murad Sirkot
Financial Director

Report by the company secretary for the year ended 30 September 2022

In terms of S88(2)(e) of the Companies Act 2008, as amended and for the year ended 30 September 2022, I, Glen MacLachlan, in my capacity as company secretary of Sygnia Limited, hereby certify that Sygnia Limited has lodged all returns required by the Act with the Companies and Intellectual Property Commission and that all such returns are true, correct and up to date.

Glen MacLachlan
Company Secretary

Directors' report

The directors have pleasure in presenting their report on the activities of the Group for the year ended 30 September 2022.

Highlights

- Assets under management and administration of R285.1 billion as at 30 September 2022 (2021: R296.4 billion), down 3.8%.
- Revenue of R808.9 million (2021: R737.2 million), up 9.7%.
- Profit after tax of R287.4 million (2021: R240.9 million), up 19.3%.
- Headline earnings per share of 191.3 cents (2021: 170.7 cents), up 12.1%, and diluted headline earnings per share of 186.1 cents (2021: 166.1 cents), up 12.0%.
- Total dividend per share of 210 cents (2021: 135 cents).

Financial performance

Assets under management and administration decreased by 3.8% to R285.1 billion as at 30 September 2022 (2021: R296.4 billion). This is against a backdrop of the FTSE/JSE SWIX Index returning 0% and the MSCI All World Index falling by 4% in rands for the full financial year, and with traditional multi-asset-class portfolios experiencing some of their worst performances in many years.

The Sygnia-managed range of funds continue to rank in the top quartile of performance surveys across most risk profiles over the medium- to long-term. This performance is a mixture of low-cost strategies and a strong focus on macroeconomic trends, which drive active asset allocation decisions. Our superior long-term performance has been a strong factor behind our growing presence in the retail market.

In addition, the Group has launched several new funds in line with customers' demands, which have contributed to the growth in its revenue.

Sygnia's focus on low-cost investment and savings products and service provision has meant that, in contrast to our competitors, we have experienced little pressure on management fees. Our past initiatives, such as the launch of the Sygnia Umbrella Retirement Funds ("SURF") in 2016 and the acquisition of the db X-tracker passive management business from Deutsche Bank in 2017 (renamed to Sygnia Itrix), are contributing materially to the Group's results, both financially and in terms of market recognition and profile. SURF is now the sixth largest umbrella fund offering in South Africa, while Sygnia Itrix is the second largest provider of ETFs listed on the JSE and the largest South African provider of international ETFs.

Total revenue for the year rose 9.7% to R808.9 million (2021: R737.2 million), while total expenses, at R428.8 million, increased by 4.1% (2021: R411.9 million). The increase in expenses was primarily driven by higher staff costs associated with increased business activity. The increase in interest income to R26.8 million (2021: R19.6 million) primarily relates to the increase in average cash balances driven by higher profits, and higher interest rates. The increase in other investment income to R6.9 million (2021: R4.2 million) is mainly due to foreign exchange movements.

Profit after tax increased by 19.3% to R287.4 million (2021: R240.9 million) in spite of difficult market conditions.

The Group continues to invest in technology to ensure that Sygnia continues to offer leading fintech solutions and exceptional service to clients. Its offshore expansion is not expected to contribute materially to the results for the foreseeable future but is regarded as an exciting opportunity to diversify its revenues. To that end, Sygnia has launched a number of Ireland-registered funds. These funds will be distributed to South African clients with existing offshore investments, as well as through international platform providers.

Corporate services

Sygnia offers the following services:

- Asset management services in the form of passive and multi-managed investments.
- A broad spectrum of investment funds, such as unitised life funds, unit trusts, exchange traded funds, and management of segregated portfolios.
- A full range of savings products, including retirement annuities, tax-free savings accounts, investment policies, living annuities, and preservation funds.
- Institutional investment administration services.
- Employee benefits services, including the Sygnia Umbrella Retirement Fund.
- Execution-only stockbroking, and securities lending and foreign exchange transacting services.

Although we may conclude strategic acquisitions where these are regarded as being value-accretive and consistent or complementary to our core strategy, we continue to focus on organically growing assets under management supported by strong investment performance at low cost, a commitment to ongoing innovation and the relentless pursuit of superior customer service.

Passive investing is on the rise in South Africa, and Sygnia is well positioned to take advantage of a growing scepticism among investors about the more expensive alternative of active management, especially in a low-return environment. Thematic investing is also gaining in popularity, and our niche funds continue to enjoy good flows.

Market conditions

2022 has unfortunately seen a reversal of 2021's remarkable recovery. The Russian/Ukraine invasion sparked a global energy price crisis, which compounded already-high inflation carried over from excess stimulus during Covid. Central banks around the world are at their most hawkish since the early 1980s, but the dollar has been the key beneficiary as the US has retained its safe haven status. The strong dollar and fear of central-bank-induced recessions drove commodities and commodity currencies (including the rand) to lows last seen with the rise of Covid in early 2020. The risk of overaggressive policy tightening causing a global recession remains high, but resilient growth suggests a soft landing is still possible. A recovering underlying global economy, risk-averse current investor positioning and anchored long-term inflation should form a base from which a recovery is increasingly feasible. A great deal of bad news is already priced in, and if inflation declines according to plan, investors will be rewarded with attractive opportunities. However, if inflation has become entrenched and second-order effects force the Fed to remain hawkish, any bear market rally is likely to be short-lived.

Our key focus remains the art of alpha in a low-growth world, and to this end our long-term term global investment themes remain intact. The listing of our new Sustainable Economies ETF in October signifies our conviction that the answer to the decarbonisation megatrend lies in the emergence of the sustainable economy.

The 20th Congress of the Chinese Communist Party saw President Xi Jinping strengthen his seven-member Politburo Standing Committee. The markets sold off aggressively after the reshuffle in response to a likely continuation of policies staked on Covid Zero and state-driven companies. This had a local knock-on effect, with the Naspers/Prosus group being particularly hard hit as a result of their large holding in Chinese internet giant Tencent. US - China geopolitical risks remain high, but saw a respite at the G20 summit in Bali where Biden and Xi promised to "elevate the relationship".

The local equity market was hindered by Eskom loadshedding, the risks of South Africa being grey-listed by the Financial Action Task Force (FATF) in February next year and the threat of a global recession, which saw the FTSE/JSE SWIX Index return 0%. Along with the rest of the world, South Africa's interest rates rose rapidly to 7.0%, and the market is pricing in another 0.75% of hikes by the end of 2023. Growth in South Africa will continue to be constrained as a result of load shedding, high fuel prices and a possible increase in trading costs after a FATF grey-listing. On a positive note, we look forward to using our increased regulation 28 offshore allowance with our new, expanded ITRIX range.

Events subsequent to the reporting date

The directors are not aware of any matters or circumstances, arising since the end of the financial period, not otherwise dealt with in the consolidated financial statements that significantly affect the financial position of the Group or the results of its operations. The dividend declared after year-end has been disclosed in the notes to the financial statements.

Going concern

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Stated capital

Sygnia Limited had 150 439 353 (2021: 149 633 224) shares in issue at the end of the year.

Final cash dividend

Sygnia is committed to rewarding its shareholders with regular distributions of free cash flow generated. Accounting for projected cash requirements, a gross final dividend for the financial year ended 30 September 2022 of 130 cents per share has been declared out of income reserves, resulting in a net dividend of 104 cents per share for shareholders after Dividends Tax ("DT"). Together with the interim gross dividend of 80 cents per share, this amounts to a total gross dividend of 210 cents per share (2021: 135 cents per share).

Special resolutions

At the annual general meeting of the Company held on 30 January 2022, the following special resolutions were passed:

Special Resolution 1: To approve remuneration of non-executive directors

To resolve that fees payable by the Company to directors for their services as directors (in terms of section 66(9) of the Act) be and are hereby approved for a period of one year from the passing of this special resolution or until its renewal, whichever is the earlier.

Special Resolution 2: To authorise the repurchase of shares

To resolve that, in accordance with Sygnia's memorandum of incorporation, it is hereby approved as a general authority contemplated in the JSE Listings Requirements, the acquisition by Sygnia, or any of its subsidiaries from time to time, of the issued ordinary shares of Sygnia, upon such terms and conditions and in such amounts as the directors of Sygnia may from time to time decide.

Special Resolution 3: To provide financial assistance to subsidiaries and related or inter-related companies

To resolve that the Company is authorised to provide any direct or indirect financial assistance as contemplated in section 45 of the Act to any related or inter-related company or juristic person, in terms of and pursuant to the provisions of section 45 of the Act.

Special Resolution 4: To provide financial assistance for the subscription or purchase of securities

To resolve that the Company is authorised to provide financial assistance as contemplated in section 44 of the Act to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, in terms of and pursuant to the provisions of section 44 of the Act.

Audit and Risk Committee report

for the year ended 30 September 2022

The Sygnia Group Audit and Risk Committee (ARC) is a committee of the board of directors (board). In addition to its statutory duties, the ARC acts in an advisory capacity to the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, risk management and internal controls, the review of financial information and the preparation, by management, of IFRS compliant annual financial statements. This also includes satisfying the board that adequate internal financial controls are in place.

Terms of reference, responsibilities and legal requirements

The ARC operates in terms of a formal board-approved charter which is reviewed and adapted by the Committee annually (or more regularly where required) to cater for evolving oversight, regulatory and other requirements. As part of the annual evaluation of the board, the performance of the ARC was also assessed and found to be satisfactory. The ARC is satisfied that it has conducted its affairs and discharged its duties and responsibilities in accordance with its terms of reference, the JSE Listings Requirements, the Companies Act and the King IV™ Report on Corporate Governance.

Composition and meeting process

The ARC's members at the Group's financial year-end were Mr G Cavaleros, Ms C Appana and Mr J Boyd. The committee's members are independent non-executive directors who met four times during the year with senior management, including the Financial Director, the head of risk, certain other executive management as well as the assurance providers. The internal and external auditors have unfettered access to the ARC and its chairman and attend the Committee meetings.

External audit quality, independence and fees

The ARC considered and satisfied itself with the audit quality (including the audit approach and plan) and independence of Mazars and Ms Y Ferreira in their respective capacities as the appointed external audit firm and lead audit partner. In doing so, the ARC considered the external auditor's suitability assessment and adherence in terms of paragraph 3.84(g)(iii) and section 22.15(h) of the JSE Listings Requirements. The ARC also reviewed the audit quality based on the Committee's own assessment in addition to considering the documents presented by Mazars, as required by the JSE Listings Requirements, and found it to be satisfactory.

Furthermore, the ARC ensured that the scope of non-audit services rendered by Mazars did not threaten auditor independence.

The ARC will recommend to shareholders at the Group's annual general meeting that Mazars be re-appointed as the Group's auditors and Ms Y Ferreira as the designated partner for the year ending 30 September 2023.

Section 92 of the Companies Act requires the rotation of the designated auditor (i.e., the audit engagement partner) after a tenure of five consecutive financial years for companies that are required by the Companies Act or the Companies Regulations to have their annual financial statements audited. Ms Ferreira's tenure will expire at the conclusion of the 2023 audit. The Committee will ensure that the Section 92 rotation provisions are complied with.

Internal audit and internal controls

Mr D Hufton, the Group CEO, continues as head of the internal audit control function, with PwC, led by Mr W de Bruin, continuing to perform the internal audit activities in terms of an outsourced service arrangement. Internal audit has unrestricted access to those charged with governance. The ARC approved and monitored the risk-based internal audit plan, considered the results of the reviews performed by internal audit, and obtained assurance that processes have been implemented by management to ensure that the necessary corrective action is taken to address internal audit's findings. In respect of in-scope areas, internal audit has not identified any significant weakness in the design, implementation or operating effectiveness of the Group's internal financial controls (IFCs) as well as its information systems general controls.

The Committee satisfied itself that the internal audit function is independent and had the necessary resources, standing and authority to discharge its duties. The ARC confirmed the reappointment of PwC as internal auditors and determined the 2023 internal audit plan for the Group.

In addition, Mazars conducted an International Standard on Assurance Engagements 3402 (ISAE 3402) Type 2 review of key internal controls at Sygnia Life Limited, Sygnia Asset Management Proprietary Limited, and Sygnia Collective Investments (RF) Proprietary Limited. In this regard, Mazars concluded that for the period 1 October 2021 to 30 September 2022:

- the description of the systems, as outlined in the ISAE 3402 reports, fairly presents Sygnia's investment management operations as designed and implemented;
- the controls related to the control objectives stated in the ISAE 3402 report were suitably designed throughout; and
- the controls tested were those necessary to provide reasonable assurance that the control objectives stated in the ISAE 3402 report were achieved and operated effectively.

Fraud or misconduct

The ARC is not aware of any instances of fraud or misconduct, or any material compliance breaches during the current period.

Effectiveness of the Financial Director and the finance function

In terms of JSE Listings Requirement 3.84(g), the Committee considered and satisfied itself of the effectiveness of the Financial Director, Murad Sirkot, as well as the experience and adequacy of resources within the Group's finance function.

Risk management

The ARC reviewed and approved the Group-wide risk management practices, and ensured that the executive team had implemented:

- robust processes to identify and assess the Group's risk exposures;
- a risk management infrastructure capable of mitigating such risks within an approved risk appetite; and
- practices allowing for prompt communication of key risk-related matters to the ARC and other key internal stakeholders.

Combined assurance

Sygnia has developed and implemented a combined assurance model in respect of its key risks which were identified during a thorough top-down and bottom-up approach. The combined assurance model continues to be reviewed regularly and refined as appropriate to enhance its effectiveness and to cater for changing risk exposures and 'lines of defence' responsibilities. For each key risk, an appropriate action plan was developed and monitored. Combined assurance is evaluated against the Group's board approved risk appetite. The Committee's view is that the current combined assurance arrangements are sufficiently robust in order to achieve their objectives.

Annual financial statements

The Committee reviewed the accounting policies, significant accounting matters as well as the going concern assessment applicable to the Group's 2022 consolidated annual financial statements, and ensured that the consolidated annual financial statements and the related results announcements were, in all material respects, in compliance with the provisions of the Companies Act, IFRS and the JSE Listings requirements. The ARC also considered matters, including those emanating from the JSE's pro-active monitoring process in respect of accounting policies and financial reporting as well as numerous other matters communicated by the JSE over the past few months in respect of reporting and disclosure. The Committee has concluded that appropriate financial reporting procedures exist and are operational within the Group to facilitate the preparation and dissemination of financial information that is free of material misstatement, whether due to fraud or error. The Committee is satisfied that the consolidated annual financial statements fairly present the financial position of the Group at 30 September 2022 and the results of its operations and cash flows for the year then ended. The consolidated annual financial statements and results announcement were recommended to the board for approval.

Consideration of key audit matters

The key audit matters (KAMs) identified and reported on by Mazars on page 53 are also matters that featured on the ARC's agenda. The Committee has assessed the key audit matters included in the external auditors' report and has concluded after considering submissions from management and Mazars that these matters have been appropriately addressed.

Integrated report

In compliance with the requirements of the King Report on Governance of South Africa 2016 and the JSE Listings Requirements, an Integrated Report has been compiled for the 2022 financial year in addition to these consolidated annual financial statements. The Committee has reviewed the contents of the Integrated Report and recommend its approval by the board.

George Cavaleros
Chairman of the Audit and Risk Committee
5 December 2022

Independent auditor's report

to the shareholders of Sygnia Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Sygnia Limited and its subsidiaries (the Group) set out on pages 56 to 91, which comprise the consolidated statement of financial position as at 30 September 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. All key audit matters relate to the consolidated financial statements.

Valuation of limited liability partnership investments and unlisted private equity investments (note 7.1)

Matter

The Group's accounting policy in note 1 states that investments linked to investment contract liabilities are initially recognised at fair value and subsequently measured at fair value through profit or loss in accordance with IFRS 9.

The Group's investments linked to investment contract liabilities of R126 billion (2021: R126 billion) include unlisted investments in limited liability partnerships of R5.3 billion (2021: R3.8 billion), and unlisted private equity investments of R117 million (2021: R89 million).

The limited liability partnership investment is classified as Level 3 investments and valued using the net asset value method. The net asset value of the limited liability partnerships are determined with reference to the fair value of the respective partnership's own investments in listed and unlisted shares.

The unlisted private equity investment is classified as a Level 2 investment and valued using the last trade price method.

Given the significance of the estimates and judgements used by management in the valuation of the Group's investments in limited liability partnerships and private equity investments, we have assessed that the valuation of these investments warrants significant audit focus. The use of inappropriate inputs and assumptions by management could result in an investment valuation reflected in the financial statements that is materially misstated.

Audit response

In establishing the overall approach to the group audit, we determined the extent of our reliance on the work performed by the component auditors of the limited liability partnerships. In addition to the work performed by the component auditors, we performed substantive tests of details and substantive analytical review procedures to confirm the reasonableness of the valuation of the limited liability partnership investment and unlisted private equity investment carrying value at year end. Our audit procedures included, amongst others, the following:

- We assessed the appropriateness of the valuation methodologies and techniques applied in the valuation of the limited liability partnership investment and unlisted private equity investment in terms of the requirements of IFRS 13.
- We confirmed the last traded price for level 2 investments with reference to broker confirmations.
- We re-performed the calculation of the percentage holding in the limited liability partnerships with reference to opening balances and contributions and withdrawals into and out of the limited liability partnerships.
- We agreed the value of the level 3 investments to the underlying net asset values of the limited liability partnerships and assessed the reasonableness of the methodologies and assumptions used by the limited liability partnerships in determining the fair value of the underlying assets and liabilities used in the calculation of the adjusted net asset value.
- We assessed the presentation and disclosure of the limited liability partnership investment and unlisted private equity investment in the consolidated financial statements for compliance in terms of the IFRS.

Impairment of goodwill and management contract intangible asset (note 3)

Matter
The Group's accounting policy in note 1 of the consolidated financial statements states that goodwill and the management contract intangible assets are measured at cost less any accumulated impairment loss.

The Group has goodwill and management contract balances which are included in the intangible assets balance.

The recoverable amounts of the goodwill and management contract have been determined by management using the value in use calculations in accordance with the requirements of IAS36. The valuation techniques applied by management involve significant estimation and judgement.

These estimates and assumptions used in determining the discounted cash flow include among others:

- Risk-free rate;
- Discount rates;
- Tax rates; and
- Growth & terminal growth rates.

The significance of the estimates and judgements involved, coupled with the high number of individual estimates performed, could result in a material misstatement and therefore warranted specific audit focus.

Audit response
We performed the following audit procedures on the impairment tests at the lowest level of cash generating units to which the goodwill and management contract has been allocated:

- We recalculated the valuation obtained from management to assess the mathematical accuracy thereof;
- We assessed the valuation methodology and key assumptions used in determining the valuation of the recoverable amount in terms of IAS36 which included a comparison to the actual historic results, management budgets and external market information as well as an assessment of the reasonability of the risk-free, discount, tax and growth rates used;
- We performed a sensitivity analysis on the significant assumptions and compared it to the overall recoverable amounts; and
- We assessed the presentation and disclosure of the goodwill and management contract intangible asset in the consolidated financial statements for compliance in terms of the IFRS.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sygnia Limited's Integrated Report 2022" and in the document titled "Audited Consolidated Annual Financial Statements for the year ended 30 September 2022" which includes the Directors' Report, the Audit and Risk Committee Report, the Report by the Company Secretary as required by the Companies Act of South Africa and the Analysis of Shareholding. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Sygnia Limited for four years.

Mazars

Partner: Yolandie Ferreira
Registered Auditor
5 December 2022

Mazars House
Rialto Road
Grand Moorings Precinct
7441
Century City
South Africa

Consolidated statement of financial position

as at 30 September 2022

	Notes	2022 R'000s	2021 R'000s
Assets			
Intangible assets	3	410 380	412 360
Property and equipment	4	18 221	21 877
Loans receivable	9	42 621	50 113
Right-of-use assets	5	12 428	28 659
Deferred tax assets	6	17 000	8 155
Investments linked to investment contract liabilities	7.1	126 196 900	126 641 861
Other receivables		6 990	6 920
Trade receivables	10	102 143	99 629
Investments	8	393 842	322 052
Amounts owing by clearing houses	11.1	32 073	2 826
Amounts owing by clients	11.2	27 709	410 046
Cash and cash equivalents	12	357 524	460 481
Total assets		**127 617 831**	**128 464 979**
Equity			
Stated capital	13	662 712	652 011
Retained earnings		412 956	366 154
Reserves		(234 111)	(237 067)
Total equity		**841 557**	**781 098**
Attributable to the owners of the parent		841 236	780 802
Attributable to non-controlling interest		321	296
Liabilities			
Loan payable - Non-current	15	45 293	-
Preference share liability - Non-current	17	100 000	-
Lease liabilities - Non-current	16	3 129	14 036
Deferred tax liabilities	6	69 355	80 154
Third-party liabilities arising on consolidation of unit trust funds	14	4 407 929	2 972 447
Investment contract liabilities	7.2	121 796 830	123 659 093
Tax payable		39 061	26 387
Loan payable - Current	15	-	65 276
Preference share liability - Current	17	-	100 000
Lease liabilities - Current	16	10 695	18 146
Trade and other payables	18	244 211	335 649
Amounts owing to clearing houses	11.1	-	95 709
Amounts owing to clients	11.2	59 771	316 984
Total liabilities		**126 776 274**	**127 683 881**
Total equity and liabilities		**127 617 831**	**128 464 979**

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 September 2022

	Notes	2022 R'000s	2021 R'000s
Revenue	21	808 861	737 198
Operating expenses	21	(428 839)	(411 885)
Profit from operations	**21**	**380 022**	**325 313**
Investment contract (loss)/income	19	(4 596 328)	16 156 826
Transfer from/(to) investment contract liabilities	20	4 596 328	(16 156 826)
Interest income		26 776	19 595
Other investment income	22	6 891	4 156
Finance costs		(11 359)	(12 437)
Profit before tax		**402 330**	**336 627**
Income tax	23	(114 966)	(95 680)
Profit after tax		**287 364**	**240 947**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Foreign currency translation reserve		(489)	223
Total comprehensive income for the year		**286 875**	**241 170**
Profit attributable to:			
Owners of the parent		286 729	240 443
Non-controlling interest		635	504
		287 364	**240 947**
Total comprehensive income attributable to:			
Owners of the parent		286 240	240 666
Non-controlling interest		635	504
		286 875	**241 170**
Earnings per share (cents)	24		
Basic		191.3	170.7
Diluted		186.1	166.1

Consolidated statement of changes in equity

for the year ended 30 September 2022

	Notes	Attributable to equity holders of the group					
		Stated capital R'000s	Other reserves R'000s	Share-based payment reserve R'000s	Retained earnings R'000s	Non-controlling interest R'000s	Total equity R'000s
Balance at 1 October 2020		**603 173**	**(252 908)**	**44 447**	**308 129**	**-**	**702 841**
Acquisition of non-controlling interest		-	-	-	-	22	22
Total comprehensive income for the year		-	223	-	240 443	504	241 170
Dividends paid *		-	-	-	(182 418)	(230)	(182 648)
Share-based payment expense	21	-	-	8 377	-	-	8 377
Capital distribution **	13	(71 824)	-	-	-	-	(71 824)
Issue of shares	13	83 160	-	-	-	-	83 160
Transfer between share based payment reserve and stated capital	13	37 502	-	(37 502)	-	-	-
Balance at 30 September 2021		**652 011**	**(252 685)**	**15 322**	**366 154**	**296**	**781 098**
Total comprehensive income for the year		-	(489)	-	286 729	635	286 875
Dividends paid ***		-	-	-	(239 927)	(610)	(240 537)
Share-based payment expense	21	-	-	8 887	-	-	8 887
Issue of shares	13	10 507	-	-	-	-	10 507
Ordinary shares repurchased	13	(5 273)	-	-	-		(5 273)
Transfer between share based payment reserve and stated capital	13	5 467	-	(5 467)	-	-	-
Balance at 30 September 2022		**662 712**	**(253 174)**	**18 742**	**412 956**	**321**	**841 557**

* Dividends per share - 125 cents

** Capital distribution per share - 48 cents

*** Dividends per share - 160 cents

Other reserves relate to equity acquired in subsidiaries from minority shareholders in prior periods, as well as business combinations under common control in which the consideration exceeded the carrying value of the net assets acquired and a foreign currency translation reserve.

Consolidated statement of cash flows

for the year ended 30 September 2022

	Notes	2022 R'000s	2021 R'000s
Cash flows from operating activities			
Cash flows from operations	26	328 479	389 269
Dividends received		4	56
Interest received		26 513	20 679
Interest paid		(11 342)	(12 527)
Tax paid		(111 017)	(80 555)
Net cash flows from operating activities		**232 637**	**316 922**
Cash flows from investing activities			
Additions to property and equipment	4	(2 608)	(2 720)
Loans advanced		(1 411)	(4 994)
Loans repaid		8 903	10 016
Purchase of investments		(122 862)	(67 433)
Proceeds on sale of investments		57 004	90 936
Net cash flows from investing activities		**(60 974)**	**25 805**
Cash flow from financing activities			
Dividends paid		(240 537)	(182 648)
Issue of ordinary shares	13	10 507	83 160
Ordinary shares repurchased	13	(5 273)	-
Loan repaid	15	(20 000)	(25 000)
Lease liabilities paid - principal portion	16	(18 274)	(18 343)
Net cash flows from financing activities		**(273 577)**	**(142 831)**
Net change in cash and cash equivalents		**(101 914)**	**199 896**
Cash and cash equivalents at beginning of the year	12	460 481	259 683
Exchange (losses)/gains on cash and cash equivalents		(1 043)	902
Cash and cash equivalents at end of year	12	**357 524**	**460 481**

Note to the statement of cash flows:

Cash held in overnight settlement accounts on behalf of policyholders of Sygnia Life Limited and clients of Sygnia Collective Investments (RF) Proprietary Limited is included on the face of the statement of financial position under "Cash and cash equivalents" with a corresponding payable to clients included in trade and other payables (unsettled trades). This results in the movement in these cash amounts being disclosed in the statement of cash flows. Changes in these amounts are shown under the "Changes in working capital", under the "Cash flows from operating activities" section on the statement of cash flows. These cash amounts fluctuate on a daily basis and can result in significant fluctuations if comparing "Changes in working capital" between reporting periods.

Notes to the consolidated financial statements

for the year ended 30 September 2022

1. Accounting policies

The consolidated financial statements comprise Sygnia Limited and its subsidiaries ("the Group"). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The consolidated financial statements are presented in Rands and are prepared on the historical cost basis, unless stated otherwise in the accounting policies below. All financial information presented has been rounded to the nearest thousand Rand, unless otherwise indicated.

Forthcoming requirements

At the date of authorisation of these consolidated financial statements, the following standards and interpretations that impact the Group were in issue, but not yet effective:

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Error

Effective for annual periods beginning on or after 1 January 2023

The amendments replace the definition of a change in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

IAS 1 - Presentation of Financial Statements

The amendments clarify:

- The classification of liabilities as current or non-current - Effective for annual periods beginning on or after 1 January 2023
- The disclosure of accounting policies where information is material - Effective for annual periods beginning on or after 1 January 2023
- The classification of long-term debt affected by covenants - Effective for annual periods beginning on or after 1 January 2024

IFRS 9 - Financial Instruments

Effective for annual periods beginning on or after 1 January 2022

The amendment clarifies which fees must be applied in the application of the 10 percent test when assessing if a financial liability should be derecognised.

During the current year management has considered the impact of the above standard, amendments and interpretations issued, and do not believe that there are any material impacts to be noted as at the date of this report.

Basis of consolidation

The acquisition method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. The Group acts as a fund manager to collective investment schemes. In determining whether the Group controls such a scheme, it assesses the aggregate economic interests of the Group (investment management fees) and the investor's rights to remove the fund manager. The non-controlling interests in the collective investment scheme consolidated by the Group are classified as third-party liabilities arising on consolidation of unit trust funds, a financial liability, in the consolidated statement of financial position. These interests are classified at fair value through profit or loss and measured at fair value, which is equal to the published closing price of the number of units of the investment funds' scheme not owned by the Group.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition, over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, at the date of acquisition. Goodwill is reported in the statement of financial position as an intangible asset. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses, which are reflected in profit or loss. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash generating units that are expected to benefit from the synergies of the combination for the purpose of impairment testing. The impairment is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Management contracts

Management contracts represent the contracts between Sygnia Itrix and the five exchange traded funds that were acquired with the acquisition of DBX-trackers from Deutsche Bank. These management contracts represent a relationship between the ETF and the management company and, as a result, there is a right for the management company to earn a revenue stream from the ETFs, which in turn will generate revenue from ETF unit holders. The management contract intangible asset has an indefinite life as the ETFs from which the revenue stream is to be derived as a result of the management contracts will exist for the foreseeable future and no terminal point has been identified at year end.

Management contracts are tested annually for impairment and are carried at cost less accumulated impairment losses, which are reflected in profit or loss.

Customer relationships

a) Acquired contracts with clients

Acquired contracts with clients are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

b) Investment plan

The investment plan represents client relationships associated with the investment plan acquired with Sygnia Itrix. These clients are directly associated with the ownership of Sygnia Itrix and therefore required valuation in terms of the purchase price allocation valuation as a defined revenue stream was associated with those relationships.

Computer software

Purchased computer software

Purchased computer software is stated at historical cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Licence

The Licence intangible asset relates to the costs to establish an entity with the same licenses as Sygnia Itrix, allowing it to offer ETFs to investors.

Customer relationships and licenses are amortised on a straight-line method to write off the cost of each asset over its estimated useful life. The useful life, amortisation method and residual values are reassessed annually. These assets are amortised over the following useful lives:

Customer relationships - acquired contracts	9 years
Customer relationships - investment plan	10 years
Licence	10 years

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. The gain or loss arising from derecognition is recognised in profit or loss.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and impairment losses. The useful life, depreciation method and residual value of all assets are reassessed annually.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life. Assets are depreciated over the following useful lives:

Artwork - installed as part of the building	Over the lease term
Leasehold improvements	Over the lease term
Owner occupied property	50 years
Artwork - movable	25 years
Furniture and fittings	6 years
Motor vehicles	5 years
Office equipment	5 years
Computer equipment	3 years

The carrying value of an item of property, plant and equipment shall be de-recognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and is recognised in profit or loss.

Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Leases

Under IFRS 16, leases are recognised as a lease liability and corresponding right-of-use asset at the date which the leased asset is available for use by the Company.

Lease liability

The lease liability is initially measured at the present value of future lease payments. The lease payments are discounted using the incremental borrowing rate. The Group estimated the incremental borrowing rate using recent third-party financing rates received adjusted for certain entity-specific estimates such as the lease term. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are initially measured at cost comprising the following:

- The initial amount of the corresponding lease liability.
- Any lease payments made at or before the commencement date.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are depreciated over three to five years, the depreciation charge is recognised in profit or loss.

Financial instruments

Financial instruments are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the particular instrument. Financial assets are de-recognised when, and only when, the Group transfers substantially all risks and rewards of ownership. Financial liabilities are de-recognised when, and only when, the obligations under the contract are discharged, cancelled or expire.

Financial assets

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise investments linked to investment contract liabilities and investments. These assets are initially recognised at fair value and subsequently measured at fair value through profit or loss. Transaction costs are expensed to profit or loss. Financial assets at fair value through profit or loss are valued as follows:

- Listed equities - closing prices on an exchange.
- Listed interest income securities - closing prices on an exchange.
- Unlisted interest income securities - valuation model that uses observable market inputs (yield of benchmark bonds).
- Collective investment schemes - published price provided by the management company.
- Hedge funds - price provided by the fund manager.
- Investments in insurance policies - price provided by the insurer.
- Unlisted private equity investment - last traded price provided by brokers. If no trades within six months, directors' valuation.
- Limited liability partnership investments - price provided by the administrator.

Regular purchases and sales are recognised on trade date.

b) Financial assets at amortised cost

Financial assets at amortised cost comprise loans receivable, trade receivables, amounts owing by clearing houses, amounts owing by clients and cash and cash equivalents. These assets are initially recognised at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Financial assets at amortised cost are held to collect contractual cash flows, which consist solely of payments of principal and interest. Financial assets that are held to sell and those that are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held to collect contractual cash flows and sell. Receivables with a short duration are measured at their transaction price.

Financial liabilities

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise investment contract liabilities and third-party liabilities arising on consolidation of unit trust funds. This classification eliminates a measurement inconsistency that would otherwise arise with the measurement basis of investments linked to investment contract liabilities. These liabilities are initially recognised at fair value and subsequently measured at fair value through profit or loss. These contracts are accounted for in terms of IFRS 9. Amounts received under investment contracts are recorded as deposits and credited directly to investment contract liabilities. Amounts paid under investment contracts are recorded as deductions from investment contract liabilities. Investment contract liabilities are recognised when the Group becomes party to their contractual provisions. Disclosure in the statement of profit or loss and other comprehensive income has been made to reflect all income, including realised and unrealised profit, relating to policyholders into one line item called 'investment contract income' and all the expenses relating to policyholders into one line item called 'transfer to investment contract liabilities'. Disclosure in the statement of financial position has been made to reflect all the policyholder assets in one line item called 'investments linked to investment contracts liabilities'.

b) Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise loan payable, preference share liability, lease liabilities, trade and other payables, amounts owing to clearing houses and amounts owing to clients. Financial liabilities are initially recognised at fair value less any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Scrip lending

The group engages in scrip lending activities whereby securities are lent to counterparties and are subject to a written legal agreement under the terms of a Global Master Securities Lending Agreement. In exchange for the securities lent, the group receives collateral in the form of cash or securities in excess of the market value of securities lent. The Group monitors the fair value of securities lent and additional collateral is obtained if necessary. The value of the cash collateral received is recorded as policyholder investments linked to investment contract liabilities with the equivalent payable to the counterparty recorded as investment contract liabilities. Securities lent to counterparties are shown as investment contract portfolio debtors and are stated at the fair value of the underlying securities.

Managed funds and trust activities

Certain companies within the Group operate collective investment schemes that hold and invest funds on behalf of clients. Assets and liabilities representing such activities are not reflected in the statement of financial position as these relate directly to clients, except in instances where the criteria for the consolidation of those funds is met, in which case the assets and liabilities associated with those funds are included on the statement of financial position. Income from these activities is brought into account in the period to which the service relates.

Impairment

The carrying amounts of the Group's financial assets are presented net of impairment after applying the expected credit loss (ECL) assessment. The ECL is updated at the end of the reporting period to reflect changes in credit risk since initial recognition. For financial assets at amortised cost, a forward looking ECL is applied. The Group holds only trade receivables with no financing component that have maturities of less than one year at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for ECL under IFRS 9 to all its trade receivables. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group applies IFRS 9's general approach to its loans receivable in terms of which the Group regards a significant increase in credit risk as when payments are more than 30 days past due, and a default as when payments are more than 90 days past due. Loans are written off when there is no realistic prospect of recovery.

Revenue

Revenue comprises fees for services rendered and includes investment management fees, investment administration fees, general partner fees, treasury income, brokerage income and securities lending income.

Investment management fees, investment administration fees, general partner fees and securities lending income continue to be recognised over time on a daily basis as services are rendered. Variable consideration comprises investment management fees that are performance based. Revenue is recognised only to the extent that it is highly probable that no significant revenue reversal will occur, and such amounts are only included based on the expected value or most likely outcome method. More specifically, revenue is recognised when all contractual provisions as agreed with clients have been met and the performance obligation has been satisfied. Due to inherent volatility and uncertainties in financial markets, this usually occurs when the variable consideration crystallises, or on redemption of the client's investment.

Brokerage and treasury income continues to be recognised at a point in time on the day that the purchase or sale of financial instruments is concluded, regardless of when settlement takes place.

Where the Group recognises revenue over time, this is in general due to the Group performing and the customer receiving and consuming the benefits over the life of the contract as services are rendered. The Group applies a revenue recognition method that faithfully depicts the Group's performance of its obligations.

Interest and other investment income

Interest income is recognised on the accrual basis using the effective interest rate method. Other investment income comprises dividend income, gains or losses on revaluation or disposal of financial assets and foreign exchange gains and losses. Dividend income is recognised in profit or loss on the date the entity 's rights to receive payment is established. Income received from collective investment schemes is recognised in profit or loss on the date when the income is distributed. The relevant distinction is made between the nature of the income distributed, as is appropriate.

Finance costs

Finance costs comprise interest expense on interest-bearing borrowings as well as the finance costs related to lease liabilities.

Share-based payments

The Group operates two share option schemes involving share options in Sygnia Limited. The share option schemes, which are on an equity settled basis, allows the Group's employees to acquire shares of Sygnia Limited. The fair value of options granted is recognised as an expense with a corresponding increase in equity (share based payment reserve), on a straight-line basis over the vesting period based on management's estimate of the shares that will vest and adjusted for the effect of non market-based vesting conditions. These share-based payments are not subsequently revalued. When share options are exercised, the share based payment reserve is released to stated capital.

Foreign currencies and foreign operations

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Financial assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Gains and losses arising on translation are credited to or charged against profit or loss. The Group has a subsidiary in the UK for which the functional currency is pound sterling. On consolidation, the results and financial position of the UK subsidiary is translated into the presentation currency of the Group, as follows:

- Assets and liabilities are translated at the closing rate at year end.
- Income and expense items are translated at exchange rates ruling at the date of the transaction.
- All resulting exchange differences are recognised in other comprehensive income (foreign currency translation reserve), which is subsequently recognised in the statement of profit or loss and other comprehensive income on disposal of the foreign operation.
- Cash flow items are translated at the exchange rates ruling at the date of the transactions.

Earnings per share

The Group presents basic and diluted earnings per share and headline earnings per share data for its ordinary shares. Basic earnings per share are calculated by dividing profit or loss attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary equity shareholders of the parent and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive instruments. Headline and diluted headline earnings per share are calculated in accordance with Circular 1/2021 issued by the South African Institute of Chartered Accountants.

Segment information

The Group has identified Sygnia' s executive committee as the Chief Operating Decision Maker ("CODM"). The responsibility of the executive committee is to assess performance and to make resource allocation decisions across the Group. During 2019, the Group commenced operations in the United Kingdom. These operations are through a subsidiary, registered in England & Wales, that earns fees and incurs costs as the general partner to a private equity partnership registered in England & Wales and for support services rendered. The revenue and costs related to these operations is not considered to be significant and therefore, no further disclosure has been made in relation to this segment. The South African operations continued to provide investment management and administration services to institutional and retail clients predominantly located in South Africa. No disaggregated information is provided to the CODM on the South African operations, and the CODM assesses operating performance and makes resource decisions about the

South African operations as a whole. The Group has therefore concluded that the South African operations constitutes one operating segment.

2. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reporting amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by the directors and management. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant estimates made by management in the application of IFRS relates to the impairment of intangible assets, the observable market data used to measure the share option expense, the valuation of level 3 financial assets and determination of the incremental borrowing rate applicable to leases. Significant judgements include the consolidation of the Group's collective investment schemes and the classification of investment contract liabilities as financial liabilities. There were no material changes to judgements from the prior year.

3. Intangible assets

2022	Goodwill R'000s	Management contracts R'000s	Customer relationships R'000s	Computer software R'000s	Licence R'000s	Closing balance R'000s
At cost						
Opening balance	149 698	253 885	17 176	5 972	1 170	427 901
Scrapping	-	-	-	(5 972)	-	(5 972)
Closing balance	**149 698**	**253 885**	**17 176**	**-**	**1 170**	**421 929**
Accumulated amortisation and impairment						
Opening balance	(31)	-	(9 070)	(5 972)	(468)	(15 541)
Amortisation	-	-	(1 863)	-	(117)	(1 980)
Scrapping	-	-	-	5 972	-	5 972
Closing balance	**(31)**	**-**	**(10 933)**	**-**	**(585)**	**(11 549)**
Carrying amount	**149 667**	**253 885**	**6 243**	**-**	**585**	**410 380**
2021						
At cost						
Opening balance	149 698	253 885	17 176	19 880	1 170	441 809
Refund*	-	-	-	(13 908)	-	(13 908)
Closing balance	**149 698**	**253 885**	**17 176**	**5 972**	**1 170**	**427 901**
Accumulated amortisation and impairment						
Opening balance	(31)	-	(6 929)	(5 972)	(351)	(13 283)
Amortisation	-	-	(2 141)	-	(117)	(2 258)
Closing balance	**(31)**	**-**	**(9 070)**	**(5 972)**	**(468)**	**(15 541)**
Carrying amount	**149 667**	**253 885**	**8 106**	**-**	**702**	**412 360**

Goodwill consists mainly of amounts relating to two separate cash generating units ("CGUs"), namely SURF and Sygnia Itrix. Consequently, there are two separate goodwill impairment assessments relating to each of the CGUs. The carrying amount relating to SURF is R18.5 million (2021: R18.5 million) and to Sygnia Itrix is R130.8 million (2021: R130.8 million).

* The refund relates to amounts previously paid to a third party provider that has been repaid due to delays on a re-platforming project. This refund was included in trade receivables in the prior year.

Critical accounting estimates and judgements

Management assesses the recoverable amount of each CGU and management contracts by using value-in-use calculations for each CGU and management contract. Value-in-use is assessed on a discounted cash-flow based calculation. These calculations use cash flow projections based on financial budgets for a six-year planning period. Where appropriate, cash flows were extrapolated into perpetuity by using a terminal growth rate model. A key input used in the models to determine the value-in-use of the CGUs is the pre-tax discount rate applied to management's forecasted cash flows, which reflects the current market assessments of time value of money and the risk specific to the CGU. The growth rate and terminal growth rate is based on historical information.

Impairment evaluation of goodwill

The assumptions below have been used in estimating the value in use of the SURF and Sygnia Itrix CGUs:

	SURF %		Sygnia Itrix %	
	2022	2021	2022	2021
Risk-free rate (10 year Government bond)	10.68	9.44	10.68	9.44
Growth rate	5.00	5.00	4.65	4.50
Terminal growth rate	4.17	4.17	4.64	4.52
Discount rate	31.85	30.12	31.15	29.43

A reasonably possible change in these assumptions would not cause the carrying amount to exceed its recoverable amount.

Impairment evaluation of management contracts

The assumptions below have been used in estimating the value in use of management contracts within the Sygnia Itrix CGU:

	2022 %	2021 %
Risk-free rate (10 year Government bond)	10.68	9.44
Terminal growth rate	2.91	3.30
Discount rate	31.15	29.43

A reasonably possible change in these assumptions would not cause the carrying amount to exceed its recoverable amount.

4. Property and equipment

2022	Artwork R'000s	Computer equipment R'000s	Furniture and fittings R'000s	Leasehold improvements R'000s	Motor vehicle and office equipment R'000s	Owner occupied property R'000s	Closing balance R'000s
At cost							
Opening balance	8 831	5 209	6 198	20 684	1 185	5 162	47 269
Additions	728	1 247	-	556	77	-	2 608
Scrapping	(659)	-	-	-	-	-	(659)
Foreign exchange adjustment	-	-	-	962	-	-	962
Closing balance	**8 900**	**6 456**	**6 198**	**22 202**	**1 262**	**5 162**	**50 180**
Accumulated depreciation							
Opening balance	(3 447)	(3 043)	(3 932)	(13 271)	(1 081)	(618)	(25 392)
Depreciation	(706)	(1 357)	(708)	(4 341)	(72)	(103)	(7 287)
Scrapping	659	-	-		-	-	659
Foreign exchange adjustment	-	-	-	61	-	-	61
Closing balance	**(3 494)**	**(4 400)**	**(4 640)**	**(17 551)**	**(1 153)**	**(721)**	**(31 959)**
Carrying amount	**5 406**	**2 056**	**1 558**	**4 651**	**109**	**4 441**	**18 221**

2021	Artwork R'000s	Computer equipment R'000s	Furniture and fittings R'000s	Leasehold improvements R'000s	Motor vehicle and office equipment R'000s	Owner occupied property R'000s	Closing balance R'000s
At cost							
Opening balance	8 831	3 909	5 500	24 779	1 185	5 162	49 366
Additions	-	1 623	942	155	-	-	2 720
Scrapping	-	(323)	(244)	(3 679)	-	-	(4 246)
Foreign exchange adjustment	-	-	-	(571)	-	-	(571)
Closing balance	**8 831**	**5 209**	**6 198**	**20 684**	**1 185**	**5 162**	**47 269**
Accumulated depreciation							
Opening balance	(3 131)	(1 946)	(3 370)	(11 932)	(993)	(515)	(21 887)
Depreciation	(316)	(1 420)	(806)	(5 184)	(88)	(103)	(7 917)
Scrapping	-	323	244	3 679	-	-	4 246
Foreign exchange adjustment	-	-	-	166	-	-	166
Closing balance	**(3 447)**	**(3 043)**	**(3 932)**	**(13 271)**	**(1 081)**	**(618)**	**(25 392)**
Carrying amount	**5 384**	**2 166**	**2 266**	**7 413**	**104**	**4 544**	**21 877**

5. Right-of-use assets

	Corporate offices	
	2022 R'000	**2021 R'000**
At cost		
Opening balance	61 170	62 323
Lease modification *	-	(302)
Foreign exchange adjustment	(149)	(851)
Closing balance	**61 021**	**61 170**
Accumulated depreciation		
Opening balance	(32 511)	(14 429)
Depreciation	(16 175)	(18 281)
Foreign exchange adjustment	93	199
Closing balance	**(48 593)**	**(32 511)**
Carrying amount	**12 428**	**28 659**

* During the prior year the leases were renegotiated with an effective date of 1 July 2021, resulting in a lease modification.

Refer to note 16 for the lease liabilities relating to right-of-use assets.

6. Deferred tax

	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	2022 R'000s	**2021 R'000s**	**2022 R'000s**	**2021 R'000s**
Deferred tax assets relates to the following:				
Rate change	-	-	(271)	-
Accruals	13 156	7 415	6 006	2 478
Estimated tax losses	-	-	-	(260)
Income received in advance	410	471	(44)	155
Prepayments	(1 727)	(1 663)	(123)	(810)
Tenant installation allowance	5	18	(12)	(25)
Net fair value adjustment on investments	(3 977)	162	(4 133)	108
Right-of-use asset	(2 295)	(5 402)	2 892	10 050
Lease liability	3 569	7 154	(3 329)	(9 203)
Foreign exchange adjustment	-	-	8	72
Unrealised loss on investment contract assets relating to policyholders	7 859	-	7 859	-
	17 000	**8 155**	**8 853**	**2 565**
Deferred tax liabilities relates to the following:				
Rate change	-	-	2 494	-
Accruals	-	5 512	(5 315)	917
Intangible assets	(69 355)	(72 385)	445	896
Prepayments	-	(141)	136	(67)
Net fair value adjustment on investments	-	(2 819)	2 718	(1 812)
Unrealised profit on investment contract assets relating to policyholders	-	(10 321)	10 321	(6 049)
	(69 355)	**(80 154)**	**10 799**	**(6 115)**

7. Investment contract investments and liabilities

7.1 Investments linked to investment contract liabilities

Investments linked to investment contract liabilities	2022 R'000s	2021 R'000s
Equities	21 360 872	23 665 606
Interest income securities	5 428 960	6 837 239
Domestic collective investment schemes *	14 654 885	15 225 023
International collective investment schemes *	54 522 012	56 532 085
Hedge funds	77 923	75 427
Derivatives	11 684	33 154
Limited liability partnership investments	5 381 260	3 809 358
Unlisted private equity investment	117 573	89 568
Domestic investments in insurance policies	6 958 810	9 713 152
International investments in insurance policies	52 875	78 441
Cash and cash equivalents	1 500 927	2 591 852
Investment contract portfolio debtors	8 811 549	5 604 725
Unsettled cash transactions	72 045	259 571
Investment contract portfolio accrued interest	131 543	88 380
Collateral equities relating to scrip on loan	2 702 545	3 266 576
Collateral cash relating to scrip on loan	7 113 982	2 038 280
Collateral payable relating to scrip on loan	(2 702 545)	(3 266 576)
	126 196 900	**126 641 861**

The collateral above of R9.8 billion (2021: R5.3 billion) as well as collateral that has been pledged of R141 million (2021: R460 million) is in respect of scrip on loan of R8.8 billion (2021: R5.5 billion).

* The collective investment schemes are unconsolidated structured entities.

Derivative contracts

Exchange traded futures and options contracts are entered into for both long and short positions. The positions are covered by an initial margin deposit. Fair value movements are settled on a daily basis by means of variation margin payments. The total derivatives exposure at year end was a long position of R392.7 million (2021: R253.0 million) and a short position of R2.0 billion (2021: R34.5 million).

7.2 Investments contract liabilities

	2022 R'000s	2021 R'000s
Opening balance	123 659 093	102 970 945
Contributions	19 112 655	19 883 302
Net investment income		
Interest income	1 625 045	1 384 509
Dividends from listed investments	1 072 146	691 247
Fund balance adjusted for gross fund inflows	**145 468 939**	**124 930 003**
Withdrawals	(20 936 089)	(13 306 485)
Management fees	(314 483)	(306 353)
Portfolio expenses	(286 975)	(162 018)
Interest expense	(222 630)	(137 035)
Transaction costs	(177 858)	(137 450)
Income tax	(23 523)	9 108
Deferred tax	18 180	(6 047)
Unutilised tax losses transferred to corporate	(8 924)	(6 236)
Fair value adjustment to third-party liabilities	117 391	(155 820)
Net fair value (losses)/gains on investments linked to investment contract liabilities	(7 293 519)	14 081 070
Withdrawals payable	733 128	-
Other payables movement	(352 509)	321 111
Cash collateral movement relating to scrip on loan	5 075 702	(1 464 755)
	121 796 830	**123 659 093**

8. Investments

	2022 R'000s	2021 R'000s
Collective investment schemes	278 261	212 383
Sygnia Life Core Income Fund	115 581	109 669
	393 842	**322 052**

The collective investment schemes are managed by Sygnia Collective Investments (RF) Proprietary Limited (a subsidiary of the Group) and are unconsolidated structured entities.

9. Loans receivable

	2022 R'000s	2021 R'000s
ASISA Supplier Development Trust	9 580	8 200
Beret Properties Proprietary Limited	5 716	6 360
Izibuko Holdings Proprietary Limited	31	98
Widok Properties Proprietary Limited	2 222	2 318
Deutsche Securities	-	25
Staff loans	25 072	33 112
	42 621	**50 113**

The loans to ASISA Supplier Development Trust ("ASISA") are unsecured, interest free and repayable between September 2025 and September 2029.

There are two loans to Beret Properties Proprietary Limited, both are unsecured. The first loan is repayable in monthly instalments over 10 years, with final repayment in November 2025 and bears interest at the prime interest rate. The second loan is repayable in monthly instalments over 20 years, with final payment in November 2035 and bears interest at the prime interest rate less 0.5%. R1.1 million was paid in instalments on both loans in the current year (2021: R1.06 million) consisting of capital of R0.65 million (2021: R0.62 million) and interest of R0.45 million (2021: R0.44 million). R0.64 million (2021: R0.67 million) of the loan balance is due within twelve months of the reporting date.

The loan to Izibuko Holdings Proprietary Limited is unsecured, bears no interest and has no fixed repayment terms.

The loan to Widok Properties Proprietary Limited is unsecured, bears interest at the prime interest rate less 0.5% and is repayable in monthly instalments over 20 years, with final payment in November 2035. R0.26 million was paid in instalments in the current year (2021: R0.25 million) consisting of capital of R0.10 million (2021: R0.10 million) and interest of R0.16 million (2021: R0.15 million). R0.10 million (2021: R0.10 million) of the loan balance is due within twelve months of the reporting date.

Staff loans were granted to senior staff members in June 2019 to purchase shares in Sygnia Limited. These loans are repayable in June 2029 but become immediately repayable if the staff member leaves before the repayment date. Interest is charged at the SARS Official Rate of Interest. The loans are secured by the Sygnia Limited shares that were purchased with the loan.

Management has assessed the recoverability of the loans to Beret Properties Proprietary Limited, Widok Properties Proprietary Limited and ASISA based on budgeted forecasts and expected repayments. These companies and ASISA have sufficient assets to settle the loans in future. The assets of the companies and ASISA exceed the liabilities and the disposal of assets would be sufficient to settle all the liabilities. Management has also assessed the recoverability of the staff loans and has assessed the loans to be performing. The value of the shares at year end is approximately 270% of the loan balance.

10. Trade receivables

	2022 R'000s	2021 R'000s
Fees receivable	92 527	77 576
Interest receivable	1 922	1 659
Rental deposits	4 540	4 900
Sundry debtors*	3 154	15 494
	102 143	**99 629**

Refer to note 28 for credit risk disclosure.

* Sundry debtors in the prior year includes R13.9 million relating to a refund due on an intangible asset. This refund was received in the current year.

11. Amounts owing by/(to) clearing houses and clients

11.1 Amounts owing by/(to) clearing houses

	2022 R'000s	2021 R'000s
Amount receivable	32 073	2 826
Amounts owing by clearing houses	**32 073**	**2 826**
Amount payable	-	(95 709)
Amounts owing to clearing houses	**-**	**(95 709)**

11.2 Amounts owing by/(to) clients

The amounts owing by/(to) clients represent unsettled exchange traded transactions at year end relating to equities and futures purchased/sold on behalf of clients. These amounts are settled within three days after the transaction occurred in terms of the clearing house rules of the JSE.

In terms of Section 21 of the Financial Markets Act of 2012, cash held for client accounts and in the client's name is held with JSE Trustees Proprietary Limited ("JSE Trustees"). At year end, client money held with the JSE Trustees amounted to R111.73 million (2021: R70.4 million). This amount is not reflected in the statement of financial position as it relates to client monies over which the Group has no control.

12. Cash and cash equivalents

	2022 R'000s	2021 R'000s
Current accounts (BB rated)	226 624	299 681
Call accounts (BB rated)	130 900	160 800
	357 524	**460 481**

Impairments on cash and cash equivalents are measured on a 12-month expected credit loss basis and reflect the short-term maturities of the exposures. The Group considers that its cash and cash equivalents have good credit quality based on the external credit ratings of the counterparties. No impairment is considered necessary.

13. Stated capital

Authorised

500,000,000 Ordinary shares with no par value (2021: 500,000,000).

Issued	2022 Number of shares	2021 Number of shares	2022 R'000s	2021 R'000s
Opening balance	149 633 224	148 402 374	652 011	603 173
Ordinary shares repurchased *	(328 829)	-	(5 273)	-
Capital distribution **	-	-	-	(71 824)
Issue of shares relating to in-substance share options exercised by Ulundi Holdings (Pty) Ltd ^ #	-	-	-	73 000
Issue of shares relating to share options exercised	1 134 958	1 230 850	10 507	10 160
Transfer between share based payment reserve and stated capital for in-substance share options exercised by Ulundi Holdings (Pty) Ltd	-	-	-	33 584
Transfer between share based payment reserve and stated capital for share options exercised	-	-	5 467	3 918
Closing balance	**150 439 353**	**149 633 224**	**662 712**	**652 011**

* In the current year, the ordinary shares were repurchased at an average price of R16.00 and cancelled.

** On 28 September 2021, the directors proposed and approved a capital distribution of 48 cents per share as a return of contributed tax capital.

^ Exercise price - R8.17 per share

In prior years Sygnia issued 8 933 166 ordinary shares to Ulundi Holdings (Pty) Ltd, which is included in the opening balance, in exchange for preference shares in this entity. The issue of these ordinary shares and the preference share investment were recognised as share options issued to Ulundi Holdings (Pty) Ltd. In the prior year, Ulundi Holdings (Pty) Ltd sold its Sygnia ordinary shares for R16 per share and redeemed the preference shares. This redemption was accounted for as the exercise of the in-substance share option by Ulundi Holdings (Pty) Ltd and accordingly the R73 million received is presented as the receipt of the option exercise price within stated capital.

The unissued shares at year end are under the control of the directors until the next annual general meeting. The directors of the company are authorised to repurchase shares under general approval subject to certain limitations and the JSE Listing Requirements.

14. Third-party liabilities arising on consolidation of unit trust funds

	2022 R'000s	2021 R'000s
Opening balance	2 972 447	3 700 524
Net contributions and withdrawals	390 484	825 091
Fair value adjustment to third-party liabilities	(117 392)	155 820
Consolidation/(deconsolidation) of unit trusts*	1 162 390	(1 708 988)
Closing balance	**4 407 929**	**2 972 447**

* Refer to note 28 for detail.

15. Loan payable

	2022 R'000s	2021 R'000s
Opening balance	65 276	90 366
Repayment	(20 000)	(25 000)
Interest accrued	3 862	3 944
Interest repaid	(3 845)	(4 034)
Closing balance	**45 293**	**65 276**

The loan amount represents the amount utilised from a R100 million facility with Standard Bank that initially expired in March 2022. In January 2022, the terms of the loan payable were renegotiated, extending the final repayment date of the loan payable to 14 January 2027. Drawdowns can be made at any time during the facility period with five working days notice. Interest is accrued at JIBAR plus 1.9% (until 14 January 2022: 1.5%) and is payable quarterly. Capital can be repaid at any time with final repayment on 14 January 2027. The loan is secured by guarantees from various companies in the Group. These companies are subject to financial covenants including interest, leverage and obligor cover ratios and AUM levels, which are monitored. The Group did not come close to breaching any of these covenants during the year.

16. Lease liabilities

	2022 R'000s	2021 R'000s
Opening balance	32 182	51 054
Lease modification *	-	(302)
Lease payments **	(20 125)	(21 317)
Finance costs	1 851	2 974
Exchange differences	(84)	(227)
Closing balance	**13 824**	**32 182**
Current portion	10 695	18 146
Non-current portion	3 129	14 036
	13 824	**32 182**

* During the prior year the leases were renegotiated with an effective date of 1 July 2021, resulting in a lease modification.

** The lease payments include interest of R1.85 million (2021: R2.97 million), which has been presented on the statement of cash flows within operating activities (as finance costs). The capital repayments of R18.27 million (2021: R18.34 million) have been disclosed within financing activities.

Refer to note 5 for right-of-use assets relating to lease liabilities.

17. Preference share liability

	2022 R'000s	2021 R'000s
Opening balance	100 000	100 000
Closing balance	**100 000**	**100 000**

The rate of the Standard Bank preference shares is linked to prime. The preference shares can be redeemed by the Group at any time. The initial final redemption date was 30 March 2022. In January 2022, the terms of the preference share liability were renegotiated, extending the final redemption date of the preference shares to 15 January 2025. The preference shares are secured by guarantees from various companies in the Group. These companies are subject to financial covenants including interest, leverage and obligor cover ratios and AUM levels, which are monitored. The Group did not come close to breaching any of these covenants during the year.

18. Trade and other payables

	2022 R'000s	2021 R'000s
Accruals	52 446	52 223
Trade creditors	56 937	55 035
Unsettled trades	132 746	154 883
Deferred income	2 082	1 684
Capital distribution payable	-	71 824
	244 211	**335 649**

19. Investment contract (loss)/income

	2022 R'000s	2021 R'000s
Net fair value (losses)/gains on investments linked to investment contract liabilities	(7 293 519)	14 081 070
Net investment income		
Interest income	1 625 045	1 384 509
Dividends from listed investments	1 072 146	691 247
	(4 596 328)	**16 156 826**

20. Transfer (from)/to investment contract liabilities

	2022 R'000s	2021 R'000s
Management fees	314 483	306 353
Portfolio expenses	286 975	162 018
Interest expense	222 630	137 035
Transaction costs	177 858	137 450
Tax	23 523	(9 108)
Deferred tax	(18 180)	6 047
Unutilised tax losses transferred to corporate	8 924	6 236
Fair value adjustment to third-party liabilities	(117 391)	155 820
(Decrease)/increase in investment contract liabilities	(5 495 150)	15 254 975
	(4 596 328)	**16 156 826**

21. Profit from operations

Profit from operations is arrived at after taking the following into account:

	2022 R'000s	2021 R'000s
Revenue		
Investment management fees	480 480	476 387
Investment administration fees	118 682	107 198
General partner fees *	8 941	8 219
Treasury income	150 163	101 249
Securities lending income	15 184	13 149
Brokerage income	26 487	30 996
Other	8 924	-
	808 861	**737 198**

* General partner fees are earned in the United Kingdom by Sygnia Asset Management UK Limited.

Operating expenses include:	2022 R'000s	2021 R'000s
Asset management fees	17 906	28 740
Staff costs (excluding share options costs)	225 364	215 480
Share-based payment expense	8 887	8 377
Trading, custody and administration costs	34 624	30 246

22. Other investment income

	2022 R'000s	2021 R'000s
Dividend income	4	56
Fair value adjustment on investments	5 932	6 311
Foreign exchange gains/(losses)	955	(2 211)
	6 891	**4 156**

23. Income tax

	2022 R'000s	2021 R'000s
South African normal tax		
Current tax - current year	116 471	97 054
Current tax - prior year (over)/under provision	(33)	1 125
Deferred tax - current year	(1 441)	(2 499)
Deferred tax - prior year over provision	(31)	-
	114 966	**95 680**

Reconciliation of tax rate	%	%
Standard rate (South Africa)	28.0	28.0
Non-deductible expenses	1.0	1.3
Non-deductible expenses (finance charges)	0.6	0.6
Capital gains tax differential in rates	(0.1)	-
Utilisation of assessed loss	-	(1.3)
Non-taxable income	-	(0.2)
Prior year under provision	-	0.3
Foreign tax rate differential	(0.3)	(0.3)
Rate change	(0.6)	-
Effective rate	**28.6**	**28.4**

The tax rate reconciliation does not include profit or loss relating to policyholders.

24. Earnings and headline earnings per share

	2022 R'000s	2021 R'000s
Profit attributable to ordinary shareholders	286 729	240 443
Headline earnings	**286 729**	**240 443**

	2022 Number of shares	2021 Number of shares
Weighted average number of ordinary shares in issue (basic)	149 845 366	140 825 446
Potential number of shares issued in respect of diluted instruments	4 265 263	3 969 841
Weighted average number of ordinary shares in issue (diluted)	**154 110 629**	**144 795 287**

	2022 Cents	2021 Cents
Earnings per share (basic)	191.3	170.7
Earnings per share (diluted)	186.1	166.1
Headline earnings per share (basic)	191.3	170.7
Headline earnings per share (diluted)	186.1	166.1

	2022 Cents	2021 Cents
Alternative performance measures		
Net asset value per share	559.4	522.0
Tangible net asset value per share	286.6	246.4

The tangible net asset value per share is the net asset value, excluding intangible assets, divided by the number of ordinary shares in issue at the end of the period.

25. Share-based payments

The Group operates two share option schemes involving share options in Sygnia Limited, being The Sygnia Share Option Scheme ("Scheme A") and The Sygnia Share Option Scheme B ("Scheme B"). Scheme A is issued at a strike price with reference to the 30 day volume weighted average trading price; Scheme B is issued at a strike price of Rnil. The share options are an option to purchase shares in Sygnia Limited with 20%, 30% and 50% vesting over a period of three, four and five years respectively. The maximum number of ordinary shares that may be issued in Scheme A and Scheme B is 5 million and 10 million respectively.

	2022		2021	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Scheme A				
Opening balance	1 131 965	R12.4	2 362 815	R10.2
Exercised during the year	(760 958)	R13.8	(1 230 850)	R8.3
Closing balance	**371 007**	**R9.4**	**1 131 965**	**R12.4**
Exercisable at year end	-	-	608 705	R14.8

	2022	2021
Weighted average share price of options exercised during the year	R17.9	R19.8
Range of exercise price for share options at end of year	R8.0 - R11.0	R8.0 - R15.0
Weighted average remaining life of options (years)	0.6	0.5

All options issued prior to 1 October 2017 were valued using a Finite Difference Scheme under Geometric Brownian motion option pricing model. All options issued on or after 1 October 2017 were valued using a Black Scholes option pricing model.

	2022		2021	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Scheme B				
Opening balance	3 600 000	-	2 020 000	-
Allocated during the year	720 000	-	1 580 000	-
Forfeited during the year	(200 000)	-	-	-
Exercised during the year	(374 000)	-	-	-
Closing balance	**3 746 000**	**-**	**3 600 000**	**-**
Exercisable at year end	20 000	-	-	-

	2022	2021
Weighted average share price of options exercised during the year	R17.2	-
Fair value of options allocated during the year	R8.9 million	R17.9 million
Weighted average remaining life of options (years)	2.1	2.7

All options were valued using a Black Scholes option pricing model. The following weighted average inputs were used for options allocated during the year:

	2022	2021
Historic volatility (%) *	43.3	43.8
Dividend yield (%)	7.3	5.4
Risk-free interest rate (%)	7.6	7.2
Expected life (years)	5.0	5.0
Share price (ZAR)	17.0	14.3

* Expected volatility was based on the two year historic volatility.

26. Cash flows from operations

	2022 R'000s	2021 R'000s
Profit before tax	402 330	336 627
Adjusted for:		
Amortisation	1 980	2 258
Foreign currency adjustments	(489)	223
Depreciation	23 462	26 198
Dividend income	(4)	(56)
Interest income	(26 776)	(19 595)
Finance costs	11 359	12 437
Share-based payment expense	8 887	8 377
Fair value adjustment on investments	(5 932)	(6 311)
Policyholder investment contract movements		
Deferred tax included in investment contract income	(18 180)	6 047
Investment contract income	4 596 328	(16 156 826)
Net sale/(purchase) of investments linked to investment contract liabilities	444 961	(19 966 119)
Policyholder investment contracts	(1 862 263)	20 688 148
Third-party liabilities arising on consolidation of unit trust funds	273 092	980 911
Transfer (from)/to investment contract liabilities	(4 596 328)	16 156 826
Third-party liabilities arising on acquisition of unit trust funds	1 162 390	(1 708 988)
Cash flow before changes in working capital	**414 817**	**360 157**
Working capital changes		
Trade receivables	(2 251)	(13 390)
Other receivables	(70)	(2 686)
Amounts owing to clients and clearing houses	168	(333)
Trade and other payables	(84 185)	45 521
Cash flows from operations	**328 479**	**389 269**

27. Related party transactions

Identity of related parties

The Group has a related party relationship with its directors and entities outside of the Group that have common directors and shareholders to Sygnia Limited, namely Beret Properties Proprietary Limited ("Beret"), Widok Properties Proprietary Limited ("Widok"), Izibuko Holdings Proprietary Limited, Braavos Capital GP Limited ("Braavos GP") and Braavos Investment Advisers LP ("BIA"). MF Wierzycka and SJB Peile are directly and indirectly shareholders of Beret, Widok and Sygnia Limited. MF Wierzycka and A Crawford-Brunt are directly and indirectly shareholders of Sygnia Limited, equal shareholders of Braavos GP and equal partners in BIA. The Group entered into service transactions, in the ordinary course of business, with related parties.

Transactions with key management personnel

Executive and Non-executive directors are considered to be the only key management personnel. The executive directors of Sygnia Limited are employed on the same terms and conditions as other employees and do not have separate service contracts in their capacity as directors. The non-executive directors are paid a monthly retainer fee. Only short-term compensation was paid to directors during the year, which is as follows:

Cash-based remuneration

2022	Directors' fees R'000s	Consulting fees R'000s	Salary R'000s	Bonus R'000s	Total R'000s
Executive Directors					
MF Wierzycka	-	-	-	-	-
DR Hufton	-	-	5 000	3 000	8 000
MA Sirkot *	-	-	3 156	1 982	5 138
WA Wierzycki *	-	-	2 850	2 282	5 132
Non-executive directors ^					
HI Bhorat	885	38	-	-	923
G Cavaleros	725	-	-	-	725
MH Jonas	1 118	-	-	-	1 118
J Boyd	638	-	-	-	638
C Appana	375	-	-	-	375
	3 741	**38**	**11 006**	**7 264**	**22 049**

^ Sygnia Limited registered for VAT during the year, resulting in some of the directors' fees being stated net of VAT.

2021	Directors' fees R'000s	Consulting fees R'000s	Salary R'000s	Bonus R'000s	Total R'000s
Executive directors					
MF Wierzycka	-	703	3 197	-	3 900
DR Hufton	-	-	4 600	5 000	9 600
MA Sirkot **	-	-	3 000	3 380	6 380
WA Wierzycki (appointed 10 June 2021)	-	-	867	1 900	2 767
Non-executive directors					
HI Bhorat	788	43	-	-	831
G Cavaleros	733	-	-	-	733
A Crawford-Brunt (resigned 29 January 2021) *******	-	194	-	-	194
MH Jonas	1 233	-	-	-	1 233
J Boyd (appointed 29 July 2021)	100	-	-	-	100
R Sithubi (resigned 31 December 2020)	68	-	-	-	68
H Mayers (appointed 1 January 2021, resigned 29 July 2021)	403	-	-	-	403
C Appana	360	-	-	-	360
	3 685	**940**	**11 664**	**10 280**	**26 569**

Equity remuneration

Number of share options

2022	Date granted	SSOS A or B	Exercise price	Opening balance	Allocated during the year	Exercised during the year	Closing balance
Executive directors							
MF Wierzycka	30-Sep-16	A	14.96	500 000	-	(500 000)	-
DR Hufton	01-Feb-16	A	13.80	108 706	-	(108 706)	-
DR Hufton	01-Aug-19	B	-	200 000	-	(40 000)	160 000
DR Hufton	01-Oct-20	B	-	200 000	-	-	200 000
DR Hufton	01-Oct-21	B	-	-	200 000	-	200 000
MA Sirkot	16-Jan-19	A	7.96	251 258	-	(50 252)	201 006
MA Sirkot	01-Oct-20	B	-	100 000	-	-	100 000
MA Sirkot	01-Oct-21	B	-	-	50 000	-	50 000
WA Wierzycki	01-Oct-20	B	-	200 000	-	-	200 000
				1 559 964	**250 000**	**(698 958)**	**1 111 006**

2021	Date granted	SSOS A or B	Exercise price	Opening balance	Allocated during the year	Forfeited during the year	Closing balance
Executive directors							
MF Wierzycka	30-Sep-16	A	14.96	800 000	-	(300 000)	500 000
DR Hufton	01-Feb-16	A	13.80	173 930	-	(65 224)	108 706
DR Hufton	01-Aug-19	B	-	200 000	-	-	200 000
DR Hufton	01-Oct-20	B	-	-	200 000	-	200 000
MA Sirkot	16-Jan-19	A	7.96	251 258	-	-	251 258
MA Sirkot	01-Oct-20	B	-	-	100 000	-	100 000
WA Wierzycki	01-Oct-20	B	-	-	200 000	-	200 000
				1 425 188	**500 000**	**(365 224)**	**1 559 964**

	Number of shares held		
	Direct beneficial interest	Indirect beneficial interest	Percentage held
Directors' interest in Sygnia Limited			
At 30 September 2022			
MF Wierzycka ***	82 680	90 152 444	60.0%
DR Hufton ****	2 421 325	-	1.6%
MA Sirkot *****	550 252	-	0.4%
WA Wierzycki ******	710 330	380 284	0.7%
At 30 September 2021			
MF Wierzycka ***	-	90 152 444	60.2%
DR Hufton ****	2 384 906	-	1.6%
MA Sirkot *****	500 000	-	0.3%
WA Wierzycki ******	710 330	379 034	0.7%

* The 2022 bonus included a CEO award of R0.18 million paid in October 2021.
** The 2021 bonus included a sign on bonus of R1.13 million paid in June 2021.
*** Indirect beneficial interest relates to 44,532,444 (2021: 44,532,444) shares held by SJB Peile and 45,620,000 shares held by Sapayoa Investments (Pty) Ltd (2021: 45,620,000 shares held by The Zatoka Trust).
**** Mr DR Hufton used a loan from a subsidiary to purchase 1,322,761 shares in June 2019. His loan balance at year end of R5.8 million (2021: R10.5 million) is included in staff loans in note 9.
***** Mr MA Sirkot used a loan from a subsidiary to purchase 500,000 shares in June 2019. The loan was repaid in the current year (2021 balance: R1.9 million). His prior year loan balance is included in staff loans in note 9.
****** Mr WA Wierzycki used a loan from a subsidiary to purchase 375,000 shares in June 2019. His loan balance at year end of R3.9 million (2021: R3.8 million) is included in staff loans in note 9.
******* The consulting fee relates to consulting services provided to a UK subsidiary.
There have been no changes in directors' interest subsequent to year-end up to the date of signing the financial statements.

Transactions with related parties

Interest and capital repayments on loans receivable are disclosed in note 9. Other transactions with related parties are as follows:

	2022 R'000s	2021 R'000s
Lease payments relating to right of use asset - Beret and Widok	15 821	16 681
Administration fees received from BIA	13 406	13 455
Dividends paid to directors (including indirect shareholding)		
MF Wierzycka	144 310	112 691
DR Hufton	3 874	2 981
MA Sirkot	880	625
WA Wierzycki	1 745	599
A Crawford-Brunt	-	6 518

Balances with related parties

Loans receivable from Beret, Widok, Izibuko Holdings Proprietary Limited and staff are disclosed in note 9. Other balances with related parties are as follows:

	2022 R'000s	2021 R'000s
Administration fees receivable from BIA	1 086	-

Refer to note 29 for general partner fees paid by a subsidiary to Braavos Capital I Limited Partnership and Braavos Capital II Limited Partnership.

28. Financial risk management

The Group is exposed to a variety of financial risks. The most important components of financial risk are capital risk, credit risk, liquidity risk and market risk (arising from changes in equity and bond prices, interest and foreign exchange rates). Market risk arises from open positions in interest rate, currency and equity instruments.

The Audit and Risk Committee("ARC") assists the board in discharging its responsibilities that relate to the safeguarding of assets, the operation of adequate and effective systems and control processes, and the oversight of the external and internal audit appointments and functions. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures as directed by the ARC, the results of which are reported to the ARC. The ARC oversees the risk management structures and processes that have been designed to identify, evaluate and manage risks and effectively communicate to the various reporting structures. The responsibility for risk management rests with every individual in the company, including board members.

The committee meets on a quarterly basis.

The risks management explained below relates to the shareholders' assets only. Policyholder assets and third-party assets arising on consolidation of unit trust funds are linked to policyholder liabilities and third-party liabilities on consolidation of unit trust funds and as such, all market and credit risk related to these assets are offset by their respective liabilities. The liquidity risk associated with the Group being contractually obligated to repay policyholders, and third-party liabilities arising on consolidation of unit trust funds on demand, is managed through the investment composition of assets included in the policyholder portfolios and by contract with the policyholders. Such contracts mitigate the liquidity risk faced by the Group and contractually passes this on to policyholders in the ordinary course of business and in the event that substantial withdrawals require large scale disinvestment of the assets in these portfolios.

Capital risk

Capital risk refers to the risk that the Group cannot meet its minimum statutory capital requirements. The Group has various subsidiaries that are regulated by the Financial Services Conduct Authority, the South African Reserve Bank, the Financial Conduct Authority and the JSE. These companies are subject to prescribed minimum capital requirements, which are monitored on a monthly basis and have been met throughout the year. The capital of each of these regulated entities is considered to be its total equity. The capital risk management philosophy is to maximise the return on shareholders' capital within an appropriate risk framework. There has been no material change in the company's management of capital during the year.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation or incur a change in its creditworthiness, resulting in a financial loss to the Group. The maximum exposure to credit risk is represented by the carrying value of financial assets at amortised cost. Cash resources and longer term investments are limited to high credit quality financial institutions. The Group has policies in place to limit the credit exposure to any one financial institution. The Group reviews the payment history as well as the financial position of all counterparties with loan balances. Most of the fees receivable are collected directly from clients' investments or from the unit trust funds that the Group manages. Fees due from retirement fund clients that pay on invoice are monitored on a monthly basis. In the event that a retirement fund makes a full withdrawal, the Group has processes in place to ensure that all outstanding fees are invoiced and agreed before the withdrawal is paid. Payment terms are generally 30 days from invoice date. The Group has a history of very few bad debts. Management consider the probability of default to be close to zero as all counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be insignificant to the Group. The Group has no concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Group manages its liquidity requirements by monitoring forecasted cash flows. Furthermore, the Group has a credit facility with Standard Bank that can be utilised if required. Trade and other payables are unsecured.

The following table details the maturity analysis of the Group's financial liabilities. The tables have been drawn up based on the undiscounted cash flows (capital and interest) of financial liabilities based on the earliest date on which the Group can be required to pay.

2022	On demand R'000s	Due within 12 months R'000s	Due within 1 - 3 years R'000s	Due within 3 - 5 years R'000s	Total R'000s
Loan payable	-	3 454	6 917	49 495	59 866
Preference share liability	-	5 926	113 102	-	119 028
Third-party liabilities arising on consolidation of unit trust funds	4 407 929	-	-	-	4 407 929
Investment contract liabilities	121 796 830	-	-	-	121 796 830
Trade and other payables	-	244 211	-	-	244 211
Amounts owing to clients	-	59 771	-	-	59 771
Lease liabilities	-	11 724	2 429	1 321	15 474
	126 204 759	**325 086**	**122 448**	**50 816**	**126 703 109**

2021	On demand R'000s	Due within 12 months R'000s	Due within 1 - 3 years R'000s	Due within 3 - 5 years R'000s	Total R'000s
Loan payable	-	66 957	-	-	66 957
Preference share liability	-	102 883	-	-	102 883
Third-party liabilities arising on consolidation of unit trust funds	2 972 447	-	-	-	2 972 447
Investment contract liabilities	123 659 093	-	-	-	123 659 093
Trade and other payables	-	335 649	-	-	335 649
Amounts owing to clearing houses	-	95 709	-	-	95 709
Amounts owing to clients	-	316 984	-	-	316 984
Lease liabilities	-	19 579	14 591	-	34 170
	126 631 540	**937 761**	**14 591**	-	**127 583 892**

Market risk

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates and market prices. The Group is exposed to market risk on foreign trade receivables and payables and capital held in fixed interest income securities. The following sections set out the sensitivity of Group capital to these elements of market risk.

Assets under management/administration risk

A large portion of the Group's income is derived from fees levied on the market value of the investments that it manages and administers. As the fees are dependent on the daily market value of the investments, any market movements affect the Group accordingly. This risk is mitigated through the diversification of investment mandates such that revenue is not overly exposed to any single sector of the investment market. Investment management capacity is monitored to ensure that the performance of a specific investment is not unduly compromised through excessive scale. A 10% decrease is used when reporting AUM/AUA risk internally to key management personnel and represents management's assessment of the reasonably possible change in AUM/AUA within a financial period. A 10% downturn in the value of the assets that the Group manages and administers on behalf of clients would reduce the Group's revenue by R54.5 million (2021: R58.7 million) and profits before tax by approximately R49.5 million (2021: R51.7 million). This assumes that all other variables remain constant and the year end AUM/AUA has been constant throughout the year.

Sensitivity analysis for variable rate instruments

Interest rate risk

The Group is exposed to interest rate risk through its investments, loans receivable, cash and cash equivalents, loan payable and preference share liability. An increase of 300 basis points in interest rates at year end would have increased profit before tax by R19.5 million (2021: R20.1 million). A decrease of 300 basis points in interest rates at year end would have had the equal but opposite effect. This assumes that all other variables remain constant and the year end balance has been constant throughout the year.

Currency risk

The Group utilises foreign suppliers for the provision of certain products and services. The Group receives fees from some of the unit trust funds managed by subsidiaries in foreign currencies. These payables and receivables results in an exposure to fluctuations in the exchange rate. The Group minimises its foreign currency exposure by matching the amounts receivable with the amounts payable where possible. The Group's net receivable exposure to foreign currency at year end is shown below:

	2022 R'000s	2021 R'000s
USD	10 139	6 343
EUR	1 522	3 819
GBP	645	599
JPY	929	945
	13 235	**11 706**

A 10% depreciation in the ZAR exchange rate would have increased profit before tax by R1.3 million (2021: R1.2 million). A 10% appreciation in the ZAR exchange rate would have had the equal but opposite effect.

Price risk

The Group is exposed to price risk in respect of its investments. A 5% increase in the price of the investments, with other variables held constant, would have increased profit before tax by R19.7 million (2021: R16.1 million). A 5% decrease in the price of the investments would have had the equal but opposite effect.

Statement of financial position (corporate vs third party) - alternative performance measure

A subsidiary of the Group, Sygnia Life Limited is a linked insurance company and issues linked policies to policyholders (where the value of policy benefit is directly linked to the fair value of the supporting assets), and as such does not expose the business to the market risk of fair value adjustments on the financial asset, as this risk is contractually assumed by the policyholder. Sygnia Securities Proprietary Limited (subsidiary) provides stockbroking services to clients, which results in significant working capital fluctuations due to the timing of the close of the JSE in terms of client settlements (amounts owing to/by clearing houses/clients). In order to evaluate the consolidated financial position, the Group segregates the statement of financial position and the statement of profit or loss and other comprehensive income between corporate (own balances) and third-party (client-related balances). Third-party balances represent investments linked to investment contract liabilities, third-party liabilities arising on consolidation of unit trust funds, investment contract liabilities, related deferred tax liabilities and unsettled trades. The Sygnia Money Market Fund, Sygnia Health Innovation Global Equity Fund, Sygnia DIVI Fund, Sygnia Skeleton Balanced Absolute Fund and Sygnia China New Economy Global Equity Fund met the criteria for control during the period and have therefore been consolidated. This resulted in an increase to investments linked to investment contract liabilities and third-party liabilities arising on consolidation of unit trust funds in the consolidated statement of financial position amounting to R1.6 billion. During the current period, the Group no longer controls the Sygnia FAANG Plus Equity Fund and therefore the fund is no longer consolidated. This resulted in a reduction of investments linked to investment contract liabilities and third-party liabilities arising on consolidation of unit trust funds in the consolidated statement of financial position amounting to R0.5 billion. The Group still retains significant influence over the fund with a total investment balance of R129.4 million at 30 September 2022. In addition, the Group has significant influence over Sygnia Listed Property Fund, Sygnia Skeleton Balanced 40 Fund, Sygnia Top 40 Index Fund, Sygnia Skeleton Balanced 60 Fund and Sygnia 4th Industrial Revolution Global Equity Fund with a total investment balance of R1.4 billion.

Statement of financial position

	As at 30 September 2022			As at 30 September 2021		
	Consolidated R'000s	Corporate Balances R'000s	Third-party Balances R'000s	Consolidated Balances R'000s	Corporate Balances R'000s	Third-party R'000s
Assets						
Intangible assets	410 380	410 380	-	412 360	412 360	-
Property and equipment	18 221	18 221	-	21 877	21 877	-
Loans receivable	42 621	42 621	-	50 113	50 113	-
Right-of-use assets	12 428	12 428	-	28 659	28 659	-
Deferred tax assets	17 000	9 141	7 859	8 155	8 155	-
Investments linked to investment contract liabilities	126 196 900	-	126 196 900	126 641 861	-	126 641 861
Other receivables	6 990	6 990	-	6 920	6 920	-
Trade receivables	102 143	102 143	-	99 629	99 629	-
Investments	393 842	393 842	-	322 052	322 052	-
Amounts owing by clearing houses	32 073	-	32 073	2 826	179	2 647
Amounts owing by clients	27 709	11	27 698	410 046	-	410 046
Cash and cash equivalents	357 524	357 524	-	460 481	460 481	-
Total assets	**127 617 831**	**1 353 301**	**126 264 530**	**128 464 979**	**1 410 425**	**127 054 554**
Equity						
Stated capital and reserves	841 557	841 557	-	781 098	781 098	-
Total equity	**841 557**	**841 557**	**-**	**781 098**	**781 098**	**-**
Liabilities						
Loan payable	45 293	45 293	-	65 276	65 276	-
Preference share liability	100 000	100 000	-	100 000	100 000	-
Lease liabilities - Non-current	3 129	3 129	-	14 036	14 036	-
Deferred tax liabilities	69 355	69 355	-	80 154	69 833	10 321
Third-party liabilities arising on consolidation of unit trust funds	4 407 929	-	4 407 929	2 972 447	-	2 972 447
Investment contract liabilities	121 796 830	-	121 796 830	123 659 093	-	123 659 093
Tax payable	39 061	39 061	-	26 387	26 387	-
Lease liabilities - Current	10 695	10 695	-	18 146	18 146	-
Trade and other payables	244 211	244 211	-	335 649	335 649	-
Amounts owing to clearing houses	-	-	-	95 709	-	95 709
Amounts owing to clients	59 771	-	59 771	316 984	-	316 984
Total liabilities	**126 776 274**	**511 744**	**126 264 530**	**127 683 881**	**629 327**	**127 054 554**
Total equity and liabilities	**127 617 831**	**1 353 301**	**126 264 530**	**128 464 979**	**1 410 425**	**127 054 554**

Statement of profit or loss and other comprehensive income

	Year ended 30 September 2022			Year ended 30 September 2021		
	Consolidated R'000s	Corporate Balances R'000s	Third-party Balances R'000s	Consolidated R'000s	Corporate Balances R'000s	Third-party R'000s
Revenue	**808 861**	**808 861**	**-**	**737 198**	**737 198**	**-**
Operating expenses	(428 839)	(428 839)	-	(411 885)	(411 885)	-
Profit from operations	**380 022**	**380 022**	**-**	**325 313**	**325 313**	**-**
Investment contract (loss)/income	(4 596 328)	-	(4 596 328)	16 156 826	-	16 156 826
Transfer from/(to) investment contract liabilities	4 596 328	-	4 596 328	(16 156 826)	-	(16 156 826)
Interest income	26 776	26 776	-	19 595	19 595	-
Other investment income	6 891	6 891	-	4 156	4 156	-
Finance costs	(11 359)	(11 359)	-	(12 437)	(12 437)	-
Profit before tax	**402 330**	**402 330**	**-**	**336 627**	**336 627**	**-**
Income tax	(114 966)	(114 966)	-	(95 680)	(95 680)	-
Profit after tax	**287 364**	**287 364**	**-**	**240 947**	**240 947**	**-**
Foreign currency translation reserve	(489)	(489)	-	223	223	-
Total comprehensive income for the year	**286 875**	**286 875**	**-**	**241 170**	**241 170**	**-**

29. Fair value

The fair values of all financial instruments approximate the carrying values reflected in the statement of financial position. The carrying value and gains and losses of financial instruments is as follows:

	2022 R'000s	2021 R'000s
Financial assets at fair value through profit or loss		
Consolidated statement of financial position		
Investments linked to investment contract liabilities	126 196 900	126 641 861
Investments	393 842	322 052
	126 590 742	**126 963 913**
Consolidated statement of profit or loss and other comprehensive income		
Investment contract (loss)/income	(4 596 328)	16 156 826
Other investment income	6 891	4 156
	(4 589 437)	**16 160 982**
Financial assets at amortised cost		
Consolidated statement of financial position		
Loans receivable	42 621	50 113
Trade receivables	102 143	99 629
Amounts owing by clearing houses	32 073	2 826
Amounts owing by clients	27 709	410 046
Cash and cash equivalents	357 524	460 481
	562 070	**1 023 095**
Consolidated statement of profit or loss and other comprehensive income		
Interest income	26 776	19 595
	26 776	**19 595**
Financial liabilities at fair value through profit or loss		
Consolidated statement of financial position		
Investment contract liabilities	121 796 830	123 659 093
Third-party liabilities arising on consolidation of unit trust funds	4 407 929	2 972 447
	126 204 759	**126 631 540**
Consolidated statement of profit or loss and other comprehensive income		
Transfer from/(to) investment contract liabilities	4 596 328	(16 156 826)
	4 596 328	**(16 156 826)**

	2022 R'000s	2021 R'000s
Financial liabilities at amortised cost		
Consolidated statement of financial position		
Loan payable	45 293	65 276
Preference share liability	100 000	100 000
Lease liabilities	13 824	32 182
Trade and other payables	244 211	335 649
Amounts owing to clearing houses	-	95 709
Amounts owing to clients	59 771	316 984
	463 099	**945 800**
Consolidated statement of profit or loss and other comprehensive income		
Finance costs	(11 359)	(12 437)
	(11 359)	**(12 437)**

The following table shows the categories of financial instruments at fair value based on the degree to which fair value is observable.

Level 1 - fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 investments relates to equities and interest income securities.

Level 2 - fair value is derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 2 investments relate to unlisted private equity investments, interest income securities, collective investment scheme, hedge funds, investments in insurance policies, investment contract portfolio debtors, investment contract portfolio accrued interest and cash and cash equivalents.

Level 3 - fair value is derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level 3 investment relates to limited liability partnership investments.

2022	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
Investments linked to investment contract liabilities	25 615 579	95 200 061	5 381 260	126 196 900
Investments	-	393 842	-	393 842
Third-party liabilities arising on consolidation of unit trust funds	(2 668 908)	(1 739 021)	-	(4 407 929)
Investment contract liabilities	(22 946 671)	(93 468 899)	(5 381 260)	(121 796 830)
2021				
Investments linked to investment contract liabilities	29 917 979	92 914 524	3 809 358	126 641 861
Investments	-	322 052	-	322 052
Third-party liabilities arising on consolidation of unit trust funds	(2 102 386)	(870 061)	-	(2 972 447)
Investment contract liabilities	(27 815 593)	(92 034 142)	(3 809 358)	(123 659 093)

	2022 R'000s	2021 R'000s
Level 3 financial instruments		
Opening balance	3 809 358	1 904 704
Additions/(Disposals) - discretionary mandates	665 379	(440 287)
Additions - non-discretionary mandates*	1 074 630	1 707 443
Fair value adjustment included in investment contract income	(168 107)	637 498
Closing balance	**5 381 260**	**3 809 358**

The level 3 investment relates to investments in partnerships registered in Guernsey, Braavos Capital I LP (BC I LP), Braavos Capital II LP (BC II LP) and Braavos Capital III LP (BC III LP) and a limited liability partnership registered in the UK, Sygnia Ventures LP. Sygnia Ventures LP's most significant asset is its investment in BC II LP. The Braavos Capital partnerships are administered and valued by an independent administrator. On a quarterly basis, the independent administrator provides adjusted net asset values (assets less liabilities) to each partner. Assets includes listed and unlisted investments. Liabilities include carried interest accruals amounting to GBP 8.1 million (2021: GBP 8.8 million). Carried interest is only payable if certain performance conditions are met when a fund is wound up. A summary of the valuation policy applied to listed and unlisted investments are as follows:

- Listed investments - the fair values of financial instruments traded in active markets (such as recognised stock exchanges) are based on quoted market prices.
- Unlisted investments - the fair value of unlisted securities will be established using valuation techniques and methodologies consistent with the International Private Equity and Venture Capital Valuation Guidelines ("IPEVCV guidelines") endorsed by the European Private Equity and Venture Capital Associations. These include the use of recent arm's-length transactions, discounted cash flow analysis and earnings multiples. For investments in seed, start up and early-stage companies, cost may be the best indication of fair value unless there is objective evidence that the investment has since been impaired. If recent investments have been made by third parties, the price of this investment can provide a basis for valuation. If there is no readily ascertainable value following the price of recent investments, or there is objective evidence that a deterioration in fair value has occurred since a relevant transaction, the Fund will consider alternative methodologies in the IPEVCV guidelines such as discounted cash flows ('DCF') or price-earnings multiples.

A subsidiary in the Group, Sygnia Life Limited, has made a commitment to invest GBP 115.7 million (2021: GBP 102 million) in BC I LP, GBP 98.6 million (2021: GBP 90 million) in BC II LP and GBP 42.5 million (2021: GBP 0) in BC III LP. These commitments consist of commitments made in respect of discretionary mandates managed by Sygnia Life Limited, as well as commitments secured by BIA directly from third-party clients to whom Sygnia Life Limited provides administration services only. These commitments will be financed from existing and future Sygnia Life Limited cash flows.

The general partner of BC I LP, BC II LP and BC III LP is Braavos Capital GP Limited ("Braavos GP"), a company registered in Guernsey. The shares in Braavos GP are equally owned by MF Wierzycka and A Crawford-Brunt. Drawdowns paid by Sygnia Life Limited to BC I LP, BC II LP and BC III LP relating to general partner fees are as follows:

	2022 R'000s	2021 R'000s
Discretionary mandates	37 236	31 480
Non-discretionary mandates *	43 665	45 295
Closing balance	**80 901**	**76 775**

* Mandates directly secured by Braavos Investment Advisers LP.

30. Principal subsidiaries and consolidated structures

Name of company	Principal place of business	Percentage of equity held 2022	Percentage of equity held 2021	Functional currency	Nature of business
Sygnia Asset Management Proprietary Limited	South Africa	100	100	ZAR	Asset Management
Sygnia Collective Investments (RF) Proprietary Limited	South Africa	100	100	ZAR	CIS Management Company
Sygnia Life Limited	South Africa	100	100	ZAR	Long Term Insurance
Sygnia Financial Services Proprietary Limited	South Africa	100	100	ZAR	Linked investment service provider
Sygnia Securities Proprietary Limited	South Africa	100	100	ZAR	Securities trading
Sygnia Benefit Administrators Proprietary Limited	South Africa	100	100	ZAR	Employee benefit administrator
Sygnia Itrix (RF) Proprietary Limited	South Africa	100	100	ZAR	ETF Management Company
Sygnia Asset Management UK Limited	England & Wales	100	100	GBP	General partner
WealthFoundry Proprietary Limited	South Africa	51	51	ZAR	Linked investment service provider

Note: Subsidiaries that are in the process of being liquidated, insignificant or dormant have not been included. All subsidiaries have a year end of 30 September, except Sygnia Itrix (RF) Proprietary Limited which has a year end of 31 December. This year end aligns with the year end of the unit trust funds managed by Sygnia Itrix (RF) Proprietary Limited.

The Group consolidates the following collective investment schemes based on control:
- Sygnia International Flexible Fund of Funds
- Sygnia Skeleton International Equity Fund of Funds
- Sygnia Enhanced Income Fund
- Sygnia Money Market Fund
- Sygnia Health Innovation Global Equity Fund
- Sygnia DIVI Fund
- Sygnia Skeleton Balanced Absolute Fund
- Sygnia China New Economy Global Equity Fund

The Group consolidates the following partnership based on control:
- Sygnia Ventures LP

The third party liabilities associated with the unit trust funds arise as a result of the continued consolidation of the collective investment schemes.

31. Events subsequent to the reporting date

On the 5th of December 2022, the directors proposed and approved a dividend of 130 cents per share.

The directors are not aware of any other matters or circumstances arising since the end of the financial period, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the Group or the results of its operations.

32. Contingent liability

A subsidiary in the Group, Sygnia Asset Management UK Limited, is the general partner to a UK partnership. As the general partner, the company is liable for the partnership's debts, liabilities and obligations insofar as it exceeds the partnership's assets. Based on current performance, the probability of payment is insignificant.

Analysis of shareholding

as at 30 September 2022

Distribution of shareholders

	Number of shareholders	Number of shares
1 - 1000 Shares	3 510	545 320
1001 - 10 000 Shares	1 074	4 035 326
10 001 - 100 000 Shares	353	10 043 179
100 001 - 1 000 000 Shares	49	14 896 484
1 000 001 shares and over	11	120 919 044

Shareholders with beneficial interest of 5% or more in shares

	Number of shares
Sapayoa Investments (Pty) Ltd	45 620 000
SJB Peile	44 532 444
Clifford Street Holdings Ltd	9 366 877

Public/non-public shareholders

	Percentage	Number of shareholders	Number of shares
Non-Public shareholders			
Directors (including indirect shareholding)	62.7%	7	94 297 315
Shares held by employees	1.4%	32	2 076 843
Public shareholders	35.9%	4 958	54 065 195

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Sygnia Limited

Incorporated in the Republic of South Africa
Registration number: 2007/025416/06
JSE share code: SYG
ISIN code: ZAE000208815
Sponsor: The Standard Bank of South Africa Limited

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