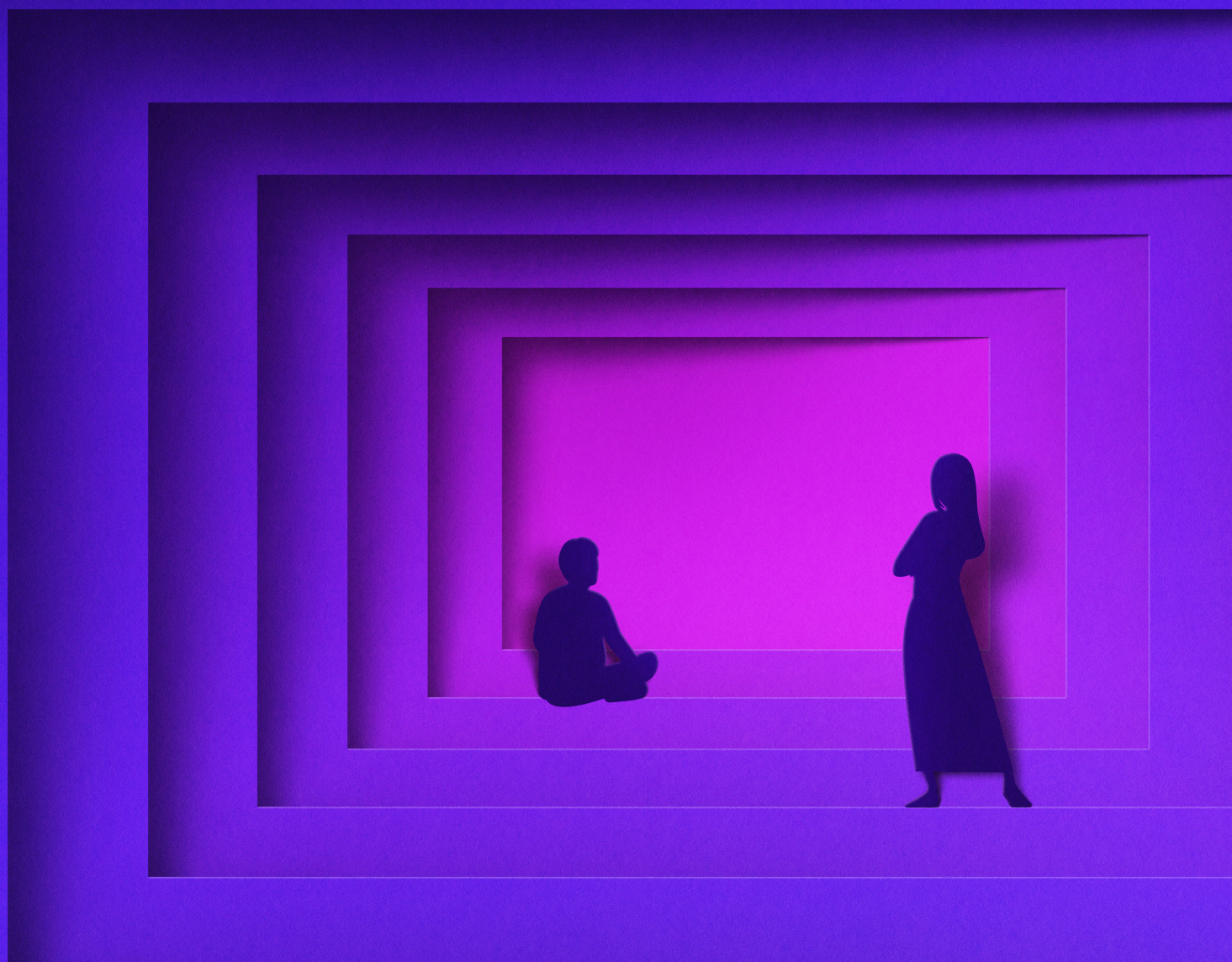


Integrated Report 2023





Highlights

For the year ended 30 September 2023

Report

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R318.1bn 11.6%

2022: R285.1 billion
Assets under management and administration

R843.9m 4.3%

2022: R808.9 million
Revenue

R300.4m 4.5%

2022: R287.4 million
Profit after tax

198.9c 4.0%

2022: 191.3 cents
Basic earnings and headline earnings per share

210c 0.0%

2022: 210 cents
Total dividends 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 2022 to 30 September 2023. 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 2023 Integrated Report was 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 were 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 were audited by Mazars, whose unmodified opinion is included on page 54 of this Integrated Report.

Forward-looking statements

The 2023 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 2023, 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 2023 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 2023.

The 2023 Integrated Report was approved for publication by the board on 4 December 2023.

Haroon Borat
Chairperson

Magda Wierzycka
Chief Executive Officer

Chairperson's report

At this time it seems most apposite to borrow from Vladimir Lenin, who was quoted pre-1917 as saying: “There are decades where nothing happens, and there are weeks when decades happen.” After a decade of no serious macroeconomic disruptions and relative peace and social stability, the world faced the joint onslaught of a global pandemic, a war in Europe and the looming threat of stagflation. Not quite in a matter of weeks, but certainly within a 12-month period!



Consequently, the most recent World Bank forecasts show the world economy growing at 2.1% in 2023, with GDP growth estimated to be 1.1% for the US and a sclerotic 0.4% and 0.8% for the euro area and Japan respectively. Emerging markets are projected to grow particularly slowly at 4% – heavily dragged down by China, where GDP is expected to expand by 5.6% for 2023. The latter is for an economy that has hurtled along almost effortlessly in excess of 8% every year for over 40 years. With China excluded, emerging market growth is forecast to settle at 2.9% for 2023. Ultimately, the world's three largest economies – China, the eurozone and the US – have slowed significantly in 2022 and 2023, which has in turn engendered widespread economic malaise in emerging markets. The International Monetary Fund's macro-modelling projections offer a glimmer of hope, placing the probability of a global recession in 2023 at a lowly 10% – within the margin of error for no recession. It has been a tumultuous period to navigate to ensure Sygnia continues to maximise returns for investors and shareholders alike.

Indeed, advanced economies entered a period of supply-side-driven inflation in this contracting economic environment, which has led to rising interest rates and an appreciating

dollar. The return of inflation to the US and eurozone is well documented, but it appears from World Bank projections that the peak of global CPI inflation has now been reached: global CPI inflation stood at 8.4% in the third quarter of 2022 and is projected to settle at 5% by the end of 2023. As a comparator, global inflation stood at 1.4% in the fourth quarter of 2020. The US economy recorded a 9.1% inflation rate in June 2022, the economy's highest annualised rate in 40 years.

Receding concerns around high prices will leave many economies to deal with the medium-term impact of high interest rates set by the US Fed, which raised interest rates seven times in 2022 alone. It has steadily increased the target rate from near zero a few years back to the current effective Fed Funds Rate of 5.33%, meaning that elevated levels of dollar-denominated sovereign debt remain a key channel for global emerging market distress (which heightens concerns around risks for 2024 economic performance). Indeed, the renewed interest rate hikes and appreciating dollar have fundamentally altered the outlook for sovereign debt. The IMF has noted that already-high interest payments are projected to increase as a proportion of revenue over the next few years, exceeding 50% in some cases



and far surpassing the burdens seen in other regions. In short, sovereign debt distress is a key macroeconomic variable for 2024.

Given the above, it is not surprising that South Africa's growth prospects have faltered. Despite a fairly unexpected higher GDP for 2023:2, most predictions are for growth to settle at or just below 1%. Considering that real average annualised GDP growth for South Africa for the post-apartheid era has been 2.4% p.a., this is an abysmal performance. In an ironic twist, South Africa's second quarter growth figures came out higher than consensus, driven in the main by higher levels of investment by households and firms in renewable energy infrastructure. It is important to remind our shareholders and investors that South Africa-specific factors speak to a collapse in the quantity and quality of key infrastructure inputs for basic economic functioning. These include, of course, energy provisioning from Eskom, but also the intensification of challenges to key rail, port and freight infrastructure. An optimal and competitively priced supply of energy and transport infrastructure is the backbone for any sector's value chain and supply to market. A pending water supply shortage – already seen in a few key towns and cities in South Africa – is another looming concern.

“As the SARB has indicated, this infrastructural collapse alone has removed a full 2 percentage points off South Africa's 2023 growth prospects. If one considers the lost growth opportunity purely resulting from the erosion of our economic infrastructure, the cost to the domestic economy and society at large is very clear.”

Another South Africa-specific constraint on growth and investment is crime, particularly organised economic crime. Data from the World Bank Enterprise Survey estimate that South African businesses lost on average almost 1% of annual sales to crime, aggregating to about 1.5% of GDP. This is about 60% higher than in similar middle-income economies such as Brazil, Thailand and Türkiye.

Given weak growth, lower-than-estimated VAT returns and the current expenditure commitments heavily shaping the fiscal consolidation path, the fiscal outlook suggests a treacherous path for National Treasury to manage the country's intended deficit-to-GDP target of 4% for the 2023/24 financial year. In fact, it is likely that this target will be missed in light of the public sector wage bill, the elevated interest burden and an under-performing economy.

As our CEO correctly notes, economic performance is the ultimate determinant of Sygnia's performance. A growing economy is the magic bullet for increased spending on goods and services, such as the products offered by Sygnia. In this incredibly challenging environment, we are thus pleased to report that as at 30 September 2023, Sygnia had a solid R318.1 billion of assets under management. We remain focused on growing the business and maintaining high levels of service and unique product offerings to our ever-expanding client base. Sygnia remains very well set for the future.

As the Chairman and a long-time champion of Sygnia, I would like to take this opportunity to thank the management team and all the staff at Sygnia for their dedication and commitment to this sterling set of results. In particular, though, I would like to thank our clients and shareholders – both individual and institutional – who remain committed to Sygnia's vision and mission, which is anchored around delivering long-term value and cost-efficient returns within a high-quality service environment. Finally, I thank my fellow Board members for their ongoing guidance and sage assistance in meeting the ongoing strategic objectives of the business.

Haroon Borat
Chairperson

Chief executive officer's report

Sygnia's sustained profit growth in a challenging operating year is a testament to the resilience of our diversified business model 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

South Africa continues to squander its opportunities, from its natural beauty and abundant resources to its world-prized constitution, respected universities, sophisticated financial services sector and well-functioning private sector. Burdened by the electricity crisis and continuing inequality, growth continues to underwhelm as the rand depreciates. Most worryingly, we are being left far behind the countries allocating significant capital to technology innovation and entrepreneurial activities. In the absence of competent government, the provision of basic services is being increasingly "privatised". The 2024 elections will not reverse the current trajectory but are likely to bring about an unstable coalition government. To achieve meaningful change, South Africans must unite again, much as we did in 2016 and 2017. Unfortunately, we have become too complacent and accepting of corruption, disorder and non-delivery. Most importantly, there are no growth strategies on the table.

On the global stage, where South Africa is becoming more and more irrelevant, world powers US and China are trying to decouple, striking new alliances to strengthen their respective positions – though this may be more difficult to achieve in practical terms. Although the BRICS group of big emerging economies has invited six new members as a counterweight

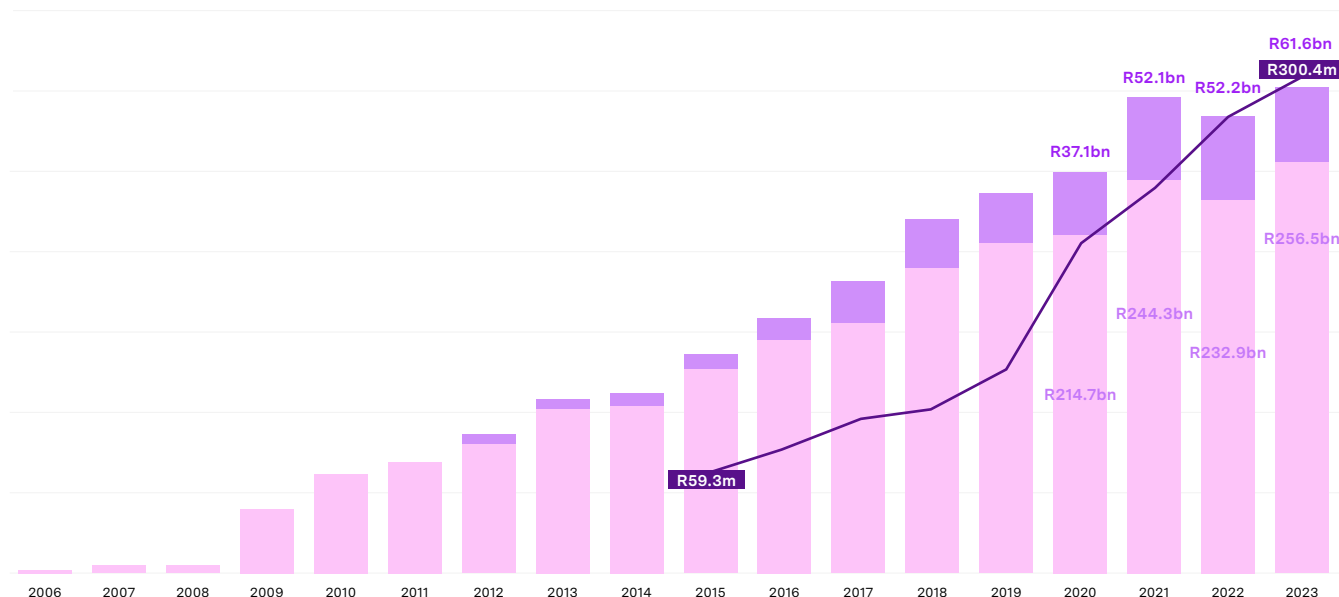
to the US and its allies, the group's progress will depend on its unity, which to date has not progressed beyond a few symbolic initiatives. Similarly, the recent US executive order restricting investments in Chinese technology sectors that pose national security risks (such as semiconductors, quantum computing and artificial intelligence) is counterbalanced by the US' heavy reliance on key mineral supplies and pharmaceutical inputs monopolised by China.

Macroeconomic conditions continue to punish markets. With inflation far from under control, high interest rates are expected to prevail until at least mid-2024. As much as the US economy remains almost too robust for regulators, China is struggling to shake off the effects of its Covid-related lockdown policies. Emerging markets, seen as too risky in current conditions, have seen large outflows of capital. Within nine months of the breakthrough, arguably the most significant since the advent of computers, large language models have begun to displace white-collar jobs, with more to come. Human knowledge workers receive annual compensation of approximately US\$32 trillion, and it is anticipated that AI will automate a considerable portion of this work over the forthcoming decade. Research by OpenAI suggests that 80% of the US workforce will see at least 10% of their job responsibilities impacted by GPT technology,



Assets under management and administration

■ Institutional ■ Retail — Profit after tax (since listing)



“The most important development in the past year has been the unveiling of the power of large language models, with their first accessible application being ChatGPT, developed by OpenAI.”

while nearly 20% will have more than half of their tasks affected. Given the potential for extraordinary returns on investment, the rate of adoption for automation is exceptionally high, and this will continue to evolve. Large language models such as ChatGPT necessitate extraordinary computing power and vast datasets for training. Consequently, the most immediate beneficiaries of this technology will be major corporations such as Google, Meta, Microsoft and Amazon (all of which have invested substantially in large AI systems to enhance their products) as well as infrastructure providers such as Nvidia. These companies have largely driven the returns of US equity markets in 2023. Second in line are governments which are already forming taskforces in order to explore training their versions of large language models on vast databases in order to potentially streamline and enhance their operations.

Business performance

Given the difficult and unpredictable conditions, Sygnia continues to deliver pleasing results, with its assets under management and administration (AUMA) ending September 2023 at R318.1 billion (2022: R285.1 billion). Against the backdrop of the rand depreciating by 4.8%, the best-performing strategies

were those with high weighting to international investments. All of Sygnia’s international funds have done extremely well, with the clear winners being our technology-focused funds, such as the Sygnia FANG.AI and Sygnia 4th Industrial Revolution funds, which saw strong growth in popularity on the back of offering easy access to tech innovation.

AUMA

as at 30 September 2023

R318.1 billion

2022: R285.1 billion

As a whole, the institutional market continued to experience net outflows. As more stand-alone funds continue to collapse into umbrella funds, the Sygnia Umbrella Retirement Fund (“SURF”) has seen significant growth in both its assets and the number of participating employers. At R13.6bn (2022: R10.4bn), SURF’s assets make it the sixth-largest umbrella fund in South Africa. Its competitors are some of the largest insurance companies in the country, but SURF continues to compete on pricing, administration and client service excellence. Overall, Sygnia’s institutional AUMA has grown to R256.5bn (2022: R232.9bn).

Our retail business is a key growth driver and has attracted net inflows of R1.0 billion for the 2023 financial year (2022: R5.3 billion). The slowdown in net growth is a function of outflows related to market conditions, such as emigration, the need for solar power installations and cost of living increases. Independent financial advisors and discretionary fund managers remain our key business development focus areas. Sygnia’s retail assets under management increased to R61.6bn from R52.2bn in the prior year.

ETFs among both institutional and retail customers saw net outflows of R1.6 billion (2022: inflows of R2.9 billion) from the broad Sygnia Itrix range. At year end, Sygnia Itrix assets under management amounted to R37.2 billion (2022: R31.1 billion), making Sygnia the second-largest ETF provider in South Africa. In line with our reputation for innovation, we launched one of the first actively managed ETFs in the country, the Sygnia Itrix FANG.AI Actively Managed ETF.

Investment performance is not predictable, but we are confident that the philosophy of our investment team, which has served our clients well over time, will continue to deliver competitive long-term value.

Overall, group revenue increased by 4.3% to R843.9 million (2022: R808.9 million). Our expenses increased by 7.9% to R462.8 million (2022: R428.8 million) on the back of an increased investment in technology and staff and resumption of business-related travel.

Sygnia continued its growth trajectory, albeit with a more modest after-tax profit increase of 4.5%, to R300.4 million for the year ended 30 September 2023 (2022: R287.4 million). Basic and headline earnings per share increased to 198.9 cents (2022: 191.3 cents).

Dividend

The overall performance of the Group has enabled the board to declare a final dividend of 123 cents (2022: 130 cents), bringing our total dividend for 2023 to 210 cents (2022: 210 cents).

Total dividend per share

210 cents

2022: 210 cents

Looking ahead

The Group's strategy for delivering value to shareholders is guided by our vision of turning ordinary savers into extraordinary investors. Our key growth areas remain the retail, ETF and umbrella fund markets. We expect a number of initiatives to facilitate further growth in AUMA in 2023/24, including new thematic investment products, AI-enabled customer service, more focus on pricing and cost management, a great marketing spend and the launch of a leading LISP platform.

In closing

As much as we are living through challenging times in South Africa, we are extremely excited about the future. Private and public capital available for funding developments in fields as wide-ranging as climate change, AI advancement, healthcare provision and food security is at its peak. This is likely to continue as governments worldwide recognise and support the power of innovation. Given our focus on exactly these themes, we remain confident about Sygnia's future and new opportunities for South African investors.

Our achievements would not have been possible without our extraordinary staff, committed management and supportive board of directors. I thank them all. My final thank you is to all our clients, who have supported us through "thick and thin".

Magda Wierzycka

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) and 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. It is used for Sygnia's index-tracking funds and transition management and 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 that sponsors the Sygnia Umbrella Retirement Fund offered to the institutional market.

Sygnia Holdings UK Limited ("Sygnia UK")

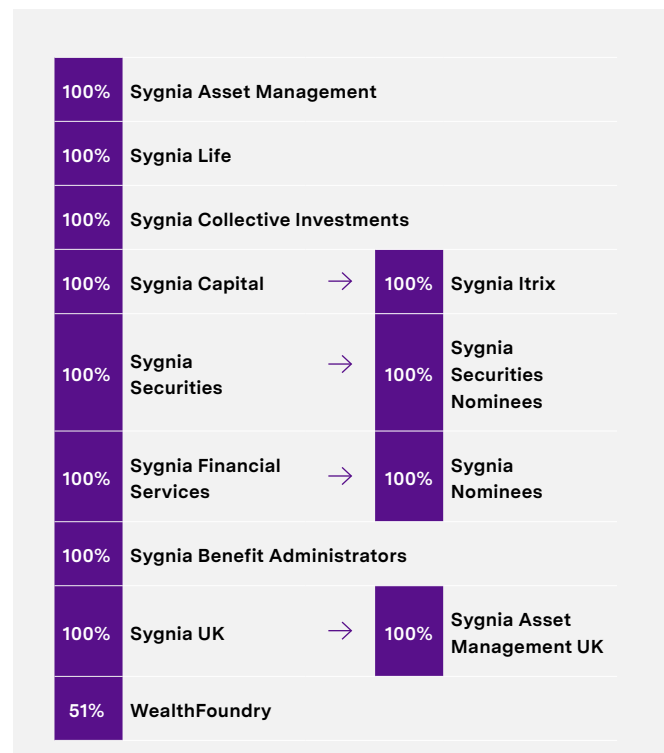
A group structure registered in the United Kingdom to house the individual operating entities registered for the purposes of expansion into the UK.

Sygnia Asset Management UK Limited ("Sygnia Asset Management UK")

A wholly owned subsidiary of Sygnia UK that provides investment advisory services and 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.



Our business

Sygnia is a financial services group based in South Africa and the United Kingdom and listed on the Johannesburg Stock Exchange and 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 R318.1 billion as at 30 September 2023.

The Group employs 316 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 Investment 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 (SURF). 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 Global 1200 ESG ETF, Sygnia Itrix MSCI Emerging Markets 50 ETF and Sygnia Itrix Solactive Healthcare 150 ETF.

2022

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

2023

Sygnia lists its first actively managed exchange traded fund (AMEFT), Sygnia Itrix FANG.AI Actively Managed ETF on the JSE.



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 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.

“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 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 17 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.

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.



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 2023, aggregate assets under management and administration ("AUMA") amounted to R256.5 billion (including SURF) compared to R232.9 billion a year ago. The year-on-year change is a combination of market appreciation of R32.2 billion and net outflows of R8.6 billion owing predominantly to the loss of one large lower-margin AUA client.

Institutional AUMA

as at 30 September 2023

R256.5 billion

2022: R232.9 billion

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.



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: Iva Madjarova

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 innovative solutions on the investment and administration fronts and exceptional level of service from a consulting perspective.

SURF AUM
as at 30 September 2023 and accounting for committed assets.

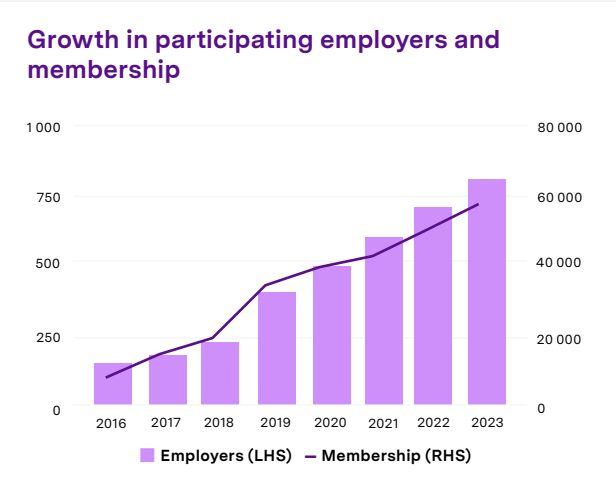
Over R14.8 billion
2022: R13 billion

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 800 employers participating in the fund, compared to around 700 as at 30 September 2022, SURF now manages over R14.8 billion in assets (accounting for committed assets awaiting regulatory transfer approval) on behalf of its 57,379 members compared to a membership of 49,751 a year ago.

This growth is reflected in the unit’s new business close rate of 14% 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.



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 competitive 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 competitive cost proposition coupled with competitive investment returns, innovative products and high quality service makes for one of the most optimal retirement outcomes in the industry.”

Satisfied supporters

SURF’s growing brand is evident in its broadening panel of interested independent intermediaries, now standing at 399 financial service providers (2022: 371).

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.

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.

The latest draft legislation proposes to move the effective date to 1 March 2024 to allow lawmakers to finalise the legislation and provide service providers with sufficient time to implement the legislation. 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. Industry provided comments to the revised legislation in July 2023 and the legislation is expected to be finalised early 2024. System development is underway based on the current draft legislation and further guidance received from regulators.



Retail business

Head: Trisha Jorge

The Sygnia Linked Investment Service Provider ("LISP") retail platform is growing at a pleasing rate with 46,248 investors using the platform as at 30 September 2023, compared to 42,193 at the end of the previous financial year. Fifty-eight percent of those investors are advice-led and, significantly by industry standards, 42% are DIY investors which speaks to our appeal to all types of investors.

A wide range of Sygnia managed unit trusts, Life funds 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, direct investments 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.

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

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.

Retail AUMA

as at 30 September 2023

R61.6 billion

2022: R52.2 billion

Retail assets under management and administration increased over the 12 months under review, from R52.2 billion to R61.6 billion as at 30 September 2023 with market appreciation of R8.3 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.

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 in the first half of 2024, 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% Fund ●	Sygnia Skeleton Balanced Absolute Fund ●	Sygnia Top 40 Index Fund ▲	Sygnia 4th Industrial Revolution Global Equity Fund ▲
Sygnia CPI +4% Fund ●	Sygnia Skeleton Balanced 40 Fund ●	Sygnia Listed Property Index Fund ▲	Sygnia FANG.AI Equity Fund ▲
Sygnia CPI +6% Fund ■	Sygnia Skeleton Balanced 60 Fund ●	Sygnia All Bond Index Fund ◆	Sygnia Health Innovation Global Equity Fund ▲
Sygnia Enhanced Income Fund ◆	Sygnia Skeleton Balanced 70 Fund ■		Sygnia Enhanced All Bond Fund ◆
Sygnia International Flexible Fund of Funds ■	Sygnia Skeleton International Equity Fund of Funds ▲		Sygnia Money Market Fund ●
Sygnia Equity Fund ▲	Sygnia Skeleton Worldwide Flexible Fund ■		Sygnia Transnational Equities Fund ▲
			Sygnia DIVI Fund ▲
Life funds			
Sygnia Life Berkshire Hathaway Fund ▲	Sygnia Signature 40 Fund ●	Sygnia Skeleton 40 Fund ◆	Sygnia Synergy 40 Fund ◆
Sygnia Life Income Maximiser Fund ◆	Sygnia Signature 50 Fund ◆	Sygnia Skeleton 50 Fund ◆	Sygnia Synergy 50 Fund ●
Sygnia Life Transnational Equity Fund ▲	Sygnia Signature 60 Fund ●	Sygnia Skeleton 60 Fund ●	Sygnia Synergy 60 Fund ●
Sygnia Oxford Sciences Enterprise IPF Fund ▲	Sygnia Signature 70 Fund ■	Sygnia Skeleton 70 Fund ■	Sygnia Synergy 70 Fund ■
Exchange traded funds			
Sygnia Itrix 4th Industrial Revolution Global Equity ETF ▲	Sygnia Itrix Top 40 ETF ▲	Sygnia Itrix MSCI World Index ETF ▲	Sygnia Itrix MSCI USA Index ETF ▲
Sygnia Itrix MSCI Emerging Markets 50 ETF ▲	Sygnia Itrix Swix 40 ETF ▲	Sygnia Itrix Solactive Healthcare 150 ETF ▲	Sygnia Itrix S&P 500 ETF ▲
Sygnia Itrix S&P Global 1200 ESG ETF ▲	Sygnia Itrix Euro Stoxx 50 ETF ▲	Sygnia Itrix New China Sectors ETF ▲	Sygnia Itrix Sustainable Economy ETF ▲
Sygnia Itrix Global Property ETF ▲	Sygnia Itrix MSCI Japan Index ETF ▲	Sygnia Itrix FTSE 100 ETF ▲	Sygnia Itrix FANG.AI Actively Managed ETF ▲

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, enhanced income 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 96% of the time over all periods and risk profiles. Compared to peers, the Sygnia Signature range ranked first or second in the Alexforbes Multi-Manager Watch™ Survey across the Fixed Asset Allocation risk profiles over the full time period of ten years to 30 September 2023, and the Sygnia Skeleton range similarly ranked first or second in the Simeka Consultants & Actuaries Survey over ten years. Over the ten years to 30 September 2023, the Sygnia Signature 70 fund has out-performed all single managers' actively managed portfolios in the Alexforbes Global Large Manager Watch™, Survey and the Sygnia Synergy 70 fund is ranked first in the Alexforbes Multi-Manager Watch™ Best Investment View category over five, seven and ten years.

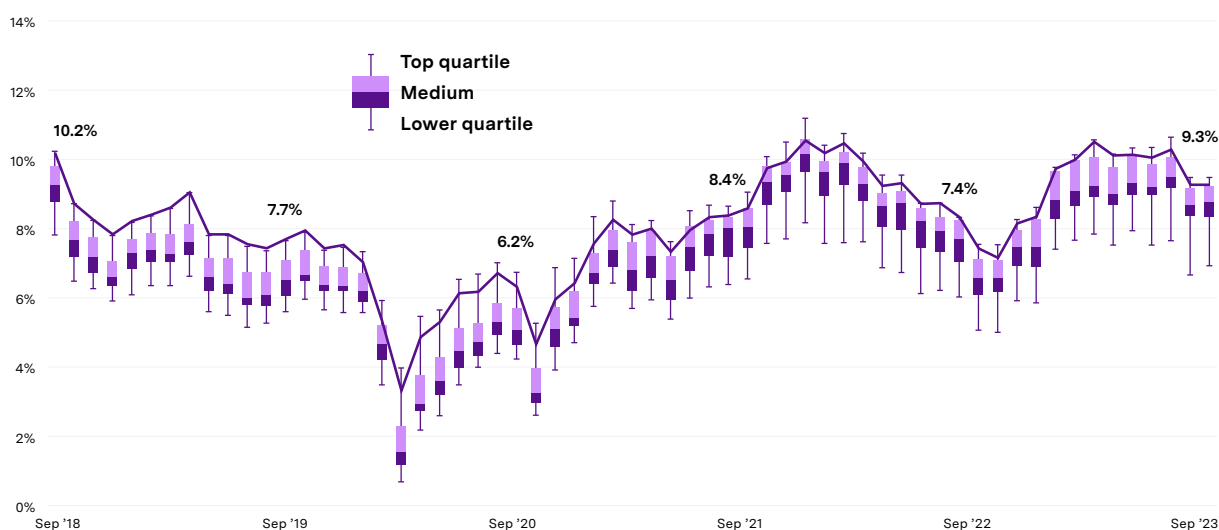
Our wide range of domestic and global funds, specialist index-tracking funds, and our risk-profiled Sygnia Skeleton Balanced unit trusts, continue to produce outstanding peer comparable performance in the retail market since the funds' respective inception dates.

Fund	Ranking since inception	Category
Sygnia FANG.AI	1st out of 51 unit trusts	Global – Equity – General
Sygnia 4th industrial Revoluition	8th out of 41 unit trusts	Global – Equity – General
Sygnia International Flexible FoF	5th out of 23 unit trusts	Global – Multi-Asset – Flexible
Sygnia Skeleton Balanced Absolute	13th out of 151 unit trusts	South African – Mult-Asset – Low Equity
Sygnia Skeleton Balanced 40	3rd out of 64 unit trusts	South African – Multi-Asset – Low Equity
Sygnia Skeleton Balanced 60	2nd out of 49 unit trusts	South African – Multi-Asset – Medium Equity
Sygnia Skeleton Balanced 70	11th out of 80 unit trusts	South African – Multi-Asset – High Equity
Sygnia CPI + 2%	6th out of 58 unit trusts	South African – Multi-Asset – Low Equity
Sygnia CPI + 4%	2nd out of 36 unit trusts	South African – Multi-Asset – Medium Equity
Sygnia CPI + 6%	7th out of 69 unit trusts	South African – Multi-Asset – High Equity
Sygnia Enhanced Income	11th out of 82 unit trusts	South African – Multi-Asset – Income

Source: Morningstar (as at 30 September 2023)

Signature 70 vs AF Multi Manager High Equity and BIV Peers

Box and whisker plot: 60-month rolling returns



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

The Skeleton Balanced Range is top quartile over 1 year, 5 years, 7 years and since inception. The newer Zen funds have shown similar great performance. The Enhanced Income Fund is top quartile over 1 year, 3 years and since inception. The Money Market Fund is top quartile over 1, 3 and 5 years.

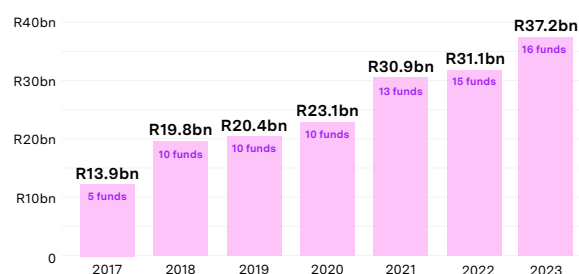
Looking at our global funds, the FANG.AI Fund is not only top quartile over all time periods but number 1 over 1 year, 5 years and since inception.

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 remains a pioneer in investing directly into offshore markets, passing the cost savings on to our investors. Over the past 12 months, we have expanded the markets and themes we invest in and launched our first actively managed exchange traded fund (AMETF). The Sygnia Itrix FANG. AI Actively Managed ETF provides a simple vehicle for

investors who want investment exposure to companies that use advanced technologies to acquire and retain users, including industry-disrupting technologies such as artificial intelligence, large language models, cloud storage, big data, social media and e-commerce tools. Sygnia also launched the Transnational Equity Fund, a unique investment vehicle designed for South African investors limited by regulation from investing more than a specific amount offshore. The fund is actively managed and invests in JSE-listed equities with a predominantly offshore revenue exposure, providing investors with exposure to diversified global growth opportunities. The fund has a low management fee, so more of the investment goes to generating returns. This investment vehicle may be a valuable asset for investors concerned about the potential stagnation of South African growth.

Sygnia Itrix Exchange Traded Funds



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.



Sygnia Securities

Head: Michael Terry-Lloyd

Sygnia Securities is the cost-effective, independent in-house broker and trading division for the Sygnia Group. Its primary business is multi-product execution-only transactions on the JSE in support of Sygnia's index-tracking funds, retail clients and transition management services.

Sygnia Securities introduced a securities lending service five years ago, which is well employed across the Sygnia institutional product suite. The product is also applied across the Group's large investment and administration client base and contributes many benefits to asset owners and to the Group as a whole.

Securities trading

The trading desk faced a challenging trading environment in 2023 as a result of lower-than-expected market turnover and the delisting and merging of various listed companies on the JSE. While these factors weighed slightly on equity trading revenue, they were balanced by an increase in index and futures trading. The transition management services also contributed significantly to the division's revenue.

Securities lending

The securities lending business unit enjoyed favourable market conditions in 2023, with higher interest rates and larger demand helping to drive revenue. This led to the product outperforming all previous years since its inception.

“Sygnia Securities' primary business is multi-product execution-only transactions on the JSE in support of Sygnia's index-tracking funds, retail clients and transition management services.”

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 2023 Integrated Report, Sygnia aimed to identify and report on all matters 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	Our regulators
<p>We are accountable to our shareholders to deliver on the Group's strategic goals and they, in turn, support the long-term growth of our business by investing in the Group.</p>	<p>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.</p>
<p>Expectations</p> <ul style="list-style-type: none"> 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 	<p>Expectations</p> <ul style="list-style-type: none"> Regulatory compliance Transparency Active engagement on an ongoing basis Acting in clients' best interests Provision of commentary on proposed regulatory changes
<p>Stakeholder engagement</p> <ul style="list-style-type: none"> Individual and group meetings with institutional investors Annual general meeting Stock Exchange News Service (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 	<p>Stakeholder engagement</p> <ul style="list-style-type: none"> 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 the Association for Savings and Investment South Africa (ASISA), the South African Institute of Chartered Accountants (SAICA) and the Actuarial Society of South Africa (ASSA) Provision of commentary on draft legislation
Our clients	Our people
<p>We help our institutional and retail clients achieve their investment goals through access to a wide range of savings and investment products. Our clients include a variety of intermediaries who are critical to the distribution of our products.</p>	<p>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 with the Group.</p>
<p>Expectations</p> <ul style="list-style-type: none"> 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 the Treating Customers Fairly framework 	<p>Expectations</p> <ul style="list-style-type: none"> Market-related remuneration Performance recognition Ongoing development and training Career progression Job security Alignment of values and ethical and social standards
<p>Stakeholder engagement</p> <ul style="list-style-type: none"> 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 via 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 	<p>Stakeholder engagement</p> <ul style="list-style-type: none"> 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 the 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.

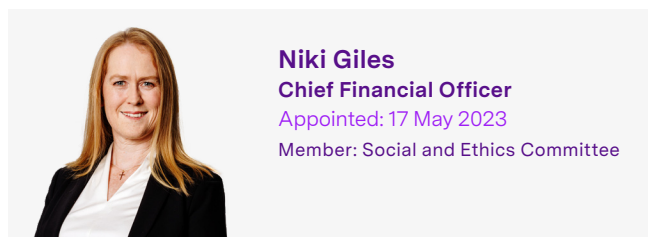
Our Board of Directors

Executive directors

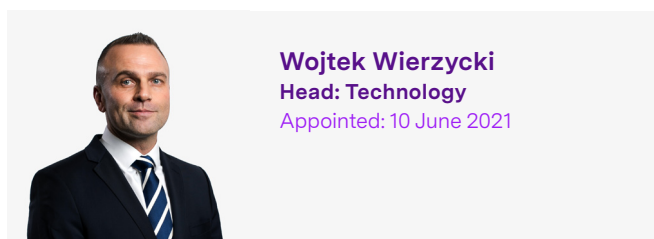


Magda is a Fellow of the Faculty of Actuaries and has served on the council of the Actuarial Society of South Africa. She has over 27 years' experience in asset management and is widely published in the field. Magda joined Southern Life in 1993 and then spent two years at Alexander Forbes as an investment consultant. In 1997 she joined Coronation Fund Managers as Head of Institutional Business. She left in 2003 to start a fund-of-hedge-funds business, which was later sold to the African Harvest group, of which she was appointed Chief Executive Officer (CEO).

After the sale of African Harvest Fund Managers in 2006, she led the management buy-out of the remainder of the group. She then started Sygnia, which she headed as CEO until her appointment as Group chairperson in June 2021. Magda resumed her role as CEO on 1 May 2023. 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).



Niki has worked in the financial services industry for over 25 years, starting as an auditor in the Financial Institution Services team at Deloitte, both in South Africa and in the UK. In 2005 she joined African Harvest as its Chief Financial Officer (CFO) and worked alongside Magda for its sale to Cadiz – and for the subsequent founding of Sygnia. From 2006 to 2018 she fulfilled various roles at Sygnia, including Head of Compliance, CFO and Chief Operating Officer. In 2019 Niki moved to Prescient, first as Head: Investment Services and Products and later as Head: Governance, Risk and Compliance. In May 2023 she rejoined Sygnia as CFO. Niki is a chartered accountant and a chartered financial analyst and holds a diploma in Investment Compliance from the Chartered Institute for Securities & Investment.



Wojtek is a certified systems and network engineer who has 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, 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



Haroon Borat
Chairperson
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 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, established in 2019 by President Ramaphosa to generate new ideas for economic growth, job creation and to address poverty in South Africa.



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 in 2015 after a career spanning 30 years. George is a chartered accountant, holds a Master of Commerce in Applied Risk Management (cum laude) and is a CFA charter-holder. George currently serves as an independent non-executive director on the board of a diversified chemicals group, Omnia Holdings Limited.



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

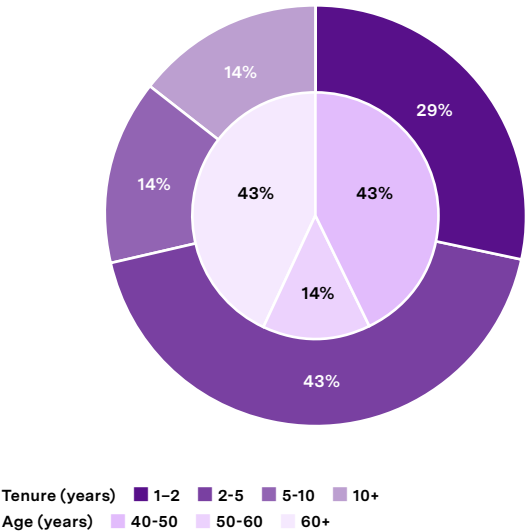
Jurgen is a chartered accountant. He joined the Financial Sector Conduct Authority (FSCA) in November 2000 and retired as Divisional Executive for Market Integrity Supervision at the end of March 2021. He previously held roles in the private sector as an accountant, auditor, financial manager, business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



Aboubakar (Bakar) Jakoet
Appointed: 7 August 2023
Member: Audit and Risk Committee

Bakar is a chartered accountant and an experienced director. He currently serves as a non-executive director on the board of Pick n Pay Stores Limited, having retired as Chief Financial Officer of Pick n Pay Stores Limited in 2019 after many years of service. He has held various positions, directorships and executive positions across the Pick n Pay group.

Age and tenure of the Board of Directors



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 department 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 to the impact that business operations have on the environment and societies within which it operates.

The Board 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 2024.

Board composition

The Board is comprised of seven directors, of whom three are executive and four are 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.

Ms Magda Wierzycka resumed her role as Chief Executive Officer on 1 May 2023, with Professor Haroon Borat assuming the role of Chairperson at that time. During the year, the board welcomed the return of Ms Niki Giles to Sygnia as Chief Financial Officer and the nomination of Mr Bakar Jakoet as a new independent non-executive director. Mr David Hufton and Mr Murad Sirkot resigned as executive directors, and Ms Clarissa Appana resigned as a non-executive director.

For a short period of time, between the resignation of Mr Murad Sirkot and the appointment of Ms Niki Giles, the Group was without a Chief Financial Officer due to the withdrawal of the appointment of a replacement Chief Financial Officer.

Subsequent to 30 September 2023, Mr Mcebisi Jonas also resigned as a non-executive director. 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 that at least one-third of the directors are women. Currently, 43% of the Board members are black and 29% are women, one of whom is the chief executive officer. The Board continues its efforts to improve its gender and racial 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 Conflict 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 and directors and its relationship with clients, suppliers, service providers and intermediaries.

The Group's Conflict 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 2023 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 its adopted strategies and policies:

- 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 2023 financial year is detailed below.

Board member	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee
Magda Wierzycka	4 / 4			
Niki Giles #	2 / 2			1 / 1
Wojtek Wierzycki	4 / 4			
Haroon Bhorat	4 / 4		2 / 2	1 / 2
George Cavaleros	4 / 4	4 / 4	2 / 2	
Jurgen Boyd	4 / 4	4 / 4	2 / 2	
Bakar Jakoet #	1 / 1	0 / 1		
Mcebisi Jonas ^	4 / 4			2 / 2
David Hufton *	2 / 2			
Murad Sirkot *	1 / 2			
Clarissa Appana *	3 / 3	3 / 3		

Appointed during the year. * Resigned during the year. ^Resigned subsequent to year end.

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 and on an ad hoc basis as 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 and the operation of adequate and effective systems, controls and risk processes. These responsibilities 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 policy to the Board on the employment of technology and information, based on the approved Board strategy. 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 the security of information and of the security culture within the organisation.

The ARC is also responsible for oversight of the external and internal audit functions, including appointments and terminations. The ARC's report can be found on page 52. 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 2024 and approved the internal audit plan for the Group. The ARC is satisfied that the Chief Financial Officer has the appropriate expertise and experience to perform the duties required of the position. The ARC ensures that the Group has established appropriate financial reporting procedures and that those procedures operate effectively.

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 the ongoing identification, evaluation and management of risks that could prevent the Group from achieving its objectives. Annual risk management workshops are held with all key departments and executive management to identify and measure risks in line with the Board-approved risk methodology. Ongoing monitoring is overseen by the Head of Risk, and in the event of new business initiatives or ventures undertaken by the Group, ad hoc risk workshops are undertaken to identify potential new exposures. As not all risks can be prevented, the Group identifies and ranks risks in order of impact and probability, and these are then actively managed by being terminated, transferred, 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 risk 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 during the 2023 financial year. 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 principal risks facing the Group, as well as the mitigating controls 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.	<ul style="list-style-type: none"> Managed 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 income instruments.
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.	<ul style="list-style-type: none"> A dedicated legal and compliance team monitors compliance with financial sector regulations and assesses the impact of any legislative and regulatory changes. Business unit heads and senior managers ensure compliance with all applicable regulations and assess 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 and regulatory requirements. Oversight by the Internal Audit Function and the Head of Actuarial Function.
Operational risk The risk of errors or fraud as a result of ineffective or failed controls in respect of internal processes, people, systems or external factors.	<ul style="list-style-type: none"> Several of Sygnia's automated processes are subject to ongoing systems development. Defined incident management process in place. The 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 risks. Treatment and mitigation plans to improve the control environment are monitored. Oversight by the Internal Audit Function and the Head of Actuarial Function. ISAE3402 reviews. A 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. 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.	<ul style="list-style-type: none"> Adherence 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 the Investment Committee, made up of experienced investment professionals who follow a structured and well-established investment process and philosophy. Performance and fees are assessed relative to benchmark and peers. Frequent and transparent client communication. Access to information is provided to clients via dedicated retail and institutional web-based platforms. Complaints management procedures and escalation policies are in place. Treatment and remedial action plans are put in place for any clients deemed to be "at risk".

Risk	Management and mitigation
Business development risk The risk of not growing Sygnia's client base.	<ul style="list-style-type: none"> ▪ Dedicated business development teams focused on attracting new direct clients and expanding external distribution by 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. ▪ Continue to launch innovative and cost-effective products and services via the Research and Product Development Committee. ▪ Leverage existing client relationships.
Reputational risk The risk that a decision, event, or action could compromise or damage Sygnia's brand.	<ul style="list-style-type: none"> ▪ Adherence 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 Code of Conduct and Ethics policy. ▪ All staff are required to comply with the Group's Personal Account Trading policy. ▪ A policy is in place regarding all media engagement and is actively monitored by dedicated staff. ▪ Complaints management procedures and escalation policies are in place. ▪ Whistleblowing process in place. ▪ Adherence to Financial Intelligence Centre Act requirements.
Business continuity risk The risk that the business is unable to operate due to unforeseen events or external factors.	<ul style="list-style-type: none"> ▪ A comprehensive business continuity plan is in place. ▪ Disaster recovery plans are tested biannually and are measured by external auditors as part of the ISAE3402 engagement. ▪ Operational staff are IT-mobile enabled. ▪ Client data are stored in a secure off-site location and are backed up daily. ▪ Offices in Cape Town and Johannesburg are equipped with generators.
Cybersecurity risk Ineffective management of cyberthreats may significantly disrupt core operations and cause financial/data loss and reputational damage.	<ul style="list-style-type: none"> ▪ A well-defined IT strategy, underpinned by established governance and monitoring processes. ▪ The implementation of and adherence to IT security policies and risk assessments, which are aligned with industry best practice. ▪ Ongoing employee awareness training. ▪ Ongoing vulnerability management, 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 regular penetration testing.
Human resource risk The risk of key staff leaving, which could negatively affect the Group.	<ul style="list-style-type: none"> ▪ 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 62% of the Group. ▪ Succession plans for key roles are in place, including for the CEO. ▪ Ongoing skills development.

Assurance

The Group has adopted a combined assurance framework to monitor the effectiveness of the controls implemented to mitigate risk. This framework comprises :

- Senior management
- Compliance and risk management functions
- Internal auditors and statutory actuaries
- Independent external assurance providers (ISAE3402 and integrated report).

Combined assurance is an effective coordination of various “lines of defence” through the encouragement of collaboration and the development of a holistic view of the Group’s risk universe to manage risk most effectively and efficiently. The collaboration between the role players in a combined assurance framework provides a more complete, transparent and reliable view of the Group’s risk profile and assurance activities to all stakeholders.

Sygnia outsources its internal audit function to PwC to ensure complete independence. The internal audit function provides independent (objective and impartial) assurance, as well as advisory services designed to add value and improve Sygnia’s operations. The internal audit does this by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management and governance processes and to report on the integrity of the controls within the business. The internal audit follows a risk-based approach to audit planning and execution, and the annual risk-based internal audit plans are developed and presented for approval to the ARC.

No material breakdowns in the Group’s governance, risk management and controls processes were identified during the year to be brought to the attention of management or the ARC.

Compliance

Sygnia is committed to complying 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 regulations.

The roles underpinning the compliance function are varied but culminate in the attainment of a single objective – 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 require 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, its directors or its 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 necessary to resolve a complaint and that the resolution of all complaints is fair to the client, to Sygnia and to 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 necessary to log a complaint and the steps to be taken to resolve it.

Remuneration Committee

The Remuneration Committee (“the Committee”) is chaired by a non-executive director and consists of two other non-executive directors at 30 September 2023. The Committee meets twice a year and on an ad hoc basis as 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 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 an individual’s 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 but more frequently if required, and it 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 implementation report are subject to separate non-binding advisory votes by shareholders every year at the annual general meeting, or whenever a material change is approved by the board. In the event that the Policy, 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 stipulate the manner and timing of such engagement. The following should 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 2023 AGM, 93.7% of the votes cast were in favour of the remuneration policy and 93.7% were in favour of the implementation report.

Considerations

In developing this Policy, the following factors were 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 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 are further adjusted for additional responsibilities, performance and length of service.

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

Benefits and allowances consist of:

- Retirement annuity: All staff can contribute to the Sygnia Retirement Annuity Fund, with 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 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 in Sygnia Limited: 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.

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 Chief Financial Officer ("CFO"). Recruitment allocations for senior roles, including the CEO and CFO, 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 and short- and long-term incentives applies to executive directors as well. KPIs are agreed on with the Committee and the Board at the beginning of each year. Performance against these KPIs is assessed by the Committee, which determines the salary increase, cash bonus and any share option allocations.

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.

Transgressions (trigger events) are typically those that result in a serious breach of contract or regulation. Such transgressions include:

- Misstatement of financial results
- Breach of regulation that could result in reputational risk or regulatory fine
- Breach of Sygnia's policies and code of conduct
- Execution of transactions in excess of Board-approved risk appetite or not authorised in terms of the group's delegation of authority
- Misleading the Sygnia Limited Board, senior management or regulatory authorities
- Inappropriate standards of conduct.

The transgressions described 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 37. The Committee confirms that no remuneration consultants were used and that future areas of focus have been determined.

Social and Ethics Committee

The Social and Ethics Committee ("SEC") is chaired by an independent non-executive director and includes 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 as to exercise oversight and report on organisational 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 SEC 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. It recognises that the future of South Africa rests in the hands of its youth, and it is 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 that recognise and develop talent
- Projects with direct and clear delivery objectives and in which administration costs are kept to a minimum.

Sygnia believes it can have a positive social impact on individuals through education and can help them to actively participate in the South African economy. Children need their basic human needs fulfilled to thrive. Sygnia's focus is on projects that offer children a sustainable future through the development of social and environmental awareness. Sygnia is proud to partner with and support the organisations below.

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.



“Our programmes foster healing and facilitate growth and development for children affected by life on the streets.”

– Homestead

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.



Teacher and student in the classroom, Christel House



Young entrepreneur, Christel House

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.

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 and career 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. Attracting and retaining talented individuals to the Group is key to all the above.

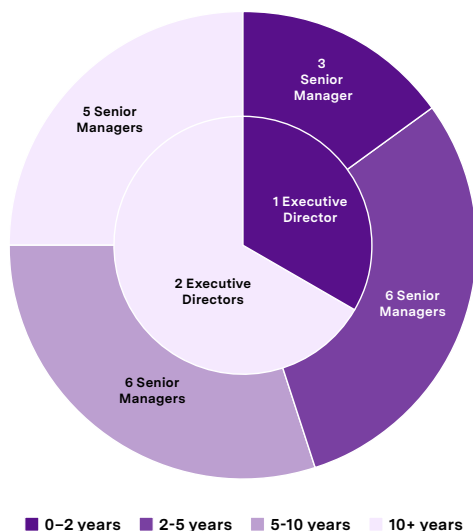
Our people

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 remained fairly stable, with the return to the business of certain key personnel this year. 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. Key staff are 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



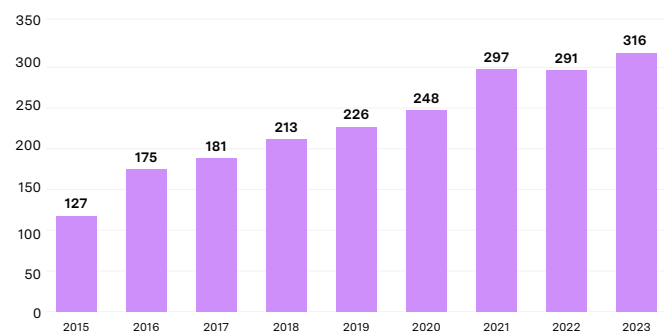
The junior staff tier, largely administrative in nature, experiences higher turnover due to the high level of competition for administrative staff within the financial services industry in Cape Town. Sygnia's staff are generally regarded as being of a very high calibre due to the Group's rigorous training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

Sygnia employs a staff complement of 316 as at 30 September 2023 (2022: 291). 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.

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.

Growth in staff complement



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 (2022: 72%).

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. Ongoing training is also provided to all staff covering a number of topics including regulation, product and technology.

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 multi-manager 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, webinars, 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.

“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.”

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 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 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 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 FSC.

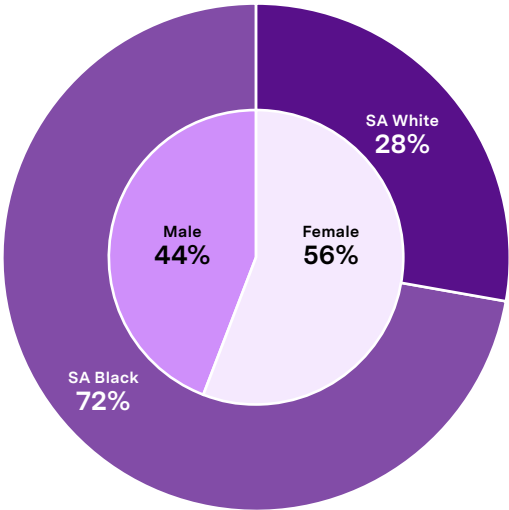
Diversity and equal opportunity

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 CEO is a woman
- 29% of the board of directors is female
- 56% of staff are women
- Many senior management positions are held by women, including Chief Financial Officer; Head: Institutional Business; Head: Special Projects; Head: Employee Benefit Operations; Head: Institutional Administration; Head: Human Resources; Head: Retail Business and Head: Marketing
- 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.

Sygnia Group's demographics



Notice of the annual general meeting

Notice is hereby given that the annual general meeting (“the Meeting”) of Sygnia Limited (“Sygnia” or “the Company”) will be held, subject to any cancellation, postponement or adjournment, in the auditorium of the offices of the Company on the 7th floor of The Foundry, Cardiff Street, Green Point, Cape Town, 8001 on Thursday, 08 February 2024 at 10:00 a.m. (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, 24 November 2023, 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, 02 February 2024, 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, 30 January 2024.

References to all page numbers are in relation to the annual financial statements and the 2023 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, however, proxies should be submitted to the transfer secretaries before 10:00 a.m. on Tuesday, 06 February 2024.

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 to 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. Thursday, 25 January 2024) 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 described 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 2023, 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 4 December 2023 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 year ending 30 September 2024 and to note Ms M Pieterse as the designated audit partner effective 1 October 2023.

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 (MOI) but are eligible and available for re-election:

- 2.1 Mr George Cavaleros
- 2.2 Mr Jurgen Boyd

A profile in respect of each director is contained on pages 23 to 24 of the 2023 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 directors who were appointed during the year

To elect as an executive director the following individual, who was appointed during the year:

- 3.1 Ms Niki Giles
A profile of Ms Giles is contained on page 23 of the 2023 Integrated Report.

To elect as a non-executive director the following individual, who was appointed during the year:

- 3.2 Mr Aboubakar Jakoet
A profile of Mr Jakoet is contained on page 24 of the 2023 Integrated Report.

The election of the directors of the Board shall be conducted by way of a separate vote.

Ordinary Resolution 4: 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:

- 4.1 Mr George Cavaleros (chairman of the Audit and Risk Committee), subject to the passing of ordinary resolution number 2.1
- 4.2 M Jurgen Boyd, subject to the passing of ordinary resolution number 2.2
- 4.3 Mr Aboubakar Bakoet, subject to the passing of ordinary resolution number 3.2

A profile in respect of each member recommended for election to the Audit and Risk Committee is contained on page 24 of the 2023 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 5: 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 in terms of paragraph 5.52(f) of 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 22 642 123 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 5 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 believes that shareholders should pass this resolution to enable the Board to issue additional shares should it be in the best interests of the Company to do so.

Ordinary Resolution 6: 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 7: 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 29 to 31 of the 2023 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 8: 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 29 to 31 of the 2023 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 9: 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 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 Borat, a proposed annual fee of R1 044 750
- 1.2 in respect of Mr George Cavaleros, a proposed annual fee of R842 000
- 1.3 in respect of Mr Jurgen Boyd, a proposed annual fee of R729 750
- 1.4 in respect of Mr Aboubakar Jakoet, a proposed annual fee of R800 000
- 1.5 in respect of any other director, an annual fee not exceeding R750 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 being 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 and that has been submitted to the JSE in writing containing all the details required in terms of paragraph 5.72(h) of the JSE Listings Requirements 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 2023 Integrated Report in which this notice is included, at the places indicated:

- Major shareholders (page 93 of the 2023 Integrated Report)
- Stated capital (page 51 of the 2023 Integrated Report)

Material change

Other than the facts and developments reported on in the 2023 Integrated Report, there have been no material changes in the affairs and financial or trading position of the Group since the financial period ended 30 September 2023 and the signature date of this notice.

Directors' responsibility statement

The directors whose names are set out on pages 23 and 24 of the 2023 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
4 December 2023

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 10:00 a.m. (SAST) on Thursday, 08 February 2024, 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:

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	Mr G Cavaleros			
2.2	Mr J Boyd			
3	To elect the directors who were appointed during the year			
3.1	Ms N Giles			
3.2	Mr A Bakoet			
4	To elect the Audit and Risk Committee members			
4.1	Mr G Cavaleros			
4.2	Mr J Boyd			
4.3	Mr A Bakoet			
5	To authorise the issue of ordinary shares for cash			
6	Control of authorised but unissued shares			
7	Non-binding advisory vote on the Sygnia remuneration policy			
8	Non-binding advisory vote on the Sygnia implementation report			
9	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 that 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 10:00 a.m. (SAST) on Tuesday, 06 February 2024, or be 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 initialled 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 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.
1. 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, 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 concurrently 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
AUMA	Assets under management and administration
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	Johannesburg Stock Exchange
King IV	King Code of Governance for South Africa 2016
KPI	Key performance indicator
LISP	Linked investment service provider
Listing Date/Listing	14 October 2015
MOI	Memorandum of incorporation
Prudential Authority	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 2023

These financial statements were prepared under the supervision of the Financial Director, NJ Giles CA (SA)
and were audited in compliance with the applicable requirements of the Companies Act of South Africa.





Corporate information

Annual general meeting: 8 February 2023

Share code (ordinary shares): SYG

ISIN: ZAE000208815

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Board of Directors

Name	Date of appointment	Date of resignation
MF Wierzycka (CEO) #	17/09/2007	
DR Hufton (Former CEO) #	01/09/2018	30/04/2023
MA Sirkot (Former Financial Director) #	16/01/2019	31/03/2023
WA Wierzycki #	10/06/2021	
NJ Giles (Financial Director) #	17/05/2023	
G Cavaleros (Lead Independent) *	28/06/2019	
HI Bhorat (Chairman) *	11/06/2015	
MH Jonas *	01/09/2018	17/10/2023
C Appana *	08/09/2020	30/06/2023
JA Boyd *	29/07/2021	
A Jakoet *	07/08/2023	

* 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

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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 the annual financial statements

The consolidated annual financial statements were approved by the board of directors and signed on it's behalf by:

Magda Wierzycka
Chief Executive Officer

Niki Giles
Financial Director

4 December 2023

Chief Executive Officer and Financial Director confirmation

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

- the annual financial statements set out on pages 57 to 92, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS;
- 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;
- 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;
- 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;
- 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
- we are not aware of any fraud involving directors.

Magda Wierzycka
Chief Executive Officer

Niki Giles
Financial Director

4 December 2023

Report by the company secretary for the year ended 30 September 2023

In terms of S88(2)(e) of the Companies Act 2008, as amended and for the year ended 30 September 2023, 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

4 December 2023

Directors' report

The directors have pleasure in presenting their report on the activities of the Group for the year ended 30 September 2023.

Highlights

- Assets under management and administration of R318.1 billion as at 30 September 2023 (2022: R285.1 billion), up 11.6%.
- Revenue of R843.9 million (2022: R808.9 million), up 4.3%.
- Profit after tax of R300.4 million (2022: R287.4 million), up 4.5%.
- Headline earnings per share of 198.9 cents (2022: 191.3 cents), up 4.0%, and diluted headline earnings per share of 194.5 cents (2022: 186.1 cents), up 4.5%.
- Total dividend per share of 210 cents (2022: 210 cents).

Financial performance

Assets under management and administration increased by 11.6% to R318.1 billion as at 30 September 2023 (2022: R285.1 billion). This is against a backdrop of the FTSE/JSE SWIX Index returning 12.2%, the JSE All Bond Index 7.2% and the MSCI World Index 28.5% in rands for the full financial year. The average returns of global balanced portfolios came in at 14.1%. While we are seeing some new business inflows, our stand-alone retirement fund clients continue to deal with net outflows due to limited job opportunities and sluggish economic growth. On a brighter note, our umbrella fund, SURF, has benefited from industry consolidation, now ranking as the sixth largest in South Africa. On the retail side, despite overall net inflows, there is an uptick in outflows attributed to emigration, rising living costs, and the need for financing of off-grid power solutions. The constraints and caps placed on institutions being able to invest money offshore have meant that investors are increasingly forced to take money offshore directly.

A key competitive edge for Sygnia is the Sygnia Itrix range of exchange traded funds (ETFs) listed on the JSE. These ETFs offer global exposure without size restrictions. Sygnia Itrix the second-largest ETF provider in South Africa.

Sygnia's funds, particularly our retail offerings, have demonstrated strong performance compared to our competitors, with each fund's return reflecting its individual mandate. In an investment climate where cost-efficiency is increasingly valued, our low-cost passive investment strategies continue to gain prominence.

In tune with market needs and our commitment to innovation, we have both repositioned and introduced new products, including launching one of South Africa's first actively managed ETFs, as well as prudently streamlined our product offerings where necessary.

Total revenue for the year rose 4.3% to R843.9 million (2022: R808.9 million), while total expenses, at R462.8 million (2022: R428.8 million), increased by 7.9%. The increase in expenses was primarily driven by higher staff costs associated with increased business activity, including the resumption of travel. The increase in interest income to R42.1 million (2022: R26.8 million) can be attributed to higher average cash balances driven by higher profits and higher interest rates. The increase

in other investment income to R9.9 million (2022: R6.9 million) is mainly a function of fair value gains on investments.

Profit after tax increased by 4.5% to R300.4 million (2022: R287.4 million) a reflection of difficult market conditions. Sygnia continues to invest in technology to ensure that it continues to offer leading fintech solutions and exceptional service to clients. This includes a large focus being placed on the development of AI-driven solutions.

Corporate services

Sygnia's core services remain unchanged.

We offer:

- 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, ETFs, 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, securities lending and foreign exchange transacting services.

The focus of the business has remained one of organic growth, rather than acquisitions.

Market conditions

The past year has seen a slow normalisation of stock markets after the shock of spiking inflation and significant interest rate increases in 2022. However, the relative post-Covid economic recovery has varied widely between different continents and countries. Most significantly, while the US seems to have shrugged off the prospects of a recession and made great headways in taming inflation, China continues to struggle. In fact, its "economic superpower" status is reversing. Its GDP growth is projected to drop in 2023 for the first time since 1994, it faces the potential for deflation and is battling to deal with the consequences of a debt-driven property downturn. Investors are pulling money from China at a record pace, whilst foreign direct investment is drying up.

Investment markets have largely overlooked the ongoing conflict between Russia and Ukraine, and showed minimal response to the recent Israel-Gaza Strip conflict. Nevertheless, these events have highlighted the deepening geopolitical divide between the traditional Western bloc, aligned with the US, and the allies of China.

The US equity markets have proved to be the safest haven for investors, albeit with equity returns largely driven by the performance of the "Big Seven" technology stocks, Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla where valuations have been supported by the excitement surrounding

AI. Training large AI models like ChatGPT involves enormous computational power, infrastructure support and extensive datasets. Given the extent of the investment required, unsurprisingly it is the tech giants leading the way in innovation. At the same time bond yields have spiked to record highs as investors continue to “guesstimate” when the US Federal Reserve, and for that matter other central banks, will start cutting interest rates again, an event unlikely to happen until the second half of next year.

The South African markets, as measured by the FTSE/JSE SWIX Index and the JSE All Bond Index, have delivered surprisingly strong returns, at 12.2% return and 7.2%, respectively, despite foreign investments and growth being hindered by continuing Eskom load shedding, near-collapse of port infrastructure, South Africa's grey-listing by the Financial Action Task Force and our clear alignment with pariahs nations. South Africa has managed to tame inflation better than most at 4.8%, but there is little prospect of interest rate cuts in the near future.

Moving ahead, Sygnia remains committed to maintaining high performance and exceptional service for our clients. The retail sector stands out as our key growth area, where we anticipate significant expansion through our offerings in passive and thematic investment products.

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 150 947 489 (2022: 150 439 353) shares in issue at the end of the year.

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.

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 2023 of 123 cents per share has been declared out of income reserves, resulting in a net dividend of 98.4 cents per share for shareholders after Dividends Tax (“DT”). Together with the interim gross dividend of 87 cents per share, this amounts to a total gross dividend of 210 cents per share (2022: 210 cents per share).

Special resolutions

At the annual general meeting of the Company held on 30 January 2023, 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 2023

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, Mr J Boyd and Mr A Jakoet. 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.

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. Designated partner responsibilities will be assumed by Ms M Pieterse effective 1 October 2023.

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 M Pieterse as the designated partner for the year ending 30 September 2024.

Internal audit and internal controls

Ms N Giles, the Group CFO, has assumed responsibilities as head of the internal audit control function from Mr D Hufton, 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 2024 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 2022 to 30 September 2023:

- 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 has not been made aware of any instances of internal 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 with the effectiveness of the Financial Director, Ms N Giles, 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 2023 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 2023 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 54 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 2023 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.

In conclusion, the ARC thanks the finance team members for their contribution during the financial period. The committee welcomes Mr A Jakoet as a member with effect from 7 August 2023 and looks forward to his contribution. Finally, special gratitude is expressed by the committee to former ARC member Ms C Apana for her contribution to the committee's activities.

George Cavaleros

Chairman of the Audit and Risk Committee
4 December 2023

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 57 to 92, which comprise the consolidated statement of financial position as at 30 September 2023, 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 2023, 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 (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 R141 billion (2022: R126 billion) include unlisted investments in limited liability partnerships of R6.1 billion (2022: R5.4 billion).

The limited liability partnership investments are 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.

Given the significance of the estimates and judgements used by management in the valuation of the Group's investments in limited liability partnerships, 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 of the limited liability partnerships, we performed substantive tests of details to confirm the reasonableness of the valuation of the limited liability partnership 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 investments in terms of the requirements of IFRS 13.
- 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 investments 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 asset is 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.

Given 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 2023" and in the document titled "Audited Consolidated Annual Financial Statements for the year ended 30 September 2023" 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 Consolidated 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 Consolidated 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 five years.



Mazars

Partner: Yolandie Ferreira
Registered Auditor
04 December 2023
Cape Town

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

Consolidated statement of financial position

as at 30 September 2023

	Notes	2023 R'000s	2022 R'000s
Assets			
Intangible assets	3	408 400	410 380
Property and equipment	4	14 788	18 221
Loans receivable	9	37 585	42 621
Right-of-use assets	5	32 946	12 428
Deferred tax assets	6	42 624	17 000
Investments linked to investment contract liabilities	7.1	140 724 578	126 196 900
Other receivables		9 855	6 990
Trade receivables	10	106 351	102 143
Investments	8	370 931	393 842
Amounts owing by clearing houses	11.1	419	32 073
Amounts owing by clients	11.2	308 800	27 709
Cash and cash equivalents	12	1 084 174	357 524
Total assets		143 141 451	127 617 831
Equity			
Stated capital	13	667 660	662 712
Retained earnings		386 195	412 956
Reserves		(232 788)	(234 111)
Total equity		821 067	841 557
Attributable to the owners of the parent		820 674	841 236
Attributable to non-controlling interest		393	321
Liabilities			
Loan payable - Non-current	15	35 305	45 293
Preference share liability - Non-current	17	100 000	100 000
Lease liabilities - Non-current	16	28 402	3 129
Deferred tax liabilities	6	69 019	69 355
Third-party liabilities arising on consolidation of collective investment schemes	14	2 222 968	4 407 929
Investment contract liabilities	7.2	138 534 181	121 796 830
Tax payable		20 603	39 061
Lease liabilities - Current	16	7 203	10 695
Trade and other payables	18	993 476	244 211
Amounts owing to clearing houses	11.1	90 872	-
Amounts owing to clients	11.2	218 355	59 771
Total liabilities		142 320 384	126 776 274
Total equity and liabilities		143 141 451	127 617 831

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 September 2023

	Notes	2023 R'000s	2022 R'000s
Revenue	21	843 890	808 861
Operating expenses	21	(462 812)	(428 839)
Profit from operations	21	381 078	380 022
Investment contract income/(loss)	19	20 497 849	(4 596 328)
Transfer (to)/from investment contract liabilities	20	(20 497 849)	4 596 328
Interest income		42 124	26 776
Other investment income	22	9 861	6 891
Finance costs		(13 178)	(11 359)
Profit before tax		419 885	402 330
Income tax	23	(119 445)	(114 966)
Profit after tax		300 440	287 364
Other comprehensive income			
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Foreign currency translation reserve		3 001	(489)
Total comprehensive income for the year		303 441	286 875
Profit attributable to:			
Owners of the parent		299 808	286 729
Non-controlling interest		632	635
		300 440	287 364
Total comprehensive income attributable to:			
Owners of the parent		302 809	286 240
Non-controlling interest		632	635
		303 441	286 875
Earnings per share (cents)	24		
Basic		198.9	191.3
Diluted		194.5	186.1

Consolidated statement of changes in equity

for the year ended 30 September 2023

Attributable to equity holders of the group						
Notes	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 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
Total comprehensive income for the year	-	3 001	-	299 808	632	303 441
Dividends paid **	-	-	-	(326 569)	(560)	(327 129)
Share-based payment expense 21	-	-	1 852	-	-	1 852
Issue of shares 13	1 492	-	-	-	-	1 492
Ordinary shares repurchased 13	(146)	-	-	-	-	(146)
Transfer between share based payment reserve and stated capital 13	3 602	-	(3 602)	-	-	-
Balance at 30 September 2023	667 660	(250 173)	16 992	386 195	393	821 067

* Dividends per share - 160 cents
Declared 7 December 2021 - 80 cents
Declared 7 June 2022 - 80 cents

** Dividends per share - 217 cents
Declared 5 December 2022 - 130 cents
Declared 5 June 2023 - 87 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 2023

	Notes	2023 R'000s	2022 R'000s
Cash flows from operating activities			
Cash flows from operations	26	1 156 992	328 479
Dividends received		4	4
Interest received		41 611	26 513
Interest paid		(13 166)	(11 342)
Tax paid		(139 028)	(111 017)
Net cash flows from operating activities		1 046 413	232 637
Cash flows from investing activities			
Additions to property and equipment	4	(2 796)	(2 608)
Loans advanced	9	(1 961)	(1 411)
Loans repaid	9	6 997	8 903
Purchase of investments		(150 277)	(122 862)
Proceeds on sale of investments		181 147	57 004
Net cash flows from investing activities		33 110	(60 974)
Cash flow from financing activities			
Dividends paid		(327 129)	(240 537)
Issue of ordinary shares	13	1 492	10 507
Ordinary shares repurchased	13	(146)	(5 273)
Loan repaid	15	(10 000)	(20 000)
Lease liabilities paid - principal portion	16	(16 489)	(18 274)
Net cash flows from financing activities		(352 272)	(273 577)
Net change in cash and cash equivalents		727 251	(101 914)
Cash and cash equivalents at beginning of the year	12	357 524	460 481
Exchange losses on cash and cash equivalents		(601)	(1 043)
Cash and cash equivalents at end of year	12	1 084 174	357 524

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, Sygnia Securities Proprietary Limited and Sygnia Itrix (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 "Cash flow from operations", 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 2023

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 2024
- 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

IAS 12 - Income Taxes - Effective for annual periods beginning on or after 1 January 2023

The amendments narrow the scope of the exemption for recognition of taxable/deductible temporary differences

and clarifies that deferred tax must be recognised on initial recognition of certain transactions.

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

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information - Effective for annual periods beginning on or after 1 January 2024

The amendments require entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity.

IFRS S2 - Climate-related Disclosures - Effective for annual periods beginning on or after 1 January 2024

The amendments require entities to disclose information about the climate-related risks (physical and transition) an entity is exposed to and the opportunities available that may be useful to investors and capital providers.

During the current year management has considered the impact of all standards, amendments and interpretations in issue, but not yet effective, and do not believe that there are any material impacts to be noted as at the date of this report. A continual effort will be made to assess whether there is a need to revisit this determination.

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 collective investment schemes, 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 collective investment 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 (RF) (Pty) Ltd (management company) 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. Impairments 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.

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 one to eleven 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, expire. When a financial liability is replaced on substantially different terms or where the terms are substantially modified, the financial liability is de-recognised and a new liability is recognised. The terms are substantially different where the discounted present value of the cash flows (using the original effective interest rate) change by at least 10 per cent.

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 investments - 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 (or the amount determined by applying IFRS 15) 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.

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, 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. The value of the collateral equities relating to scrip on loan and collateral payable relating to scrip on loan is

recorded as policyholder investments linked to 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 expected credit loss 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 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 and receivables 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. When share options are forfeited, the expense recognised relating to the forfeited options is reversed, with a corresponding decrease in equity (share based payment reserve), in the period that the options are forfeited.

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 1/2023 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. The Group has operations in the United Kingdom 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 constitute 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. There were no material changes to judgements from the prior year.

3. Intangible assets

	Goodwill R'000s	Management contracts R'000s	Customer relationships R'000s	Computer software R'000s	Licence R'000s	Closing balance R'000s
2023						
At cost						
Opening balance	149 698	253 885	17 176	-	1 170	421 929
Closing balance	149 698	253 885	17 176	-	1 170	421 929
Accumulated amortisation and impairment						
Opening balance	(31)	-	(10 933)	-	(585)	(11 549)
Amortisation	-	-	(1 863)	-	(117)	(1 980)
Closing balance	(31)	-	(12 796)	-	(702)	(13 529)
Carrying amount	149 667	253 885	4 380	-	468	408 400
2022						
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

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 (2022: R18.5 million) and to Sygnia Itrix is R130.8 million (2022: R130.8 million).

Critical accounting estimates and judgements

Management assesses the recoverable amount of each CGU and management contracts by using value-in-use calculations. Value-in-use is assessed on a discounted cash-flow based calculation. These calculations use cash flow projections based on financial budgets for a five-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 %	
	2023	2022	2023	2022
Risk-free rate (10 year Government bond)	10.89	10.68	10.89	10.68
Growth rate	5.00	5.00	3.50	4.65
Terminal growth rate	2.74	4.17	3.70	4.64
Discount rate	31.70	31.85	31.01	31.15

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:

	2023 %	2022 %
Risk-free rate (10 year Government bond)	10.89	10.68
Terminal growth rate	2.60	2.91
Discount rate	31.01	31.15

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

4. Property and equipment

2023	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	8 900	6 456	6 198	22 202	1 262	5 162	50 180
Additions	-	2 071	655	52	18	-	2 796
Foreign exchange adjustment	-	3	-	1 478	-	-	1 481
Closing balance	8 900	8 530	6 853	23 732	1 280	5 162	54 457
Accumulated depreciation							
Opening balance	(3 494)	(4 400)	(4 640)	(17 551)	(1 153)	(721)	(31 959)
Depreciation	(317)	(1 507)	(539)	(4 102)	(48)	(103)	(6 616)
Foreign exchange adjustment	-	(1)	-	(1 093)	-	-	(1 094)
Closing balance	(3 811)	(5 908)	(5 179)	(22 746)	(1 201)	(824)	(39 669)
Carrying amount	5 089	2 622	1 674	986	79	4 338	14 788

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

5. Right-of-use assets

	2023 R'000	2022 R'000
Corporate offices		
At cost		
Opening balance	61 021	61 170
Modifications *	38 609	-
Foreign exchange adjustment	1 240	(149)
Closing balance	100 870	61 021
Accumulated depreciation		
Opening balance	(48 593)	(32 511)
Depreciation	(17 841)	(16 175)
Foreign exchange adjustment	(1 490)	93
Closing balance	(67 924)	(48 593)
Carrying amount	32 946	12 428

* The Group has various lease agreements in place that were extended during the current year resulting in lease modifications. The Group leases corporate office space in London, England. The lease term was 5 years. During the current year a lease extension was agreed resulting in a lease modification with effect from 1 September 2023. The lease extension is for 5 years with an option to extend for an additional 5 years.

The Group leases various corporate office space in Cape Town and Johannesburg. The lease terms were 3 years. During the current year lease extensions were agreed resulting in lease modifications with effect from 1 March 2023. The lease extensions are for 1 year. Refer to note 16 for the lease liabilities relating to right-of-use assets.

6. Deferred tax

Net deferred tax liability relates to the following:

	2023 R'000s	2022 R'000s
Accruals	16 076	13 156
Income received in advance	29	410
Prepayments	(2 321)	(1 727)
Tenant installation allowance	-	5
Net fair value adjustment on investments	(3 553)	(3 977)
Right-of-use asset	5 604	(2 295)
Lease liability	(5 781)	3 569
Unrealised loss on investment contract assets relating to policyholders	32 570	7 859
Intangible assets	(69 019)	(69 355)
Net deferred tax liability	(26 395)	(52 355)
Deferred tax asset	42 624	17 000
Deferred tax liability	(69 019)	(69 355)
Net deferred tax liability	(26 395)	(52 355)
Reconciliation of deferred tax liability		
Opening balance	(52 355)	(71 999)
Temporary differences	1 125	1 472
Foreign exchange adjustment	124	(8)
Unrealised loss on investment contract assets relating to policyholders	24 711	18 180
	(26 395)	(52 355)

7. Investment contract investments and liabilities

7.1 Investments linked to investment contract liabilities

	2023 R'000s	2022 R'000s
Equities	20 641 380	21 360 872
Interest income securities	5 368 148	5 428 960
Domestic collective investment schemes *	15 293 520	14 654 885
International collective investment schemes *	67 777 405	54 522 012
Hedge funds	49 948	77 923
Derivatives	24 960	11 684
Limited liability partnership investments	6 111 108	5 381 260
Unlisted private equity investments	98 182	117 573
Domestic investments in insurance policies	5 967 437	6 958 810
International investments in insurance policies	60 634	52 875
Cash and cash equivalents	1 376 742	1 500 927
Investment contract portfolio debtors	9 094 410	8 811 549
Unsettled cash transactions	784 804	72 045
Investment contract portfolio accrued interest	112 934	131 543
Collateral equities relating to scrip on loan	2 603 589	2 702 545
Collateral cash relating to scrip on loan	7 962 966	7 113 982
Collateral payable relating to scrip on loan	(2 603 589)	(2 702 545)
	140 724 578	126 196 900

The collateral above of R10.6 billion (2022: R9.8 billion) as well as collateral that has been pledged of Rnil million (2022: R141 million) is in respect of scrip on loan of R9.1 billion (2022: R8.8 billion). Cash collateral payable at year end amounts to R8.0 billion (2022: R7.1 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 R707.2 million (2022: R392.7million) and a short position of R2.5 billion (2022: R2.0 billion).

7.2 Investments contract liabilities

	2023 R'000s	2022 R'000s
Opening balance	121 796 830	123 659 093
Contributions	14 464 719	19 112 655
Net investment income		
Interest income	2 159 940	1 625 045
Dividends from listed investments	1 558 694	1 072 146
Fund balance adjusted for gross fund inflows	139 980 183	145 468 939
Withdrawals	(17 391 850)	(20 936 089)
Management fees	(274 951)	(314 483)
Portfolio expenses	(176 214)	(286 975)
Interest expense	(796 160)	(222 630)
Transaction costs	(206 882)	(177 858)
Income tax	(16 670)	(23 523)
Deferred tax	24 711	18 180
Unutilised tax losses transferred to corporate	-	(8 924)
Fair value adjustment to third-party liabilities	(239 328)	117 391
Net fair value gains/(losses) on investments linked to investment contract liabilities	16 779 215	(7 293 519)
Withdrawals payable	-	733 128
Other payables movement	3 142	(352 509)
Cash collateral movement relating to scrip on loan	848 985	5 075 702
	138 534 181	121 796 830

8. Investments

	2023 R'000s	2022 R'000s
Collective investment schemes	267 736	278 261
Sygnia Life Core Income Fund	103 195	115 581
	370 931	393 842

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

	2023 R'000s	2022 R'000s
ASISA Supplier Development Trust	11 541	9 580
Beret Properties Proprietary Limited	5 058	5 716
Izibuko Holdings Proprietary Limited	-	31
Widok Properties Proprietary Limited	2 137	2 222
Staff loans	18 849	25 072
	37 585	42 621

The loans to the ASISA Supplier Development Trust ("ASISA") are unsecured, interest free and repayable between September 2025 and September 2030.

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%. R1.2 million was paid in instalments on both loans in the current year (2022: R1.1 million) consisting of capital of R0.66 million (2022: R0.65 million) and interest of R0.57 million (2022: R0.45 million). R0.73 million (2022: R0.64 million) of the loan balance is due within twelve months of the reporting date.

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. R0.31 million was paid in instalments in the current year (2022: R0.26 million) consisting of capital of R0.09 million (2022: R0.10 million) and interest of

R0.23 million (2022: R0.16 million). R0.09 million (2022: 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 180% of the loan balance.

10. Trade receivables

	2023 R'000s	2022 R'000s
Fees receivable	94 133	92 527
Interest receivable	2 435	1 922
Rental deposits	5 064	4 540
Sundry debtors	4 719	3 154
	106 351	102 143

Refer to note 28 for credit risk disclosure.

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

11.1 Amounts owing by/(to) clearing houses

	2023 R'000s	2022 R'000s
Amount receivable	419	32 073
Amounts owing by clearing houses	419	32 073
Amount payable	(90 872)	-
Amounts owing to clearing houses	(90 872)	-

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 R124.97 million (2022: R111.73 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

	2023 R'000s	2022 R'000s
Current accounts (BB rated)	951 701	226 624
Call accounts (BB rated)	132 473	130 900
	1 084 174	357 524

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.

Refer to note 28 for currency risk exposure.

13. Stated capital

Authorised

500,000,000 Ordinary shares with no par value (2022: 500,000,000).

Issued	2023 Number of shares	2022 Number of shares	2023 R'000s	2022 R'000s
Opening balance	150 439 353	149 633 224	662 712	652 011
Ordinary shares repurchased *	(8 864)	(328 829)	(146)	(5 273)
Issue of shares relating to share options	517 000	1 134 958	1 492	10 507
Transfer between share based payment reserve and stated capital for share options exercised	-	-	3 602	5 467
Closing balance	150 947 489	150 439 353	667 660	662 712

* In the current year, the ordinary shares were repurchased at an average price of R16.47 (2022: R16.00) and cancelled.

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 Listings Requirements.

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

	2023 R'000s	2022 R'000s
Opening balance	4 407 929	2 972 447
Net contributions and withdrawals	221 841	390 484
Fair value adjustment to third-party liabilities	239 328	(117 392)
(Deconsolidation)/consolidation of collective investment schemes *	(2 646 130)	1 162 390
Closing balance	2 222 968	4 407 929

* Refer to note 28 for detail.

15. Loan payable

	2023 R'000s	2022 R'000s
Opening balance	45 293	65 276
Repayment	(10 000)	(20 000)
Interest accrued	4 004	3 862
Interest repaid	(3 992)	(3 845)
Closing balance	35 305	45 293

The loan amount represents the amount utilised from a R100 million facility with Standard Bank. This facility is in place from March 2019 to 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

	2023 R'000s	2022 R'000s
Opening balance	13 824	32 182
Lease modifications *	38 609	-
Lease payments **	(17 629)	(20 125)
Finance costs	1 140	1 851
Exchange differences	(339)	(84)
Closing balance	35 605	13 824
Current portion	7 203	10 695
Non-current portion	28 402	3 129
	35 605	13 824

* The Group has various lease agreements in place that were extended during the current year resulting in lease modifications. The Group leases corporate office space in London, England. The lease term was 5 years. During the current year a lease extension was agreed resulting in a lease modification with effect from 1 September 2023. The lease extension is for 5 years with an option to extend for an additional 5 years.

The Group leases various corporate office space in Cape Town and Johannesburg. The lease terms were 3 years. During the current year lease extensions were agreed resulting in lease modifications with effect from 1 March 2023. The lease extensions are for 1 year.

** The lease payments include interest of R1.14 million (2022: R1.85 million), which has been presented on the statement of cash flows within operating activities (as finance costs). The capital repayments of R16.49 million (2022: R18.27 million) have been disclosed within financing activities.

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

17. Preference share liability

	2023 R'000s	2022 R'000s
Opening balance	100 000	100 000
Closing balance	100 000	100 000

The dividends payable were calculated at 71% of the prime interest rate in South Africa until 14 January 2022, thereafter at 72% of the 3-month JIBAR, plus 2.32%. The Standard Bank preference shares can be redeemed by the Group at any time with a final compulsory redemption on 15 January 2025. Preference share dividends are payable quarterly. 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

	2023 R'000s	2022 R'000s
Accruals	57 946	52 446
Trade creditors	89 863	56 937
Unsettled trades	842 635	132 746
Deferred income	3 032	2 082
	993 476	244 211

19. Investment contract income/(loss)

	2023 R'000s	2022 R'000s
Net fair value gains/(losses) on investments linked to investment contract liabilities	16 779 215	(7 293 519)
Net investment income		
Interest income	2 159 940	1 625 045
Dividends from listed investments	1 558 694	1 072 146
	20 497 849	(4 596 328)

20. Transfer to/(from) investment contract liabilities

	2023 R'000s	2022 R'000s
Management fees	274 951	314 483
Portfolio expenses	176 214	286 975
Interest expense	796 160	222 630
Transaction costs	206 882	177 858
Tax	16 670	23 523
Deferred tax	(24 711)	(18 180)
Unutilised tax losses transferred to corporate	-	8 924
Fair value adjustment to third-party liabilities	239 328	(117 391)
Increase/(decrease) in investment contract liabilities	18 812 355	(5 495 150)
	20 497 849	(4 596 328)

21. Profit from operations

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

	2023 R'000s	2022 R'000s
Revenue		
Investment management fees	488 900	480 480
Investment administration fees	139 699	118 682
General partner fees *	9 865	8 941
Treasury income	143 543	150 163
Securities lending income	31 712	15 184
Brokerage income	30 171	26 487
Other	-	8 924
	843 890	808 861

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

Operating expenses include:	2023 R'000s	2022 R'000s
Asset management fees	15 733	17 906
Staff costs (excluding share options costs)	248 864	225 364
Share-based payment expense	1 852	8 887
Trading, custody and administration costs	33 780	34 624

22. Other investment income

	2023 R'000s	2022 R'000s
Dividend income	4	4
Fair value adjustment on investments	7 958	5 932
Foreign exchange gains	1 899	955
	9 861	6 891

23. Income tax

South African normal tax	2023 R'000s	2022 R'000s
Current tax - current year	120 570	116 471
Current tax - prior year over provision	-	(33)
Deferred tax - current year	(1 125)	(1 441)
Deferred tax - prior year over provision	-	(31)
	119 445	114 966

Reconciliation of tax rate	%	%
Standard rate (South Africa)	27.0	28.0
Non-deductible expenses	0.9	1.0
Non-deductible expenses (finance charges)	0.6	0.6
Capital gains tax differential in rates	-	(0.1)
Non-taxable income	(0.1)	-
Foreign tax rate differential	-	(0.3)
Rate change	-	(0.6)
Effective rate	28.4	28.6

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

24. Earnings and headline earnings per share

	2023 R'000s	2022 R'000s
Profit attributable to ordinary shareholders	299 809	286 729
Headline earnings	299 809	286 729

	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares in issue (basic)	150 700 476	149 845 366
Potential number of shares issued in respect of diluted instruments	3 452 301	4 265 263
Weighted average number of ordinary shares in issue (diluted)	154 152 777	154 110 629

	2023 Cents	2022 Cents
Earnings per share (basic)	198.9	191.3
Earnings per share (diluted)	194.5	186.1
Headline earnings per share (basic)	198.9	191.3
Headline earnings per share (diluted)	194.5	186.1

Alternative performance measures	2023 Cents	2022 Cents
Net asset value per share	543.9	559.4
Tangible net asset value per share	273.4	286.6

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.

	2023		2022	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Scheme A				
Opening balance	371 007	R9.4	1 131 965	R12.40
Forfeited during the year	(201 007)	R8.0	-	-
Exercised during the year	(135 000)	R11.1	(760 958)	R13.80
Closing balance	35 000	R11.1	371 007	R9.40
Exercisable at year end	35 000	R11.1	-	-

	2023	2022
Weighted average share price of options exercised during the year	R17.9	R17.90
Range of exercise price for share options at end of year	R11.1	R8.0 - R11.0
Weighted average remaining life of options (years)	0.1	0.6

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.

	2023		2022	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Scheme B				
Opening balance	3 746 000	-	3 600 000	-
Allocated during the year	580 000	-	720 000	-
Forfeited during the year	(1 103 000)	-	(200 000)	-
Exercised during the year	(382 000)	-	(374 000)	-
Closing balance	2 841 000	-	3 746 000	-
Exercisable at year end	305 000	-	20 000	-

	2023	2022
Weighted average share price of options exercised during the year	R17.4	R17.2
Fair value of options allocated during the year	R6.1 million	R8.9 million
Weighted average remaining life of options (years)	1.8	2.1

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

	2023	2022
Historic volatility (%) *	36.4	43.3
Dividend yield (%)	11.5	7.3
Risk-free interest rate (%)	8.7	7.6
Expected life (years)	5.0	5.0
Share price (ZAR)	17.3	17.0

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

26. Cash flows from operations

	2023 R'000s	2022 R'000s
Profit before tax	419 885	402 330
Adjusted for:		
Amortisation	1 980	1 980
Foreign currency adjustments	3 001	(489)
Depreciation	24 457	23 462
Dividend income	(4)	(4)
Interest income	(42 124)	(26 776)
Finance costs	13 178	11 359
Share-based payment expense	1 852	8 887
Fair value adjustment on investments	(7 958)	(5 932)
Policyholder investment contract movements		
Deferred tax included in investment contract income	(24 711)	(18 180)
Investment contract (income)/loss	(20 497 849)	4 596 328
Net (purchase)/sale of investments linked to investment contract liabilities	(14 527 678)	444 961
Net movement of policyholder investment contracts	16 737 351	(1 862 263)
Third-party liabilities arising on consolidation of collective investment schemes	461 169	273 092
Transfer to/(from) investment contract liabilities	20 497 849	(4 596 328)
Third-party liabilities arising on acquisition of collective investment schemes	(2 646 130)	1 162 390
Cash flow before changes in working capital	414 268	414 817
Working capital changes		
Trade receivables	(3 695)	(2 251)
Other receivables	(2 865)	(70)
Amounts owing to clients and clearing houses	19	168
Trade and other payables	749 265	(84 185)
Cash flows from operations	1 156 992	328 479

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 executive directors during the year, which is as follows:

Cash-based remuneration

	Directors' fees R'000s	Consulting fees R'000s	Salary R'000s	Bonus R'000s	Total R'000s
2023					
Executive directors					
MF Wierzycka	-	-	-	-	-
DR Hufton (resigned 30 April 2023)	-	-	3 825	800	4 625
MA Sirkot (resigned 31 March 2023)	-	-	1 888	-	1 888
WA Wierzycki	-	-	3 050	2 100	5 150
NJ Giles (appointed 17 May 2023) *	-	-	1 302	2 239	3 541
Non-executive directors					
HI Bhorat	979	815	-	-	1 794
G Cavaleros	789	-	-	-	789
MH Jonas	1 189	-	-	-	1 189
J Boyd	684	-	-	-	684
C Appana	350	-	-	-	350
A Jakoet (appointed 7 August 2023)	120	-	-	-	120
	4 111	815	10 065	5 139	20 130

	Directors' fees R'000s	Consulting fees R'000s	Salary R'000s	Bonus R'000s	Total R'000s
2022					
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

* The 2023 bonus included a sign-on bonus of R1.24 million paid in May 2023.

** The 2022 bonus included a CEO award of R0.18 million paid in October 2021.

Equity remuneration

Number of share options

2023	Date granted	SSOS A or B	Exercise price	Opening balance	Allocated during the year	Forfeited during the year	Closing balance
Executive directors							
DR Hufton	01-Aug-19	B	-	160 000	-	(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	201 006	-	(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
				1 111 006	-	(911 006)	200 000

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

	Number of shares held		Percentage held
	Direct beneficial interest	Indirect beneficial interest	
Directors' interest in Sygnia Limited			
At 30 September 2023			
MF Wierzycka #	82 680	90 152 444	59.8%
DR Hufton (resigned 30 April 2023) ###	2 421 325	-	1.6%
MA Sirkot (resigned 31 March 2023)	50 252	-	0.0%
WA Wierzycki ##	710 330	380 284	0.7%
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%

Indirect beneficial interest relates to 44,532,444 (2022: 44,532,444) shares held by SJB Peile and 45,620,000 (2022: 45,620,000) shares held by Sapayoa Investments (Pty) Ltd.

Mr WA Wierzycki used a loan from a subsidiary to purchase 375,000 shares in June 2019. His loan balance at year end of R3.8 million (2022: R3.9 million) is included in staff loans in note 9.

Mr DR Hufton used a loan from a subsidiary to purchase 1,322,761 shares in June 2019. The loan was paid off in the current year (2022: balance: R5.8 million). His prior year loan balance 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 prior year.

Transactions with related parties

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

	2023 R'000s	2022 R'000s
Lease payments relating to right of use asset - Beret and Widok	15 746	15 821
Administration fees received from BIA	14 771	13 406
Dividends paid to directors (including indirect shareholding)		
MF Wierzycka	195 810	144 310
DR Hufton	3 148	3 874
MA Sirkot	715	880
WA Wierzycki	2 367	1 745

A subsidiary in the Group, Sygnia Life Limited, purchased investments to the value of \$143,326 (2022: \$nil) from MF Wierzycka.

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:

	2023 R'000s	2022 R'000s
Administration fees receivable from BIA	1 578	1 086

Refer to note 29 for general partner fees paid by a subsidiary to Braavos Capital I Limited Partnership, Braavos Capital II Limited Partnership and Braavos Capital III 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 collective investment schemes are linked to policyholder liabilities and third-party liabilities on consolidation of collective investment schemes 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 collective investment schemes 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 held in investments and cash, disclosed in notes 8 and 12, and are held to maintain capital requirements. 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 the simplified approach 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.

2023	On demand R'000s	Due within 12 months R'000s	Due within 1 - 3 years R'000s	Due within 3 - 5 years R'000s	Due within 5+ years R'000s	Total R'000s
Loan payable	-	3 600	7 181	36 043	-	46 824
Preference share liability	-	8 463	102 474	-	-	110 937
Third-party liabilities arising on consolidation of collective investment schemes	2 222 968	-	-	-	-	2 222 968
Investment contract liabilities	138 534 181	-	-	-	-	138 534 181
Investments linked to investment contract liabilities	(140 724 578)	-	-	-	-	(140 724 578)
Trade and other payables	-	993 476	-	-	-	993 476
Amounts owing to clearing houses	-	90 872	-	-	-	90 872
Amounts owing to clients	-	218 355	-	-	-	218 355
Lease liabilities	-	9 378	10 143	7 642	20 144	47 307
	32 571	1 324 144	119 798	43 685	20 144	1 540 342

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	Due within 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 collective investment schemes	4 407 929	-	-	-	-	4 407 929
Investment contract liabilities	121 796 830	-	-	-	-	121 796 830
Investments linked to investment contract liabilities	(126 196 900)	-	-	-	-	(126 196 900)
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
	7 859	325 086	122 448	50 816	-	506 209

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, capital held in interest income securities and money market unit trusts. 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 R65.6 million (2022: R54.5 million) and profits before tax by approximately R59.5 million (2022: R49.5 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 R17.0 million (2022: R19.5 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 result 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:

	2023 R'000s	2022 R'000s
USD	14 026	10 139
EUR	3 745	1 522
GBP	1 692	645
JPY	1 122	929
	20 585	13 235

A 10% depreciation in the ZAR exchange rate would have increased profit before tax by R2.0 million (2022: R1.3 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 own investments. A 5% increase in the price of the investments, with other variables held constant, would have increased profit before tax by R18.5 million (2022: R19.7 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 collective investment schemes, investment contract liabilities, related deferred tax liabilities and unsettled trades. During the current period, the Group no longer controls the Sygnia Enhanced Income Fund, Sygnia Money Market Fund and Sygnia China New Economy Global Equity Fund, and therefore the funds are no longer consolidated. This resulted in a reduction of investments linked to investment contract liabilities and third-party liabilities arising on consolidation of collective investment schemes in the consolidated statement of financial position amounting to R2.65 billion. The Group has significant influence over Sygnia Skeleton Balanced 40 Fund, Sygnia SWIX Index Fund, Sygnia Top 40 Index Fund, Sygnia Skeleton Balanced 60 Fund, Sygnia 4th Industrial Revolution Global Equity Fund, Sygnia FANG.AI Equity Fund, Sygnia Enhanced Income Fund and Sygnia Money Market Fund with a total investment balance of R3.5 billion.

Statement of financial position



	As at 30 September 2023			As at 30 September 2022		
	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	408 400	408 400	-	410 380	410 380	-
Property and equipment	14 788	14 788	-	18 221	18 221	-
Loans receivable	37 585	37 585	-	42 621	42 621	-
Right-of-use assets	32 946	32 946	-	12 428	12 428	-
Deferred tax assets	42 624	10 054	32 570	17 000	9 141	7 859
Investments linked to investment contract liabilities	140 724 578	-	140 724 578	126 196 900	-	126 196 900
Other receivables	9 855	9 855	-	6 990	6 990	-
Trade receivables	106 351	106 351	-	102 143	102 143	-
Investments	370 931	370 931	-	393 842	393 842	-
Amounts owing by clearing houses	419	-	419	32 073	-	32 073
Amounts owing by clients	308 800	-	308 800	27 709	11	27 698
Cash and cash equivalents	1 084 174	241 539	842 635	357 524	224 778	132 746
Total assets	143 141 451	1 232 449	141 909 002	127 617 831	1 220 555	126 397 276
Equity						
Stated capital and reserves	821 067	821 067	-	841 557	841 557	-
Total equity	821 067	821 067	-	841 557	841 557	-
Liabilities						
Loan payable	35 305	35 305	-	45 293	45 293	-
Preference share liability	100 000	100 000	-	100 000	100 000	-
Lease liabilities - Non-current	28 402	28 402	-	3 129	3 129	-
Deferred tax liabilities	69 019	69 019	-	69 355	69 355	-
Third-party liabilities arising on consolidation of collective investment schemes	2 222 968	-	2 222 968	4 407 929	-	4 407 929
Investment contract liabilities	138 534 181	-	138 534 181	121 796 830	-	121 796 830
Tax payable	20 603	20 603	-	39 061	39 061	-
Lease liabilities - Current	7 203	7 203	-	10 695	10 695	-
Trade and other payables	993 476	150 841	842 635	244 211	111 465	132 746
Amounts owing to clearing houses	90 872	-	90 872	-	-	-
Amounts owing to clients	218 355	8	218 347	59 771	-	59 771
Total liabilities	142 320 384	411 381	141 909 003	126 776 274	378 998	126 397 276
Total equity and liabilities	143 141 451	1 232 448	141 909 003	127 617 831	1 220 555	126 397 276

Statement of profit or loss and other comprehensive income

	Year ended 30 September 2023			Year ended 30 September 2022		
	Consolidated R'000s	Corporate Balances R'000s	Third-party Balances R'000s	Consolidated R'000s	Corporate Balances R'000s	Third-party R'000s
Revenue	843 8910	843 890	-	808 861	808 861	-
Operating expenses	(462 812)	(462 812)	-	(428 839)	(428 839)	-
Profit from operations	381 078	381 078	-	380 022	380 022	-
Investment contract income/(loss)	20 497 849	-	20 497 849	(4 596 328)	-	(4 596 328)
Transfer (to)/from investment contract liabilities	(20 497 849)	-	(20 497 849)	4 596 328	-	4 596 328
Interest income	42 124	42 124	-	26 776	26 776	-
Other investment income	9 861	9 861	-	6 891	6 891	-
Finance costs	(13 178)	(13 178)	-	(11 359)	(11 359)	-
Profit before tax	419 885	419 885	-	402 330	402 330	-
Income tax	(119 445)	(119 445)	-	(114 966)	(114 966)	-
Profit after tax	300 440	300 440	-	287 364	287 364	-
Foreign currency translation reserve	3 001	3 001	-	(489)	(489)	-
Total comprehensive income for the year	303 441	303 441	-	286 875	286 875	-

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:

	2023 R'000s	2022 R'000s
Financial assets at fair value through profit or loss		
<i>Consolidated statement of financial position</i>		
Investments linked to investment contract liabilities	140 724 578	126 196 900
Investments	370 931	393 842
	141 095 509	126 590 742
<i>Consolidated statement of profit or loss and other comprehensive income</i>		
Investment contract income/(loss)	20 497 849	(4 596 328)
Other investment income	9 861	6 891
	20 507 710	(4 589 437)
Financial assets at amortised cost		
<i>Consolidated statement of financial position</i>		
Loans receivable	37 585	42 621
Trade receivables	106 351	102 143
Amounts owing by clearing houses	419	32 073
Amounts owing by clients	308 800	27 709
Cash and cash equivalents	1 084 174	357 524
	1 537 329	562 070
<i>Consolidated statement of profit or loss and other comprehensive income</i>		
Interest income	42 124	26 776
	42 124	26 776
Financial liabilities at fair value through profit or loss		
<i>Consolidated statement of financial position</i>		
Investment contract liabilities	138 534 181	121 796 830
Third-party liabilities arising on consolidation of collective investment schemes	2 222 968	4 407 929
	140 757 149	126 204 759
<i>Consolidated statement of profit or loss and other comprehensive income</i>		
Transfer (to)/from investment contract liabilities	(20 497 849)	4 596 328
	(20 497 849)	4 596 328

	2023 R'000s	2022 R'000s
Financial liabilities at amortised cost		
<i>Consolidated statement of financial position</i>		
Loan payable	35 305	45 293
Preference share liability	100 000	100 000
Lease liabilities	35 605	13 824
Trade and other payables	993 476	244 211
Amounts owing to clearing houses	90 872	-
Amounts owing to clients	218 355	59 771
	1 473 613	463 099
<i>Consolidated statement of profit or loss and other comprehensive income</i>		
Finance costs	(13 178)	(11 359)
	(13 178)	(11 359)

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.

	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
2023				
Investments linked to investment contract liabilities	25 165 755	109 447 715	6 111 108	140 724 578
Investments	-	370 931	-	370 931
Third-party liabilities arising on consolidation of collective investment schemes	(1 875 348)	(347 620)	-	(2 222 968)
Investment contract liabilities	(23 290 407)	(109 132 666)	(6 111 108)	(138 534 181)
2022				
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)

Level 3 financial instruments	2023 R'000s	2022 R'000s
Opening balance	5 381 260	3 809 358
Additions - discretionary mandates	161 561	665 379
Additions - non-discretionary mandates*	347 707	1 074 630
Fair value adjustment included in investment contract income	220 580	(168 107)
Closing balance	6 111 108	5 381 260

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 6.4 million (2022: GBP 8.1 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 (2022: GBP 115.7 million) in BC I LP, GBP 98.6 million (2022: GBP 98.6 million) in BC II LP and GBP 42.5 million (2022: GBP 42.5 million) 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:

	2023 R'000s	2022 R'000s
Discretionary mandates	42 883	37 236
Non-discretionary mandates *	41 450	43 665
Closing balance	84 333	80 901

* 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 2023	Percentage of equity held 2022	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 collective investment schemes 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 Health Innovation Global Equity Fund
- Sygnia DIVI Fund
- Sygnia Skeleton Balanced Absolute Fund.

The Group consolidates the following partnership based on control:

- Sygnia Ventures LP.

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

31. Events subsequent to the reporting date

On the 4th of December 2023, the directors proposed and approved a dividend of 123 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 2023

Distribution of shareholders

	Number of shareholders	Number of shares
1 - 1000 Shares	3 588	524 117
1001 - 10 000 Shares	1 101	4 293 209
10 001 - 100 000 Shares	361	10 279 533
100 001 - 1 000 000 Shares	49	14 382 567
1 000 001 shares and over	12	121 468 063

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	10 500 000

Public/non-public shareholders

	Percentage	Number of shareholders	Number of shares
Non-Public shareholders			
Directors (including indirect shareholding)	60.5%	5	91 325 738
Shares held by employees	1.4%	28	2 061 073
Public shareholders	38.1%	5 078	57 560 678

Sygnia Limited

Annual Financial Statements

for the year ended 30 September 2023

AUDITED

(Registration number: 2007/025416/06)

These financial statements were audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa and were prepared under the supervision of the Financial Director, NJ Giles CA (SA).

Directors' responsibility for financial reporting

for the year ended 30 September 2023

The directors are responsible for the preparation and fair presentation of the annual financial statements of Sygnia Limited ("the Company"). The annual financial statements comprise the directors' report, report by the company secretary, the audit and risk committee's report and the financial statements. The financial statements comprise the statement of financial position at 30 September 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes. The financial statements were prepared in accordance with International Financial Reporting Standards 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 directors are also responsible for such internal control as they determine are 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 Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

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

Approval of annual financial statements

The annual financial statements were approved by the board of directors and signed on its behalf by:

NJ Giles

4 December 2023

MF Wierzycka

Report by the company secretary

for the year ended 30 September 2023

In terms of S88(2)(e) of the Companies Act 2008, as amended and for the year ended 30 September 2023, 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

4 December 2023

Directors' report

for the year ended 30 September 2023

The directors have pleasure in presenting their report on the activities of Sygnia Limited ("the Company") for the year ended 30 September 2023.

Legal form and domicile

The Company's country of incorporation and domicile is South Africa, and its registered office is 7th Floor, The Foundry, Cardiff Street, Green Point, Cape Town, 8001, South Africa.

Main business and operations

The Company is a holding company whose subsidiaries are involved in the provision of investment management and related services. The results, stated capital and dividends paid for the current and previous years are set out in the financial statements.

Events subsequent to the reporting date

The dividend proposed and approved by the directors is set out in the financial statements.

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

Consolidation

Consolidated annual financial statements incorporating the Company's interest in its subsidiaries have been prepared. These consolidated annual financial statements incorporate the full directors' report. A copy of the consolidated annual financial statements is available from its registered offices, 7th Floor, The Foundry, Cardiff Street, Green Point, Cape Town, 8001 or in the Integrated Report on the company website.

Directors

The directors in office during the year were as follows:

Name	Date of appointment	Date of resignation
MF Wierzycka (CEO) #	17/09/2007	
DR Hufton (Former CEO) #	01/09/2018	30/04/2023
MA Sirkot (Former Financial Director) #	16/01/2019	31/03/2023
WA Wierzycki #	10/06/2021	
NJ Giles (Financial Director) #	17/05/2023	
G Cavaleros (Lead Independent) *	28/06/2019	
HI Bhorat (Chairman) *	11/06/2015	
MH Jonas *	01/09/2018	17/10/2023
C Appana *	08/09/2020	30/06/2023
JA Boyd *	29/07/2021	
A Jakoet *	07/08/2023	

* Independent Non-executive Director

Executive Director

Audit and Risk Committee report

for the year ended 30 September 2023

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 that 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 Company's financial year end were Mr G Cavaleros, Mr JA Boyd and Mr A Jakoet. 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.

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.

Designated partner responsibilities were assumed by Ms M Pieterse effective 1 October 2023.

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 M Pieterse as the designated partner for the year ending 30 September 2024.

Internal audit and internal controls

Ms N Giles, the Group CFO, has assumed responsibilities as head of the internal audit control function from Mr D Hufton, 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.

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 2022 to 30 September 2023:

- 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 has not been made aware of any instances of internal fraud or misconduct, nor of 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 with the effectiveness of the Financial Director, Ms N Giles, as well as the experience and adequacy of resources within the 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 is 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 to achieve their objectives.

Annual financial statements

The Committee reviewed the accounting policies, significant accounting matters and the going concern assessment applicable to the Company's 2023 annual financial statements and ensured that the 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 proactive 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 Company 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 annual financial statements fairly present the financial position of the Company at 30 September 2023 and the results of its operations and cash flows for the year then ended. The annual financial statements were recommended to the board for approval.

In conclusion, the ARC thanks the finance team members for their contribution during the financial period. The committee welcomes Mr A Jakoet as a member with effect from 7 August 2023 and looks forward to his contribution. Finally, special gratitude is expressed by the committee to former ARC member Ms C Apana for her contribution to the committee's activities.

George Cavaleros

Chairman of the Audit and Risk Committee
4 December 2023

Independent auditor's report

To the shareholders of Sygnia Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Sygnia Limited (the company) set out on pages 101 to 115, which comprise the separate statement of financial position as at 30 September 2023, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Sygnia Limited as at 30 September 2023, and its separate financial performance and separate 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 Financial Statements section of our report. We are independent of the company 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 separate financial statements of the current period. No key audit matters were identified during the audit of the separate financial statements of Sygnia Limited.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, the Report by the Company Secretary, the Directors' Responsibility statement

for the annual financial statements and the Audit and Risk Committee report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the separate 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 separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company'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 company 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 separate 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 separate 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 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 company'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 company'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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate 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 five years.



Mazars

Partner: Yolandie Ferreira
Registered Auditor
04 December 2023
Cape Town

Statement of financial position

as at 30 September 2023

	Notes	2023 R'000s	2022 R'000s
Assets			
Investments in subsidiaries	3	656 816	696 858
Deferred tax assets	2	176	179
Tax receivable		59	-
Prepayments		125	120
Receivables	* 4	2 437	10 314
Cash and cash equivalents	* 5	8 992	25 232
Total assets		668 605	732 703
Equity			
Stated capital	6	667 660	662 712
Share-based payment reserve		16 948	18 698
(Accumulated loss)/Retained earnings		(17 667)	4 336
Total equity		666 941	685 746
Liabilities			
Loan payable	* 8	-	45 574
Trade and other payables	* 9	1 664	1 355
Tax payable		-	28
Total liabilities		1 664	46 957
Total equity and liabilities		668 605	732 703

* Financials assets/liabilities measured at amortised cost.

Statement of profit or loss and other comprehensive income

for the year ended 30 September 2023

	Notes	2023 R'000s	2022 R'000s
Dividends from subsidiaries		305 204	240 000
Operating expenses	10	(5 811)	(5 087)
Other income		5 152	4 679
Profit from operations	10	304 545	239 592
Interest income		1 943	1 157
Impairment loss	3	(42)	-
Profit before tax		306 446	240 749
Income tax	11	(1 880)	(1 607)
Total profit and comprehensive income		304 566	239 142

Statement of changes in equity

for the year ended 30 September 2023

	Notes	Stated capital R'000s	Share-based payment reserve R'000s	(Accumulated loss)/Retained earnings R'000s	Total equity R'000s
Balance at 1 October 2021		652 011	15 278	5 121	672 410
Total profit and comprehensive income		-	-	239 142	239 142
Dividends paid *		-	-	(239 927)	(239 927)
Share-based payment		-	8 887	-	8 887
Issue of shares	6	10 507	-	-	10 507
Ordinary shares repurchased	6	(5 273)	-	-	(5 273)
Transfer between share based payment reserve and stated capital for share options exercised	6	5 467	(5 467)	-	-
Balance at 30 September 2022		662 712	18 698	4 336	685 746
Total profit and comprehensive income		-	-	304 566	304 566
Dividends paid **		-	-	(326 569)	(326 569)
Share-based payment		-	1 852	-	1 852
Issue of shares	6	1 492	-	-	1 492
Ordinary shares repurchased	6	(146)	-	-	(146)
Transfer between share based payment reserve and stated capital for share options exercised	6	3 602	(3 602)	-	-
Balance at 30 September 2023		667 660	16 948	(17 667)	666 941

* Dividends per share - 160 cents

** Dividends per share - 217 cents

Statement of cash flows

for the year ended 30 September 2023

	Notes	2023 R'000s	2022 R'000s
Cash flows from operating activities			
Cash flows from operations	12	9 311	(71 629)
Dividends received		305 204	240 000
Interest received		2 006	1 080
Tax paid		(1 964)	(1 600)
Net cash flows from operating activities		314 557	167 851
Cash flows from investing activities			
Return of capital by subsidiary	3	40 000	-
Net cash flows from investing activities		40 000	-
Cash flows from financing activities			
Dividends paid		(326 569)	(239 927)
Issue of ordinary shares	6	1 492	10 507
Loan repaid	8	(45 574)	-
Ordinary shares repurchased	6	(146)	(5 273)
Net cash flows from financing activities		(370 797)	(234 693)
Net change in cash and cash equivalents		(16 240)	(66 842)
Cash and cash equivalents at beginning of the year	5	25 232	92 074
Cash and cash equivalents at end of year	5	8 992	25 232

Notes to the financial statements

for the year ended 30 September 2023

1. Accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Basis of preparation

The financial statements were 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 Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The financial statements are presented in rands, which is the functional currency of the Company, 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.

Use of estimates and judgements

The preparation of the 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 and judgements made by management in the application of IFRSs relates to the measurement of observable market data used to measure the share option expense, the assessment of the recoverable amount of receivables and the impairment of investment in subsidiaries. There were no changes to the estimates and judgements from the prior year.

Forthcoming requirements

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

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - 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 2024
- The disclosure of accounting policies where information is material - Effective for annual periods beginning on or after 1 January 2023

IAS 12 - Income Taxes - Effective for annual periods beginning on or after 1 January 2023

The amendments narrow the scope of the exemption for recognition of taxable/deductible temporary differences and clarifies that deferred tax must be recognised on initial recognition of certain transactions.

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information - Effective for annual periods beginning on or after 1 January 2024

The amendments require entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity.

IFRS S2 - Climate-related Disclosures - Effective for annual periods beginning on or after 1 January 2024

The amendments require entities to disclose information about the climate-related risks (physical and transition) an entity is exposed to and the opportunities available that may be useful to investors and capital providers.

During the current year, management has considered the impact of all standards, amendments and interpretations in issue, but not yet effective, and does not believe that there are any material impacts to be noted as at the date of this report. A continual effort will be made to assess whether there is a need to revisit this determination.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost and are carried at cost less impairment. The carrying amounts of the Company's investment in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated.

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.

Financial instruments

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

Financial assets at amortised cost

Financial assets at amortised cost comprise receivables and cash and cash equivalents. These assets are initially recognised at fair value plus transactions costs and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Receivables with a short duration are measured at their transaction price.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise loan payable and trade and other payables. These liabilities are initially recognised at fair value less any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

The carrying amounts of the Company'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. Most of the trade receivables relate to loans to subsidiaries that are interest free. Even though there are no fixed terms of repayment, the Company expects the loans to be settled within one year and as such recognises a loss allowance based on lifetime ECLs at each reporting date. The Company applies IFRS 9's general approach to its loan receivable, in terms of which the Company 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.

Dividend income

Dividend income is recognised when the Company becomes entitled to the distribution.

Interest income

Interest income is recognised on the accrual basis using the effective interest method.

Other income

Other income comprises an overhead recovery of expenses that are charged to subsidiaries in the group. Other income is earned over time and is recognised in profit or loss.

Share-based payments

The Company operates two share option schemes involving share options in the Company. The share option schemes, which are on an equity settled basis, allow the employees of Sygnia Limited's subsidiaries to acquire shares of the Company. The shares are issued by Sygnia Limited in respect of services rendered to the relevant subsidiary, and therefore a recharge agreement exists between Sygnia Limited and the relevant subsidiaries. Ultimately the fair value of options granted attributable to the respective subsidiary is recognised as a receivable on the statement of financial position, with a corresponding credit to the share based payment reserve, over the service vesting period during which the employees become unconditionally entitled to the options. The subsidiary recognises a liability to the Company for the issuing of the share options. When share options are exercised, the share based payment reserve is released to share capital. When share options are forfeited, the receivable recognised relating to the forfeited options is reversed, with a corresponding debit to the share based payment reserve in the period that the options are forfeited.

2. Deferred tax assets

	Statement of financial position		Statement of comprehensive income	
	2023 R'000s	2022 R'000s	2023 R'000s	2022 R'000s
Deferred tax assets				
Rate change	-	-	-	(6)
Accruals	5	8	(3)	5
Prepayments	(1)	(1)	-	31
Loss on sale of subsidiary	172	172	-	-
	176	179	(3)	30

3. Investments in subsidiaries

	2023 Percentage of equity held	2022 Percentage of equity held	2023 R'000s	2022 R'000s
The subsidiaries, at cost less impairment, are as follows:				
Sygnia Life Limited	100	100	360 000	360 000
Sygnia Asset Management Proprietary Limited	100	100	113 040	113 040
Sygnia Collective Investments (RF) Proprietary Limited	100	100	-	-
Sygnia Capital (RF) Proprietary Limited	100	100	165 000	165 000
Sygnia Financial Services Proprietary Limited *	100	100	10 000	50 000
Sygnia Securities Proprietary Limited	100	100	-	-
Sygnia Holdings UK Limited	100	100	7 499	7 499
Sygnia Finance Proprietary Limited	100	100	-	-
Sygnia Consultants Proprietary Limited **	-	100	-	42
Sygnia Benefit Administrators Proprietary Limited	100	100	1 277	1 277
WealthFoundry (Pty) Ltd	51	51	-	-
			656 816	696 858

	2023 R'000s	2022 R'000s
Reconciliation of investments in subsidiaries		
Opening balance	696 858	696 858
Return of capital *	(40 000)	-
Impairment **	(42)	-
Closing balance	656 816	696 858

* Return of capital by Sygnia Financial Services Proprietary Limited. Consideration was given to the nature of the distribution to the Company, it was determined that the distribution was a return of previously contributed capital.

** Sygnia Consultants Proprietary Limited ceased trading in the 2023 year, causing the investment in this company to be impaired.

The principal business and country of incorporation of all subsidiaries is South Africa except for Sygnia Holdings UK Limited, whose principal place of business and country of incorporation is England & Wales.

4. Receivables

	2023 R'000s	2022 R'000s
Interest receivable	49	112
Amounts receivable from subsidiaries	2 388	10 054
Other	-	148
	2 437	10 314

5. Cash and cash equivalents

	2023 R'000s	2022 R'000s
Current accounts (BB rated)	2 474	543
Call account (BB rated)	6 300	19 800
Stockbroking account *	218	4 889
	8 992	25 232

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 Company 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.

* Cash balance in a stockbroking account held with a subsidiary.

6. Stated capital

Authorised

500,000,000 Ordinary shares with no par value (2022: 500,000,000).

	2023 Number of shares	2022 Number of shares	2023 R'000s	2022 R'000s
Issued				
Opening balance	150 439 353	149 633 224	662 712	652 011
Ordinary shares repurchased *	(8 864)	(328 829)	(146)	(5 273)
Issue of shares relating to share options exercised	517 000	1 134 958	1 492	10 507
Transfer between share based payment reserve and stated capital for share options exercised	-	-	3 602	-
Closing balance	150 947 489	150 439 353	667 660	662 712

The unissued shares at year end are under the control of the directors until the next annual general meeting.

* In the current year, the ordinary shares were repurchased at an average price of R16.47 (2022: R16.00) and cancelled.

7. Share-based payments

The Company operates two share option schemes involving share options in the Company, 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 the Company 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.

	2023		2022	
Scheme A	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At beginning of year	371 007	R9.4	1 131 965	R12.4
Exercised during the year	(201 007)	R8.0	(760 958)	R13.8
Forfeited during the year	(135 000)	R11.1	-	-
At end of year	35 000	R11.1	371 007	R9.4
Exercisable at year end	35 000	R11.1	-	-
Weighted average share price of options exercised during the year		R17.9		R17.9
Range of exercise price for share options at end of year		R 11.1		R8.0 – R11.0
Weighted average remaining life of options (years)		0.1		0.6

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.

	2023		2022	
Scheme B	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
At beginning of year	3 746 000	-	3 600 000	-
Allocated during the year	580 000	-	720 000	-
Forfeited during the year	(1 103 000)	-	(200 000)	-
Exercised during the year	(382 000)	-	(374 000)	-
At end of year	2 841 000	-	3 746 000	-
Exercisable at year end	305 000	-	20 000	-
Fair value of options allocated during the year		R6.1 million		R8.9 million
Weighted average share price of options exercised during the year		R17.4		R17.2
Weighted average remaining life of options (years)		1.8		2.1

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

	2023	2022
Historic volatility (%) *	36.4	43.3
Dividend yield (%)	11.5	7.3
Risk-free interest rate (%)	8.7	7.6
Expected life (years)	5.0	5.0
Share price (ZAR)	17.3	17.0

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

8. Loan payable

	2023 R'000s	2022 R'000s
Opening balance	45 574	45 574
Loan repaid	(45 574)	-
Closing balance	-	45 574

The loan amount represents a loan payable to a subsidiary.

9. Trade and other payables

	2023 R'000s	2022 R'000s
Accruals	527	415
Trade creditors	299	900
Amounts payable to subsidiaries	838	40
	1 664	1 355

10. Profit from operations

	2023 R'000s	2022 R'000s
Profit from operations is arrived at after taking the following into account:		
Audit fees	623	575
Directors' fees	4 111	3 741

11. Income tax

	2023 R'000s	2022 R'000s
South African normal tax		
Current tax - current year	1 877	1 607
Current tax - prior year under provision	-	30
Deferred tax - current year	3	1
Deferred tax - prior year over provision	-	(31)
	1 880	1 607
Reconciliation of tax rate	%	%
Standard rate	27.0	28.0
Non-taxable income - dividends received	(26.9)	(27.9)
Non-deductible expenses	0.5	0.6
Effective rate	0.6	0.7

12. Cash flows from operations

	2023 R'000s	2022 R'000s
Profit before tax	306 446	240 749
Adjusted for:		
Impairment	42	-
Dividends income	(305 204)	(240 000)
Interest income	(1 943)	(1 157)
Operating cash flows before changes in working capital	(659)	(408)
Working capital changes:		
Receivables	9 666	(210)
Prepayments	(5)	(6)
Trade and other payables	309	(71 005)
Cash flows from operations	9 311	(71 629)

13. Related party transactions

Identity of related parties

The Company has a related party relationship with companies in the Sygnia Limited group, significant shareholders, its directors and companies outside of the Sygnia Limited group with common directors and shareholders to Sygnia Limited, namely Izibuko Holdings Proprietary Limited. In the ordinary course of business, the Company enters into various service and investment transactions 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 by subsidiaries in the group 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 by Sygnia Limited. Only short-term compensation was paid to directors during the year.

Cash-based remuneration paid to directors of the Company by the group

2023	Directors' fees R'000s	Consulting fees R'000s	Salary R'000s	Bonus R'000s	Total R'000s
Executive directors					
MF Wierzycka	-	-	-	-	-
DR Hufton (resigned 30 April 2023)	-	-	3 825	800	4 625
MA Sirkot (resigned 31 March 2023)	-	-	1 888	-	1 888
WA Wierzycki	-	-	3 050	2 100	5 150
NJ Giles (appointed 17 May 2023) *	-	-	1 302	2 239	3 541
	-	-	10 065	5 139	15 204
Non-executive directors					
HI Bhorat	979	815	-	-	1 794
G Cavaleros	789	-	-	-	789
MH Jonas	1 189	-	-	-	1 189
J Boyd	684	-	-	-	684
C Appana	350	-	-	-	350
A Jakoet (appointed 7 August 2023)	120	-	-	-	120
	4 111	815	-	-	4 926

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
	-	-	11 006	7 264	18 270
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	-	-	3 779

* The 2023 bonus included a sign-on bonus of R1.24 million paid in May 2023.

** The 2022 bonus included a CEO award of R0.18 million paid in October 2021.

Equity remuneration paid to directors of the Company by the group

2023	Date granted	SSOS A or B	Exercise price	Number of share options			
				Opening balance	Allocated during the year	Forfeited during the year	Closing balance
Executive directors							
DR Hufton	01-Aug-19	B	-	160 000	-	(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	201 006	-	(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
				1 111 006	-	(911 006)	200 000

2022	Date granted	SSOS A or B	Exercise price	Number of share options			
				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	13.8	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

Dividends paid to directors (including indirect shareholding)

	2023 R'000s	2022 R'000s
MF Wierzycka	195 810	144 310
DR Hufton	3 148	3 874
MA Sirkot	715	880
WA Wierzycki	2 367	1 745

Directors' interest in Sygnia Limited

	Number of shares held		
	Direct beneficial interest	Indirect beneficial interest	Percentage held
At 30 September 2023			
MF Wierzycka *	82 680	90 152 444	59.8%
WA Wierzycki **	710 330	380 284	0.7%
DR Hufton (resigned 30 April 2023) ***	2 421 325	-	1.6%
MA Sirkot (resigned 31 March 2023) ****	50 252	-	0.0%
At 30 September 2022			
MF Wierzycka *	82 680	90 152 444	60.00%
WA Wierzycki **	710 330	380 284	0.70%
DR Hufton ***	2 421 325	-	1.60%
MA Sirkot ****	550 252	-	0.40%

* Indirect beneficial interest relates to 44,532,444 (2022: 44,532,444) shares held by SJB Peile and 45,620,000 shares held by Sapayoa Investments (Pty) Ltd (2022: 45,620,000).

** Mr WA Wierzycki used a loan from a subsidiary to purchase 375,000 shares in June 2019.

*** Mr DR Hufton used a loan from a subsidiary to purchase 1,322,761 shares in June 2019

**** Mr MA Sirkot used a loan from a subsidiary to purchase 500,000 shares in June 2019

Transactions with subsidiaries

Dividend income from subsidiaries is reflected in the statement of profit or loss and other comprehensive income. Other transactions with related parties are as follows:

	2023 R'000s	2022 R'000s
Other income	5 152	4 679

Balances with related parties

Balances with related parties are disclosed in the receivables, loan payable and trade and other payables notes above. Amounts receivable from subsidiaries and amounts payable to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

14. Financial risk management

The Company is exposed to a variety of financial risks. The most important components of financial risk are credit risk, liquidity risk and market risk (arising from changes in interest rates). Market risk arises from open positions in interest rate instruments.

The Audit and Risk Committee 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, the results of which are reported to the Audit and Risk Committee. The Audit and Risk Committee oversees the risk management structures and processes, which 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.

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 Company. The maximum exposure to credit risk is represented by the carrying value of financial assets at amortised cost. Cash resources are limited to high credit quality financial institutions. The Company has policies in place to limit the credit exposure to any one financial institution. Most of the receivables are from subsidiaries. The Company has reviewed the financial position of subsidiaries with balances due. Management has assessed the recoverability based on budgeted forecasts and expected repayments. These subsidiaries have sufficient assets to settle the loans in future. The assets of the subsidiaries exceed the liabilities and the disposal of assets would be sufficient to settle all the liabilities. The value of the assets of the subsidiaries is expected to grow which adds to the low credit risk of the financing provided to subsidiaries. A combination of low fees, top investment performance, original products and exponentially evolving technology has meant that the company and its subsidiaries has continued to grow its assets under management and administration despite highly volatile market conditions. The Company has a history of very few bad debts. Management consider the probability of default to be close to zero as all subsidiaries 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 Company.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Company manages its liquidity requirements by monitoring forecasted cash flows. Furthermore, a fellow subsidiary has a credit facility with Standard Bank that can be utilised by the Company if required. Financial liabilities have not been discounted, and the amounts shown in the statement of financial position are therefore the same as the amounts that will be paid on maturity of these liabilities. Trade creditors are short term in nature and payable within ninety days from the reporting date. Refer to note 17 for guarantees provided by the Company.

Market risk

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates and market prices.

Foreign exchange risk: The Company does not have significant exposure to foreign exchange rate risk.

Interest rate risk: The Company is exposed to interest rate risk through its call accounts and current accounts.

Price risk: The Company is not exposed to price risk.

Cash flow sensitivity analysis for variable rate instruments:

Interest rate

An increase of 300 basis points in interest rates at year end would have increased profit before tax by R0.27 million (2022: R0.76 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 that the year end balance has been constant throughout the year.

15. Fair value

The fair values of all financial instruments are substantially similar to carrying values reflected in the statement of financial position, as they are short term in nature or subject to variable, market related interest rates. There are no investments requiring IFRS 13 level 3 disclosure in terms of the fair value hierarchy.

16. Events subsequent to the reporting date

On 4 December, 2023 the directors proposed and approved a dividend of 123 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 Company or the results of its operations.

17. Guarantees

Sygnia Limited, along with some subsidiaries in the Sygnia group, has issued an irrevocable and unconditional guarantee for the loan payable and preference shares issued by Sygnia Capital (RF) Proprietary Limited to Standard Bank. The balance of the preference share liability owing by Sygnia Capital (RF) Proprietary Limited at 30 September 2023 amounts to R100 million (2022: R100 million). The balance of the loan payable by Sygnia Capital (RF) Proprietary Limited at 30 September 2023 amounts to R35.3 million (2022: R45.3 million). In the event that the guarantees are called upon, management have determined that Sygnia Limited would not be called on to settle the obligations. The measurement of the guarantees is performed in the subsidiary that would be called upon should Sygnia Capital (RF) Proprietary Limited default. This entity has sufficient resources to settle the obligation, and as such the guarantees are not recognised by the other entities in the group.

Sygnia Limited

Incorporated in the Republic of South Africa

Registration number: 2007/025416/06

JSE share code: SYG

ISIN code: ZAE000208815

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