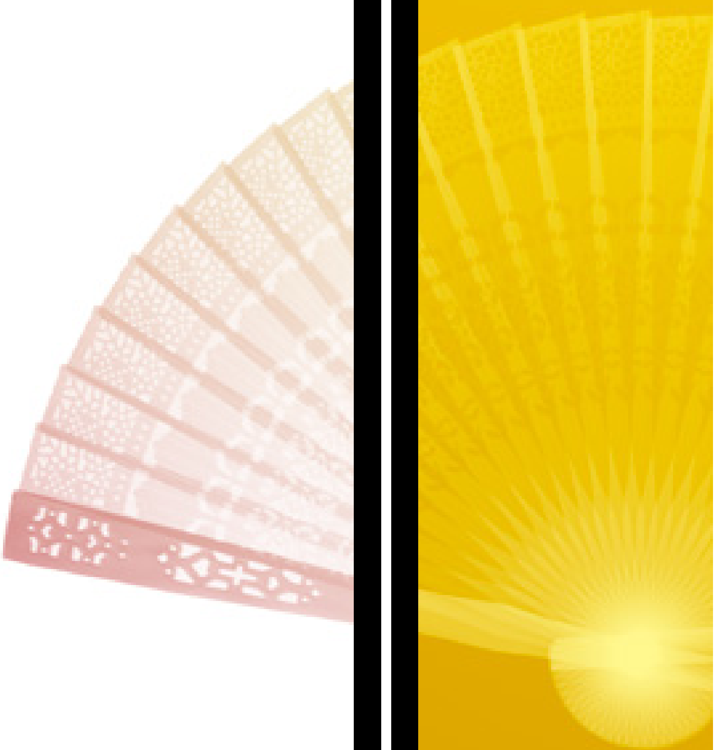
SYGNIA



THE SUM OF
ALL THINGS

SYGNIA INTEGRATED ANNUAL REPORT 2015

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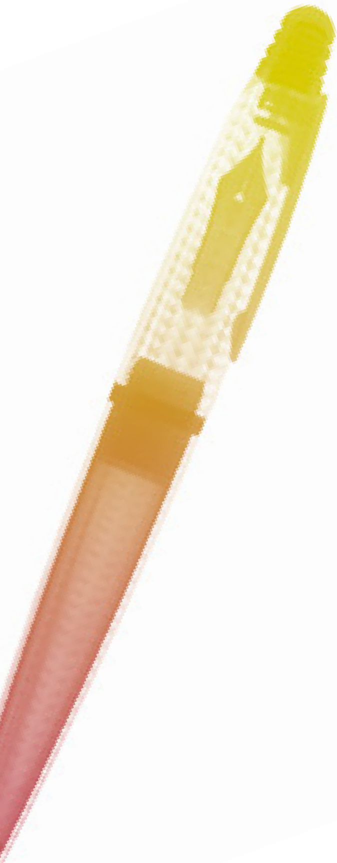


SYGNIA : NINE YEARS OF SUCCESS

Year	Number of staff	Assets under management and administration (Rbillion)
2015	127	137 BN
2014	106	113 BN
2013	81	99 BN
2012	57	83 BN
2011	46	70 BN
2010	38	52 BN
2009	34	40 BN
2008	24	4.5 BN
2007	20	4.7 BN

NUMBER OF STAFF

ASSETS UNDER MANAGEMENT AND ADMINISTRATION (RBILLION)

SCOPE OF THE REPORT

INTRODUCTION

Sygnia Limited ("Sygnia") is pleased to present its first Integrated Report after listing on the main board of the Johannesburg Stock Exchange ("JSE") on 14 October 2015. The report covers the performance of the group over the twelve months ended 30 September 2015. Although the year covered in the report precedes the listing, the Board of Directors believes that the report is an effective way of communicating our objectives, value creation proposition and business sustainability to all stakeholders.

FRAMEWORK AND GUIDELINES

The 2015 Integrated Report has been compiled in accordance with the International Integrated Reporting Framework ("IIRF"), discussion papers issued by the International Integrated Reporting Council ("IIRC") and the Integrated Reporting Council of South Africa ("IRCSA") and, where applicable, the principles contained in the King Report on Governance for South Africa 2009 ("King III"). Any King III principles which may not have been applied are explained.

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), the Companies Act, No. 71 of 2008 and the Listing Requirements of the JSE.

In terms of the IIRC's recommended reference to the six capitals or stores of value that a company can use in the production of its goods and services, 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.

ASSURANCES

The financial statements have been audited by KPMG whose unmodified opinion is included on page 10 of the separately published Annual Financial Statements. The full set of audited annual financial statements is available on Sygnia's website in the Shareholders information section (www.sygnia.co.za).

Although some of the information contained in this report has been extracted from the audited information, this report itself has not been audited.

Other external assurances provided in respect of aspects of this report include:

- the verification of our B-BBEE rating performed by Grant Thornton Verification Services Proprietary Limited; and
- the actuarial valuation of Sygnia Life Limited performed by Milliman Proprietary Limited.

FORWARD-LOOKING STATEMENTS

Given the impact of the listing of Sygnia Limited on its business and strategy, the 2015 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 Listing Requirements of the JSE.

APPROVAL FOR PUBLICATION

The Board of Directors acknowledges its responsibility for ensuring the integrity of the 2015 Integrated Report and, having reviewed a draft, has mandated a sub-committee to approve the final report. The sub-committee members 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 2015. They therefore approved the 2015 Integrated Report for publication.

MAGDA WIERZYCKA
CHIEF EXECUTIVE OFFICER

NIKI GILES
FINANCE DIRECTOR

CORPORATE STRUCTURE

The Sygnia group includes the holding company, Sygnia Limited, listed on the main board of the JSE, as well as the following wholly-owned subsidiaries:

SYGNIA ASSET MANAGEMENT*: an asset management company which provides the following services and products to institutional and retail clients:

- multi-manager investment products;
- specialist and balanced index-tracking products;
- management and administration of custom-designed investment strategies;
- transition management; and
- investment administration services (this service is also provided to US and UK based institutional clients).

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 for institutional and retail clients, and issuing of sinking fund policies and living annuities to individual investors.

SYGNIA COLLECTIVE INVESTMENTS RF: a management company which offers a range of multi-manager and index-tracking unit trusts to the retail market.

SYGNIA FINANCIAL SERVICES: a LISP company which offers investment administration services and savings products (retirement annuities, living annuities, preservation funds) to the retail market.

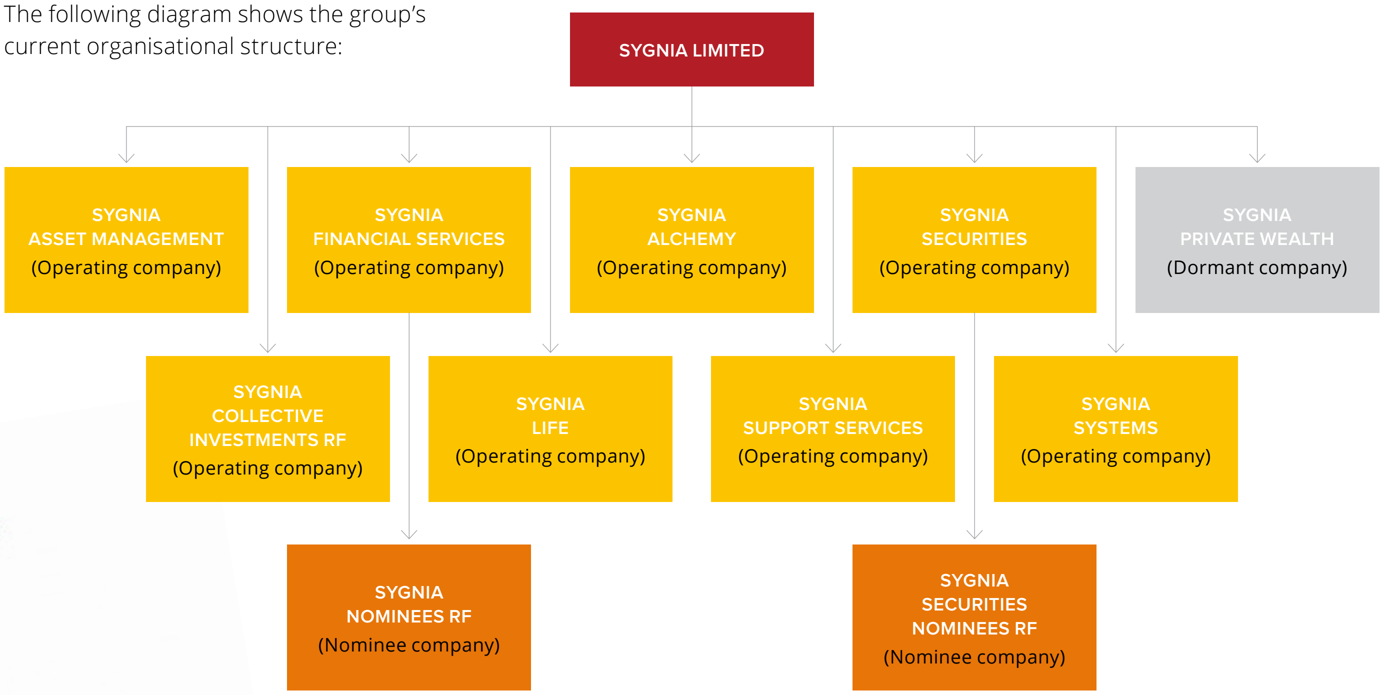
SYGNIA SYSTEMS: a software development company which develops all proprietary institutional market software used by Sygnia, as well as supporting its existing systems.

SYGNIA ALCHEMY: a software development company which develops all proprietary retail market software used by Sygnia, as well as supporting its existing systems.

SYGNIA SECURITIES: a stockbroker used for cost-effective trading for Sygnia's index-tracking funds and for transition management programmes.

SYGNIA SUPPORT SERVICES: an internal support services company which provides centralised services to the group, including office management, IT, financial support and legal services.

The following diagram shows the group's current organisational structure:



In terms of actual operations, the group operates as three main business units:

- institutional business: asset management and investment administration services;
- retail business: savings products and LISP administration; and
- support business: systems development, support, life insurance licence, collective investment scheme, stockbroking and IT

**As at 30 September 2015 Sygnia Asset Management was 20% owned by a B-BBEE staff share incentive scheme. Due to the nature of the funding provided to this scheme, the consolidated annual financial statements reflect the shareholding of Sygnia Asset Management by Sygnia Limited as being 100%. On 1 October 2015 the scheme converted its shareholding into shares in Sygnia Limited, resulting in the group officially owing 100% of Sygnia Asset Management.*

CORPORATE INFORMATION

ANNUAL GENERAL MEETING:

23 February 2016

SHARE CODE (ORDINARY SHARES):

SYG

ISIN

ZAE000208815

BOARD OF DIRECTORS:

Haroon Ismail Bhorat (non-executive chairman)
Magdalena Franciszka Wierzycka (chief executive officer)
Niki Jane Giles (financial director)
Shirley Anne Zinn (lead independent non-executive director)
Kenneth Thomas Hopkins (independent non-executive director)
Isiah Kaizer Moyane (independent non-executive director)

TRANSFER SECRETARIES:

Computershare Investor Services Proprietary limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

COMPANY SECRETARY:

David Ian Johnson

REGISTERED OFFICE:

7th Floor, The Foundry
Cardiff Street, Green Point
Cape Town, 8001

POSTAL ADDRESS:

PO Box 51591
Waterfront, 8002

EXTERNAL AUDITOR:

KPMG Inc.
MSC House, 1 Mediterranean Street, Foreshore
Cape Town, 8001

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

MAGDALENA FRANCISZKA WIERZYCKA
CHIEF EXECUTIVE OFFICER

Magda is a Fellow of the Faculty of Actuaries (Edinburgh) and has, in the past, served as a council member of the Actuarial Society of South Africa. She has over 20 years' experience in the South African asset management industry and has published widely in the field.

She started her career as a product development and investments actuary at Southern Life in 1993, followed by two years at Alexander Forbes as an investment consultant. In 1997 she joined Coronation Fund Managers as Head of Institutional Business and a director. She left Coronation in 2003 to start IQvest, a fund of hedge funds company. Later that year, after selling IQvest to the African Harvest group, she was appointed to the position of CEO of African Harvest. After negotiating the sale of African Harvest Fund Managers to Cadiz Financial Services in 2006, she led the management buy-out of the remainder of the African Harvest group which resulted in the formation of Sygnia. Since 2006 she has headed Sygnia as its CEO.

NIKI JANE GILES
FINANCE DIRECTOR

Niki is a Chartered Accountant and a Chartered Financial Analyst®. After completing her articles with Deloitte in Cape Town in 2000, Niki worked as an assistant manager in Deloitte's London office. In 2002 she returned to Cape Town as a manager within Deloitte's Financial Institutions Services focus group (Cape Town audit practice), dealing exclusively with financial institutions. She joined the African Harvest group as CFO in 2005 and a year later moved to Sygnia as its CFO. In 2009 she was promoted to the position of COO, managing the Finance, Compliance and Administration divisions of the company. She is the current Finance Director of Sygnia.

NON - EXECUTIVE DIRECTORS

HAROON ISMAIL BHORAT
NON-EXECUTIVE CHAIRMAN

Professor Haroon Bhorat is Professor of Economics and Director of the Development Policy Research Unit at the University of Cape Town. He holds a PhD in Economics from the University of Stellenbosch, has studied at the Massachusetts Institute of Technology and was a Cornell University research fellow.

Haroon's research interests cover labour economics, poverty and income distribution. He has done extensive work for the South African Department of Labour, the Presidency and National Treasury. He is a director of the Western Cape Tourism, Trade and Investment Promotion Agency, a member of the Statistics Council, Statistics South Africa, and sits on the editorial board of the South African Journal of Economics. He has served on a number of government research advisory panels and was an economic advisor to the former Minister of Finance, and former Presidents Thabo Mbeki and Kgalema Motlanthe, formally serving on the Presidential Economic Advisory Panel.

Haroon holds the National Research Chair under the theme of Economic Growth, Poverty and Inequality: Exploring the Interactions for South Africa. He is also a non-resident Senior Fellow at the Brookings Institution affiliated to the Global Economy and Development Program, and the Africa Growth Initiative and a Research Fellow at IZA, the Institute for the Study of Labour in Bonn. Haroon consults to international organisations such as the International Labour Organisation, the United Nations Development Programme, the World Bank and ratings agencies. He was a member of the United Nations Commission on Legal Empowerment of the Poor and Head of Research for the United Nation's High-Level Panel on the Post-2015 Development Agenda. In 2015 Haroon was appointed as a member of the World Bank's Advisory Board of the Commission on Global Poverty.

SHIRLEY ANNE ZINN
LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Professor Shirley Zinn is the former Human Resources ("HR") director of Standard Bank South Africa and Deputy Global Head of HR for the Standard Bank Group. She left Standard Bank to set up Shirley Zinn Consulting, providing consulting and advisory services in the fields of HR, transformation, leadership and education. Shirley is also a professor at the University of Pretoria's Department of HR Management and is the past President of the Institute for People Management South Africa.

After completing her Masters degree at Harvard University, Professor Zinn started her career in education, followed by management positions at Southern Life, the Department of Public Service and Administration and at Reckitt Benckiser. She subsequently joined the South African Revenue Service as General Manager for HR, before re-joining the private sector, becoming the Group Executive HR at Nedbank, followed by her executive positions at Standard Bank.

Professor Zinn is the chairman of DHL, and serves as a non-executive director on the boards of AdvTech Limited, Tuesday Consulting, Business Engage and the Boston Consulting Group. She is a trustee of the DHL Foundation, the Nedbank Eyethu Community Trust and Orbis Africa, and the chairman of Starfish Greathearts Foundation. She also serves on the advisory boards of Monash, the African Society for Talent Development and the University of Pretoria's Faculty of Economic and Management Sciences. She is the Vice-President of the Harvard Alumni Association in South Africa.

NON - EXECUTIVE DIRECTORS

ISIAH KAIZER MOYANE
INDEPENDENT NON-EXECUTIVE DIRECTOR

Kaizer is currently the Executive Manager: Employee Relations at Edcon. Previously to joining Edcon, Kaizer worked at Sanlam for 10 years, first as Senior Specialist: Labour Relations and then as its Head of Labour Relations. Kaizer qualified as an Attorney of the High Court in 1998 while working for Bowman Gilfillan Inc. where he specialised in employment law.

Kaizer serves on the governing body of the Commission for Conciliation, Mediation and Arbitration ("CCMA") and the CCMA's Governance, Social and Ethics Committee. He is also the business convenor of the Labour Market Chamber in the National Economic Development and Labour Council and chairman of the Social and Transformation Policy Standing Committee of Business Unity South Africa.

KENNETH THOMAS HOPKINS
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ken is a Chartered Accountant with over 30 years' combined experience as a partner at KPMG and Deloitte, specialising in auditing and advising financial institutions in South Africa. He held the position of Head of the Financial Services sector within the Deloitte Cape Town office, before joining KPMG as Head of KPMG South Africa Investment Funds and Head of ISAE3402 sectors. While at KPMG, Ken performed the function of the technical and regulatory expert on asset management firms, collective investment schemes and hedge funds. Ken retired from KPMG in 2015. He has been a member of the South African Institute of Chartered Accountants ("SAICA") Medical Scheme interest group and was KPMG's representative at The Association for Savings and Investment South Africa ("ASISA"). He is currently a serving member of SAICA Investment Funds and ASISA's Collective Investment Schemes interest groups.

CHAIRMAN'S REPORT

For Sygnia, 2015 has been a watershed year, as the business gained significant traction in the retail market and prepared for its listing on the JSE. As a consequence, the year involved embedding an appropriate governance framework, appointing advisors and devising new corporate structures, including a new board of directors.

All this took place against a backdrop of highly volatile market conditions, a deteriorating and globally uncertain economic environment – combined with the inherent challenges yielded through a rapid growth in staff numbers, products and services. The demands placed on the management team were very high.

It is therefore a huge credit to the Sygnia team that they have weathered the storm, having delivered excellent investment performance, growth in assets under management and administration, a successful listing process and a strong set of financial results.

FINANCIAL PERFORMANCE

Supported by strong net inflows and excellent performance, Sygnia's revenue in the financial year to September 2015 grew to R234.1 million compared to the prior financial year (2014: R165.8 million) – representing a highly impressive 41.2% growth rate. Total expenses, at R160.6 million, rose by 27.5% (2014: R126.0 million). This resulted in an increase in profits after tax of 54.2% to R59.3 million (2014: R38.5 million), and headline and diluted headline earnings per share of 43.4% to 60.40 cents (2014: 42.11 cents).

SYGNIA EXPERIENCED R16.1 BILLION IN NET INFLOWS DURING 2015

Despite challenging market conditions in 2015 the key focus of the business on lowering the cost of saving and investing for South Africans, and excellent performance across the entire product range, resulted in net inflows of R16.1 billion across all of the main business lines, including multi-management, index tracking, funds of hedge funds and investment administration, in the 12 months to September 2015. The much-anticipated listing of the company on the JSE on 14 October 2015 has significantly increased the awareness of the Sygnia brand and our market profile.

BUSINESS STRATEGY

The role of the board of directors is to provide guidance and support in enabling management to execute its business strategy initiatives so as to ensure the long term sustainability of the group. The company has set itself the objective of transitioning from a medium-sized to a large-sized financial services group in five years. It aims to do so primarily by widening its product offering and by growing organically. Some strategic acquisitions are envisaged to facilitate faster growth into new areas of business and to strengthen existing areas of the business. The board supports those initiatives and aims to provide the management team with the required help and direction as required.

THE COMPANY HAS SET ITSELF THE OBJECTIVE OF TRANSITIONING FROM A MEDIUM-SIZED TO A LARGE-SIZED FINANCIAL SERVICES GROUP IN FIVE YEARS.

New business initiatives for 2016, including the launch of a low-cost umbrella fund and a robo-advisor model, have been reviewed and ratified by the board. We believe that these initiatives are aligned with both the broader objectives of Sygnia, as well as the risk profile of the group.

CORPORATE GOVERNANCE

The board has full and effective control of the group, which is exercised through committees, senior management and the subsidiary boards. The composition of the board and its committees is detailed on pages 7 and 27. The governance framework adopted by Sygnia was thoroughly overhauled ahead of the listing with the assistance of external experts and advisors. It has been aligned with all relevant legislation and in particular with the requirements of the Corporate Practices and Conduct framework as set out in King III. We are committed to ensuring that all the policies and procedures adopted by the group remain of the highest standard for the protection of all our stakeholders. The board and committee charters are in the final stages of being approved and will be made publicly available to all stakeholders in early 2016.

The underpins of corporate governance, ethics, trustworthiness and professional integrity are deeply engrained in the culture of the company. We are confident that this will continue into the future.

CLIENT FOCUS

As a service-oriented business, clients are the cornerstone of Sygnia's success. In the light of that we are very satisfied with the company's approach to the FSB's Treating Customers Fairly ("TCF") framework, the details of which are included on page 38.

SYGNIA IS A LEADER AMONGST ITS PEERS, IN BEING ABLE TO CLEARLY DEMONSTRATE THAT IT PLACES CUSTOMERS FIRST.

As an early adopter of TCF compliance, Sygnia is a leader amongst its peers in being able to clearly demonstrate that it places customers first.

TRANSFORMATION

Sygnia is committed to sustainable transformation in the sectors within its sphere of operations. The best illustration of that commitment was displayed in the company vendor-financing a broad based BEE staff scheme, the Ulundi Trust, in 2012. In 2015 the company enabled the scheme to convert its unlisted shares into shares in the listed entity. Sygnia has also placed significant focus on bringing on board external BEE shareholders as part of the listing. Further initiatives will be undertaken in 2016.

IN TERMS OF DIVERSITY, 50% OF THE BOARD OF DIRECTORS AND 47% OF THE STAFF COMPLEMENT IS BLACK

In terms of diversity, 50% of the board of directors and 47% of the staff complement is black. This continues to be work in progress. In terms of broader diversity, the business can be very proud in terms of its gender equality statistics, with both the chief executive officer and the financial director being women, with many key positions in the company occupied by women and with 47% of its staff being female.

SYGNIA ASSET MANAGEMENT QUALIFIES AS A LEVEL 2 CONTRIBUTOR IN TERMS OF THE EXISTING FINANCIAL SECTOR CODE.

Training and education remain a priority in South Africa. Given its new profile Sygnia is initiating a number of new CSI initiatives, including a bursary scheme and a broader internship programme. The details of existing CSI initiatives are provided on page 40.

Sygnia Asset Management qualifies as a Level 2 contributor in terms of the existing Financial Sector Code. The envisaged changes to the code will present evolving challenges to the business and its management team. New strategies will be required to ensure that the new hurdles are met.

CONCLUSION

The forthcoming year is likely to be a very challenging year for all South African financial services companies, given predictions for benign domestic and global growth rates. However, Sygnia's new found visibility, scalable infrastructure and innovative, low-cost oriented business model is likely to find appeal among a wide sector of the investing public.

I would like to thank the board of directors, the management team and all staff of Sygnia for their unwavering commitment and support in making 2015 a year to remember.

HAROON BHORAT
NON-EXECUTIVE CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REPORT

For most investors, the twelve months to 30 September 2015 brought a growing realisation that capital preservation is as important as generating real returns in the quest for long-term wealth creation. We have entered a period of significant volatility as global economic growth continues to slow down.

China led the way as it entered a "new single-digit norm" in terms of growth, a prospect which has severely punished commodity prices. Chinese politicians added lack of confidence and trade tensions to the equation through their clumsy approach to dealing with falling stock markets in July, followed by a devaluation of the currency to boost exports in August. The slowdown in China has had a disproportionately large effect on emerging markets, and in particular commodity exporters such as South Africa.

2015 HAS BEEN A VERY CHALLENGING YEAR FOR INVESTORS

Low commodity prices have threatened the viability of mining companies, many heaving under the weight of debt taken on after quantitative easing introduced in the wake of the global financial crisis made it cheap to borrow. Europe has also not fared well, with deflation on the horizon, a euro confidence crisis triggered by Greece and rising political risks in response to the growing refugee crisis. The quantitative easing launched by the ECB in early 2015 has had a muted effect. The divergence in monetary policies between China, Europe and Japan, which continue to ease, and the US Federal Reserve which has raised interest rates for the first time since the global financial crisis, has triggered a flow of money into the US, strengthening the US dollar while weakening all other currencies, including the rand. The oil price hovered below US$50 a barrel on a supply glut as OPEC countries continued to pump oil at record levels. Despite the increase in risk levels, gold struggled to regain its former store-of-value status with investors opting for the safety of US Treasuries instead.

South Africa did not emerge unscathed, with the equity market ending the year to 30 September 2015 up a mere 4.8%, the bond market 7.0% and the money market 6.4%. Headline inflation was a modest 4.6%, while the rand depreciated by a massive 22.6% relative to the US dollar. The economy struggled under the burden of electricity shortages, low commodity prices, rising inflation and a weaker rand. Interest rates have risen and will continue to rise. So has the political risk.

SOUTH AFRICA DID NOT EMERGE UNSCATHED, WITH THE EQUITY MARKET ENDING THE YEAR TO 30 SEPTEMBER 2015 UP A MERE 4.8%

Global macro-economic events dominated investment themes in 2015. 2016 is likely to be a year when domestic events overshadow international factors for the first time since the global financial crisis. We start the year all feeling a little bit less confident about the future, a little bit sadder for our democracy and a little bit poorer. Undoubtedly, 2016 is going to be a year of extreme risk for South Africa, both politically and economically. Risk is likely to translate into further currency weakness, the possibility of a recession, rising inflation, food prices and unemployment, higher interest rates, higher taxes and a general level of discontent among consumers. In an environment fraught with risk, risk management is our key consideration. A focus on diversification, capital preservation and bold decision making will test Sygnia's tactical asset allocation skills to their maximum.

This gloomy picture is the backdrop. Sygnia will continue to strive to grow and expand through innovation and profile-building, benefitting from the excellent performance achieved in 2015 and the cost-effective nature of its product proposition.

A FOCUS ON DIVERSIFICATION, CAPITAL PRESERVATION AND BOLD DECISION MAKING WILL TEST SYGNIA'S TACTICAL ASSET ALLOCATION SKILLS TO THEIR MAXIMUM.

INSTITUTIONAL BUSINESS

A PARTICULARLY PLEASING ASPECT OF THE PERFORMANCE HAS BEEN THE WIDE MARGIN BY WHICH OUR FLAGSHIP PRODUCTS HAVE OUTPERFORMED THEIR COMPETITORS

In the year to 30 September 2015 our institutional assets under management and administration increased by 21.8% to R127.9 billion (2014: R105.1 billion), with R15.1 billion in net inflows. This has been an extremely strong year for Sygnia and is a reflection of our top investment performance and client service excellence. The investment performance has been an equal function of correctly positioned asset allocation strategies and superior manager selection in our multi-manager products. A particularly pleasing aspect of the performance has been the wide margin by which our flagship products have outperformed their competitors. This bodes well for our strategy to be more active in marketing our products to institutions currently invested with the same competitors.

Our funds of hedge funds products have all withstood market volatility well, visibly preserving capital for investors. 2015 has been a litmus test for the validity of the proposition. Given that most hedge funds have passed the test we expect significantly more interest in these products going forward. Our 12-year performance track record in the field should serve us well.

Pleasingly, assets under management in index-tracking strategies increased to R10.0 billion as at 30 September 2015, up from R4.9 billion a year ago, reflecting the growing interest in low-cost investment strategies.

ASSETS UNDER MANAGEMENT IN INDEX-TRACKING STRATEGIES INCREASED TO R10.0 BILLION AS AT 30 SEPTEMBER 2015

On balance, Sygnia is well-positioned to benefit from newly introduced and expected future regulatory changes. The regulatory support for the use of index-tracking strategies within South African retirement funds is expected to provide positive momentum for Sygnia's index tracking products going forward. Regulatory clarity in respect of hedge funds is positive for Sygnia's fund of hedge funds products.

RETAIL BUSINESS

Sygnia Collective Investments launched its first three 'CPI plus target' unit trusts in 2012, and a subsequent range of index tracking funds supported by the newly launched Sygnia LISP platform in 2013. The LISP added a full suite of savings products, such as retirement annuities, living annuities and preservation funds to our offering, enabling us to access a wider range of investors looking for a complete investment proposition at an affordable cost. In 2015 we launched a tax-free savings account, as well as two further index-tracking type products, the Sygnia Africa Equity Fund and the Sygnia All Bond Index Fund. Our retail business has seen assets under management grow by 16.5% to R8.7 billion (2014: R7.5 billion), with R936 million in net retail inflows into our unit trusts. Assets under administration on the Sygnia LISP rose to R3.0 billion, with one third of all accounts opened coming from direct investors. The performance of the majority of our domestic and international funds ranked in the first quartile of their respective categories relative to peers for the past 12 months and since inception.

ONE THIRD OF ALL ACCOUNTS OPENED COMING FROM DIRECT INVESTORS

Sygnia's index-tracking retail business maintained its position as the lowest-cost provider of savings and investment products in South Africa. Similarly, to the institutional side, the growing awareness of index-tracking funds and the clarification of the regulatory environment for hedge funds are expected to benefit the group going forward.

CONCLUSION

The listing of Sygnia Limited on the JSE in October 2015 has been a huge milestone and has significantly increased Sygnia's profile and brand recognition among the investing public.

We enter 2016 with the aim of building on the growing awareness of the Sygnia brand. Our key business focus remains on lowering the cost of savings for all South Africans. Thus, despite the challenges that South Africa presents, we expect the year to be positive for Sygnia as we continue to capture the attention and the imagination of South African investors.

I would like to take this opportunity to thank all our clients, our board of directors, the management team and staff for their unwavering support and hard work in 2015.

M. Wierzycka

MAGDA WIERZYCKA
CHIEF EXECUTIVE OFFICER

BUSINESS OVERVIEW

BUSINESS MODEL

Sygnia is a specialist financial services group based in South Africa and listed on the main board of the JSE. The company focuses on the provision of investment management and administration solutions to institutional and retail clients predominantly located in South Africa. The main services provided by Sygnia include multi-manager investment solutions, index-tracking products, funds of South African hedge funds, customised investment strategy management, transition management and investment administration services.

PRODUCT AND SERVICES EVOLUTION

2003	2007	2012	2013	2014	2015
CUSTOMISED MULTI-MANAGEMENT	INSTITUTIONAL INVESTMENT ADMINISTRATION	UNIT TRUST COMPANY	LISP	STOCKBROKING (EXECUTION ONLY)	STOCKBROKING (CONTROLLED CLIENTS)
SPECIALIST INDEX-TRACKING	INSTITUTIONAL MULTI-MANAGER PRODUCTS	RETAIL MULTI-MANAGER UNIT TRUSTS	RETAIL INDEX-TRACKING UNIT TRUSTS		
FUNDS OF SA HEDGE FUNDS		INSTITUTIONAL BALANCED INDEX-TRACKING PRODUCTS			
UNBUNDLING FROM AFRICAN HARVEST GROUP ON 1 NOVEMBER 2006					LISTED ON THE MAIN BOARD OF THE JSE ON 14 OCTOBER 2015

The group's operations date back to 2003 when the founding shareholders of Sygnia started one of the first funds-of-South-African-hedge-funds operations in South Africa and embarked on a process of developing systems suited to the administration of multi-manager investment product structures. The same year both companies were acquired by African Harvest Proprietary Limited ("African Harvest"), while the majority shareholder and CEO, Magda Wierzycka, took over as the CEO of African Harvest. In 2006, the African Harvest group was broken up into two, with the active asset management business units 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, including Magda Wierzycka. The companies were rebranded to Sygnia and commenced operating under the Sygnia brand name on 1 November 2006.

Sygnia entered the institutional market with R2 billion in assets under management in multi-manager products, managed on behalf of a small number of retirement funds. Since then it has grown to manage and administer R137 billion as at 30 September 2015 on behalf of both institutional and retail investors.

FROM INCEPTION, INNOVATION HAS BEEN CENTRAL TO SYGNIA'S BUSINESS STRATEGY.

From inception, innovation has been central to Sygnia's business strategy. Sygnia entered the institutional market by reinventing the "multi-manager" sales proposition. Instead of offering standardised "off-the-shelf" product solutions, Sygnia offered clients the opportunity to customise their investment strategies to their specific requirements and objectives, while enjoying the benefits offered by a full-service multi-manager administration platform. This approach proved to be successful in attracting interest, as it offered the benefits of complete flexibility and customisation, while being more cost effective than employing traditional multi-managers. It also led to some large institutional clients, including a well-known international multi-manager company, appointing Sygnia for the purpose of the provision of stand-alone investment administration services, leading to the formal emergence of this service in South Africa. The provision of investment administration services was underpinned by Sygnia's leading-edge proprietary investment administration platform, Sygnia Platinum. Although Sygnia concentrated on the provision of customised investment services and multi-manager administration, it also launched its own range of institutional multi-manager products to compete more openly with other multi-managers.

Since 2006 Sygnia's multi-manager approach has involved the blending together of index-tracking funds and actively-managed funds. The actively-managed portion has always been outsourced to third party asset managers selected by Sygnia after a thorough due diligence. Sygnia has always managed a large part of the index-tracking portion in-house. In 2012, Sygnia decided to begin marketing its index-tracking funds as a stand-alone proposition. In line with its focus on innovation, it also launched the first risk-profiled balanced product range managed entirely on a passive basis in South Africa, the Sygnia Skeleton Funds. A balanced product range is suitable for the retirement savings of both institutional and retail investors where compliance with regulatory limits is a requirement (retirement funds, umbrella funds, retirement annuities, preservation funds).

SINCE 2006 SYGNIA'S MULTI-MANAGER APPROACH HAS INVOLVED THE BLENDING TOGETHER OF INDEX-TRACKING FUNDS AND ACTIVELY-MANAGED FUNDS.

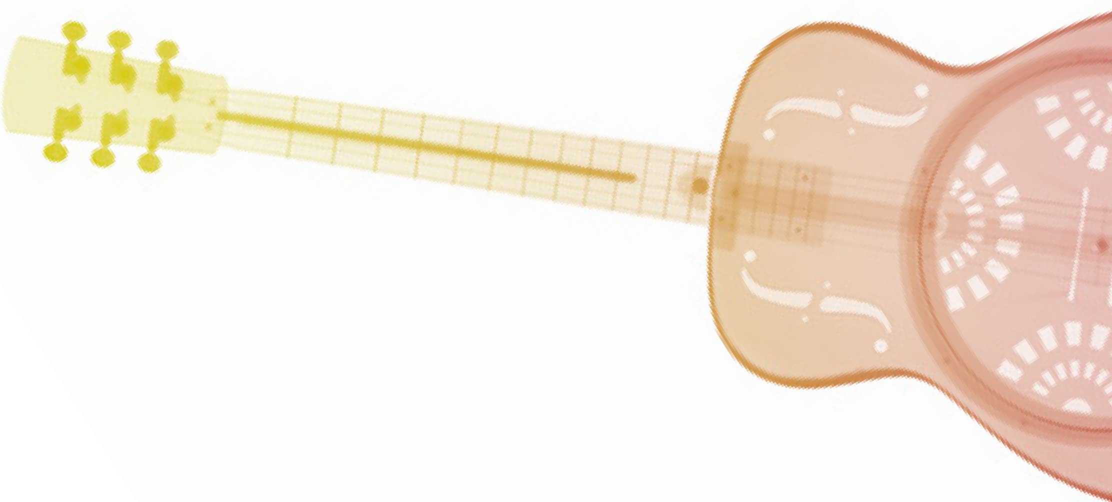
In 2012 Sygnia expanded into the retail market by launching a range of multi-manager unit trusts under the auspices of Sygnia Collective Investments RF. In 2013 it supplemented its retail offering by launching the Sygnia LISP platform, offering clients access to a full spectrum of savings products. It also supplemented its multi-manager unit trust range with a range of balanced and specialist passively-managed unit trusts. All index-tracking funds were launched at a fee of 0.40% per annum inclusive of VAT. The Sygnia Balanced Skeleton Funds became the first balanced passively-managed unit trusts in South Africa and the most cost-effective form of savings for retirement in the country.

ALL INDEX-TRACKING UNIT TRUSTS WERE LAUNCHED AT A FEE OF 0.40% PER ANNUM INCLUSIVE OF VAT.

In November 2014 Sygnia launched Sygnia Securities, an execution-only stockbroking firm, to support its growing index-tracking business, as well as to support the transition management requirements of Sygnia's expanding client base. In 2015 the licence of Sygnia Securities was extended to allow for controlled client management.

Sygnia has grown as a result of its strong relationships with many small to medium sized employee benefits consulting firms in South Africa, as well as select financial advisory businesses. Since inception it has offered its clients flexible administration, superior investment performance, transparency of charges, cost efficiencies, sophisticated analytical tools and excellent client service.

Sygnia prides itself on being an innovator and a market disruptor within the financial services industry in South Africa. The company views the retention of its culture and its strong entrepreneurial flair as a prerequisite for achieving its business objectives.



INSTITUTIONAL BUSINESS

Sygnia provides the following services to institutional clients:

- multi-manager investment products, including funds-of-South-African-hedge-funds;
- index-tracking investment products;
- management and administration of custom-designed investment strategies;
- transition management; and
- investment administration services only

MULTI-MANAGER INVESTMENT PRODUCTS

Sygnia structures its multi-manager funds using a blend of passive and actively-managed investment strategies. Passively-managed strategies are largely managed in-house, while the actively-managed components are outsourced to third party asset managers. Pooled investment products include risk-profiled balanced strategies, as well as specialist strategies and funds-of-South-African-hedge-funds.

INDEX-TRACKING INVESTMENT PRODUCTS

Sygnia also offers institutional clients passively-managed investment products. These products include risk-profiled balanced strategies, as well as specialist strategies, and are offered as pooled products and segregated client-specific accounts.

CUSTOMISED MULTI-MANAGEMENT

Sygnia allows institutional clients the option of designing their own investment strategies according to the risk-profile and requirements of their membership or client base. Sygnia assists in the process of designing such strategies and subsequently implements, manages and administers such strategies as if they were stand-alone multi-manager products.

INVESTMENT ADMINISTRATION

Stand-alone investment administration services include:

- multi-tier unitisation services;
- monthly administration reporting;
- provision of consolidated financial accounting information;
- cash flow management with optimised rebalancing;
- monitoring of compliance with mandates and with legislation;
- monitoring of management and performance fees charged by asset managers;
- regulatory reporting;
- performance analysis reporting;
- asset liability modelling;
- provision of due diligence information; and
- transition management

RETAIL BUSINESS

Sygnia provides the following savings products to retail clients:

- retirement annuities;
- living annuities;
- preservation pension and provident funds;
- sinking funds policies (including access to funds-of-South-African-hedge-fund products); and
- tax-free savings accounts

The Sygnia LISP platform also offers direct investors access to Sygnia's unit trusts offered by Sygnia Collective Investments RF, as well as a comprehensive range of third party unit trusts managed by external asset managers.

The investment options mirror those offered to institutional clients, namely:

- multi-manager unit trusts (balanced and specialist); and
- index-tracking unit trusts (balanced and specialist)

PRODUCT RANGE

INSTITUTIONAL PRODUCTS

Sygnia offers the following investment products to institutional clients:

RISK PROFILE	MULTI-MANAGER FUNDS	INDEX-TRACKERS	FUNDS OF HEDGE FUNDS
HIGH RISK	SIGNATURE 70 FUND	SKELETON 70 FUND	ALL-STAR FOHFS
MODERATE RISK	SIGNATURE 60 FUND	SKELETON 60 FUND	SIGNATURE FOHFS
MODERATE TO LOW RISK	SIGNATURE 50 FUND	SKELETON 50 FUND	-
LOW RISK	SIGNATURE 40 FUND	SKELETON 40 FUND	ABSOLUTE FOHFS

RETAIL PRODUCTS

Sygnia offers the following investment products to retail clients:

RISK PROFILE	MULTI-MANAGER FUNDS	INDEX-TRACKERS	FUNDS OF HEDGE FUNDS
HIGH RISK	CPI + 6% FUND	SKELETON BALANCED 70 FUND	ALL-STAR FOHFS
MODERATE RISK	CPI + 4% FUND	SKELETON BALANCED 60 FUND	SIGNATURE FOHFS
LOW RISK	CPI + 2% FUND	SKELETON BALANCED 40 FUND	ABSOLUTE FOHFS
OTHER	INTERNATIONAL FLEXIBLE FOFS	SKELETON INTERNATIONAL EQUITY FOFS	
	EQUITY FUND	TOP 40 INDEX FUND	
	AFRICA EQUITY FUND	DIVI INDEX FUND	
		SWIX INDEX FUND	
		LISTED PROPERTY INDEX FUND	
		ALL BOND INDEX FUND	

KEY COMPETITIVE ADVANTAGES

The key determinants of Sygnia's success, and our main competitive advantages, include:

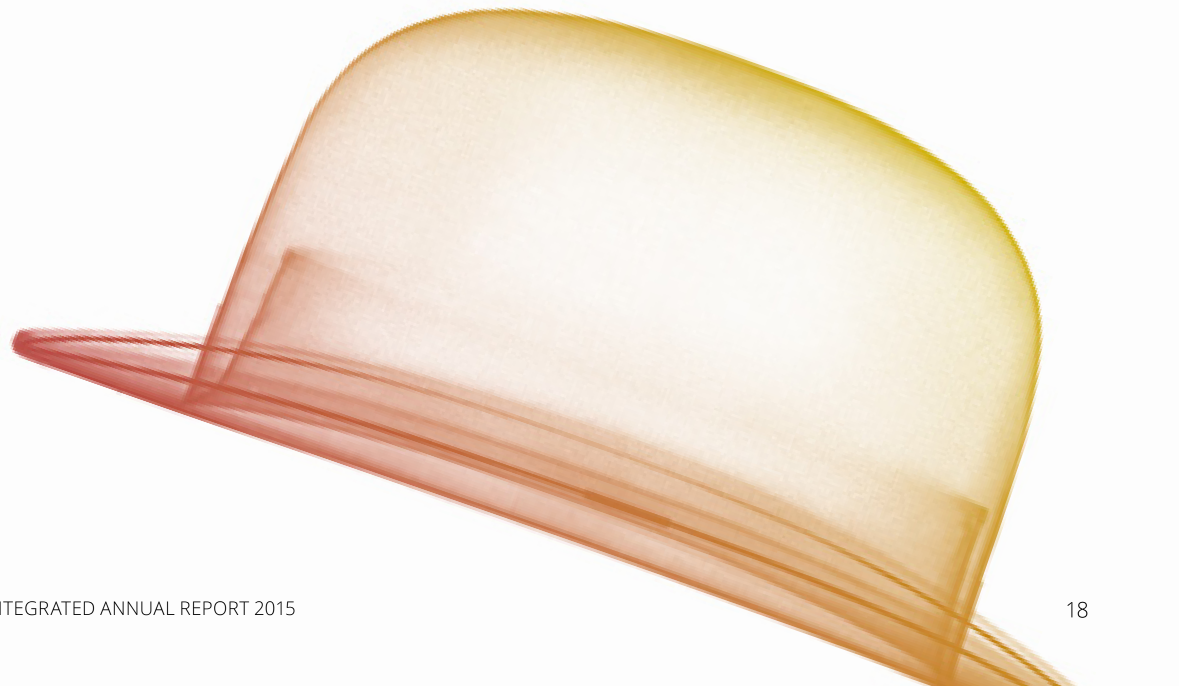
- the management team has a wealth of experience in the field of asset management and retirement fund consulting, and a deep understanding of the institutional and retail markets in South Africa;
- the management team has a successful track record of organically building entrepreneurial businesses and creating shareholder value;
- Sygnia's proprietary multi-manager administration systems are market leaders in South Africa and make Sygnia's services highly scalable;
- the group has built up a strong reputation for offering client service excellence, strong performance, transparency and fairness of costs and charges. The culture of putting the customer first is ingrained in the manner in which Sygnia operates;
- the group has long-standing relationships with many leading employee benefits consulting, investment consulting and financial advisory businesses in South Africa. This will support its future institutional and retail growth;
- Sygnia is well-positioned to take advantage of the changing regulatory dynamics;
- Sygnia has a reputation for innovation and being a market disruptor within the financial services industry in South Africa. The desire to innovate through thoroughly-considered, unconventional and contrarian business strategies drives the business; and
- the group has a growing revenue base, whilst being a highly cash generative business.

CORPORATE VISION

Sygnia aims to transition from a medium-sized to a large financial services company in the next five years. To do so it needs to deploy a combination of growth strategies, with the aim of offering a broad range of financial products and services to both the institutional and the retail markets, with a particular focus on index-tracking investment strategies.

INVESTMENT PERFORMANCE REMAINS KEY TO SUCCESS.

Investment performance remains key to success. The products will continue to be supported by innovative software which enhances client experience. The group aims to grow its brand and profile in South Africa through aggressive, albeit unconventional, marketing strategies. It may also look at opportunities for expanding its institutional investment administration offering offshore. The group may acquire complementary businesses to enter certain sectors of the market faster. However the key focus of the group remains organic growth.



STAKEHOLDERS

Sygnia views clear and transparent communication with all its stakeholders as vital to building sustainable and constructive long-term relationships. In preparing the 2015 Integrated Report Sygnia aimed at identifying and reporting on all matters which are material to its stakeholders, where materiality is defined as any matter which can affect the short, medium and long term value creation by the group.

The company's key stakeholders include:

- Shareholders
- Institutional clients and intermediaries
- Retail clients and intermediaries
- Staff members
- Regulatory bodies

STAKEHOLDER	EXPECTATIONS	STAKEHOLDER ENGAGEMENT IN 2015
SHAREHOLDERS	› Business sustainability › Appropriate return on capital › Sound corporate governance, compliance and risk management › Clear growth path › Good corporate citizenship	› Detailed Preliminary Listing Statement › Individual meetings with institutional investors › Group listing presentations › SENS announcements › Shareholders section on the internet website › Annual Financial Statements › 2015 Integrated Report › Clear and transparent policies and procedures, including those relating to Environmental, Social and Corporate Governance ("ESG"), Corporate Social Initiatives ("CSI"), ethics and transformation
INSTITUTIONAL CLIENTS AND INTERMEDIARIES › Retirement funds › Umbrella funds › Life insurance companies › Third party multi-managers › Third party unit trust management companies › Trusts › Investment Consultants/Advisors	› Performance in line with expectations › Provision of appropriate investment and savings products to meet evolving needs › Client service excellence › Administration accuracy › Regular communication › Reasonability of cost › Security of assets › Adoption of the principles of Treating Customers Fairly framework	› Dedicated client service team of well-trained investment professionals › Regular client meetings and operational due diligences › Quarterly report-back presentations › Monthly administration reports, investment reports and fund fact sheets › Quarterly regulatory reporting › Access to daily investment and performance data via Sygnia's internet portal, Sygnia Platinum Light › Monthly economic and market commentary › Institutional investor internet website which includes comprehensive product descriptions and monthly performance reports › Formal client complaints procedure

STAKEHOLDER	EXPECTATIONS	STAKEHOLDER ENGAGEMENT IN 2015
RETAIL CLIENTS AND INTERMEDIARIES	› Performance in line with expectations › Appropriate product range › Access to savings products › Client service excellence › Administration accuracy › Regular communication › Reasonability of cost › Security of assets › Adoption of the principles of Treating Customers Fairly framework	› Dedicated client service and business development teams › CRM call centre › Quarterly investment reports › Access to daily investment and performance data via Sygnia's internet portal, Sygnia Alchemy › Monthly economic and market commentary › Retail investor internet website which includes comprehensive product descriptions and monthly performance reports › Formal client complaints procedure
STAFF MEMBERS	› Market-related remuneration › Performance recognition › Ongoing development and training › Career progression › Job security › Comfortable working environment › Alignment of values › Alignment of ethical and social standards	› Market-related remuneration › Opportunity to qualify for an annual performance-based bonus › Ongoing internal training and development, both on-the-job as well as through the Sygnia Academy training sessions open to all staff › External training opportunities › Financial support for approved study courses and regulatory exams › Bi-annual performance appraisals › Team building activities, company functions and other sponsored events › Presentations by CEO to staff on strategy and results › Clearly articulated codes of conduct, ethical standards and governance and risk policies › Transparent and staff-inclusive ESG and CSI policies and practices
REGULATORY BODIES › Financial Services Board › South African Revenue Service › Financial Intelligence Centre › National Treasury	› Regulatory compliance across all aspects of the business › Transparency › Active engagement with the regulators on an ongoing basis › Provision of commentary on proposed regulatory changes	› On-sight visits by the regulators › On-going reporting to the regulators › Ad-hoc discussions and engagement based on an open and transparent relationship with the regulators › Participation in the industry bodies, including ASISA, SAICA project groups and ASSA › Provision of commentary on draft legislation

BUSINESS PERFORMANCE

OVERVIEW

The company's performance can be evaluated based on six core criteria:

- Asset Under Management Growth
- Investment Performance
- Client Service
- Governance
- Staff
- Shareholder Value

Those criteria inform all of Sygnia's long term and short term business strategies.

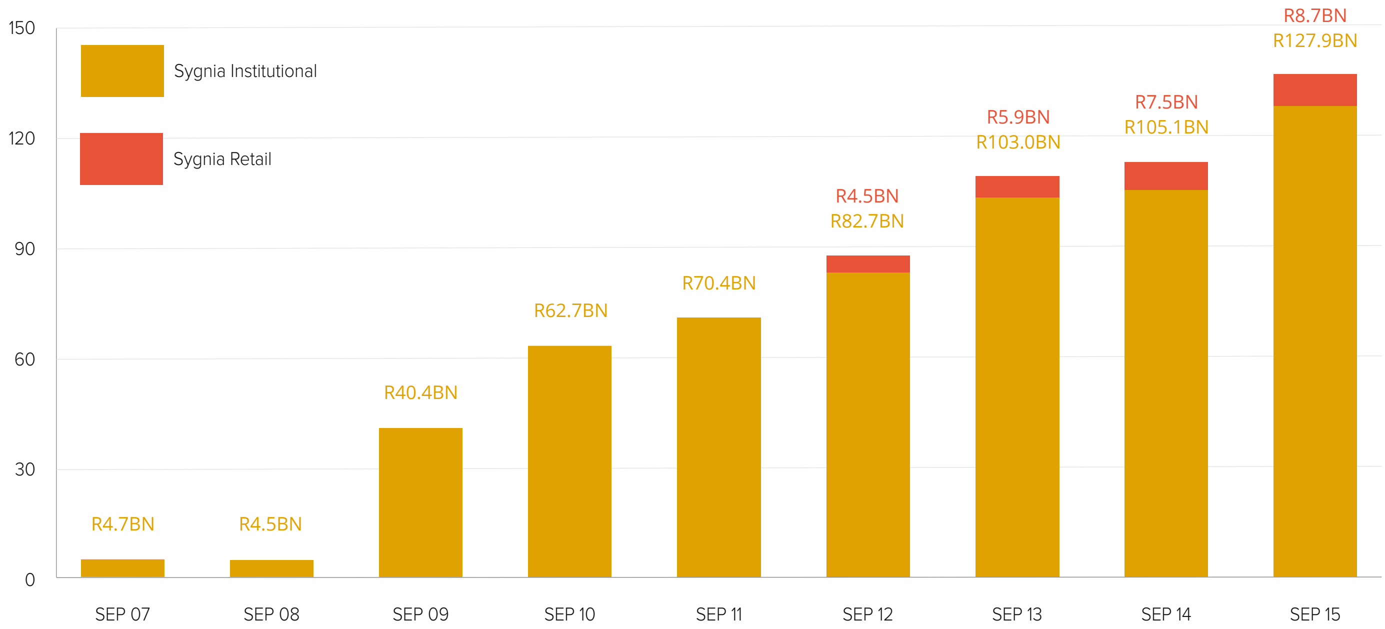
SYGNIA'S ASSETS UNDER MANAGEMENT AND ADMINISTRATION INCREASED BY 21.4% TO R136.6 BILLION IN THE 12 MONTHS TO END SEPTEMBER 2015 (2014: R112.5 BILLION) DESPITE HIGH LEVELS OF VOLATILITY AND UNCERTAINTY IN THE MARKETS.

ASSET GROWTH

Sygnia's revenue is linked to its assets under management and administration, and the group is reliant on both market movements and new business inflows for growth. Sygnia's assets under management and administration increased by 21.4% to R136.6 billion in the 12 months to end September 2015 (2014: R112.5 billion) despite high levels of volatility and uncertainty in the markets.

The institutional assets under management and administration increased by 21.8% to R127.9 billion (2014: R105.1 billion), with R15.1 billion in net inflows, in the year to 30 September 2015, while retail assets under management rose by 16.5% to R8.7 billion (2014: R7.5 billion), with R936 million in net retail inflows into unit trusts. Assets under management in index-tracking strategies increased to R10.0 billion as at 30 September 2015, up from R4.9 billion a year ago. Assets under administration on the Sygnia LISP, launched in October 2013, and which are not included in the headline asset numbers to avoid double counting, rose to R3.0 billion.

GROWTH IN ASSETS UNDER MANAGEMENT AND ADMINISTRATION



16.4% CAGR*

In Institutional assets under management and administration

26.9% CAGR*

In Retail assets under management

100%

Organic growth

Compound Annual Growth Rate

INVESTMENT PERFORMANCE

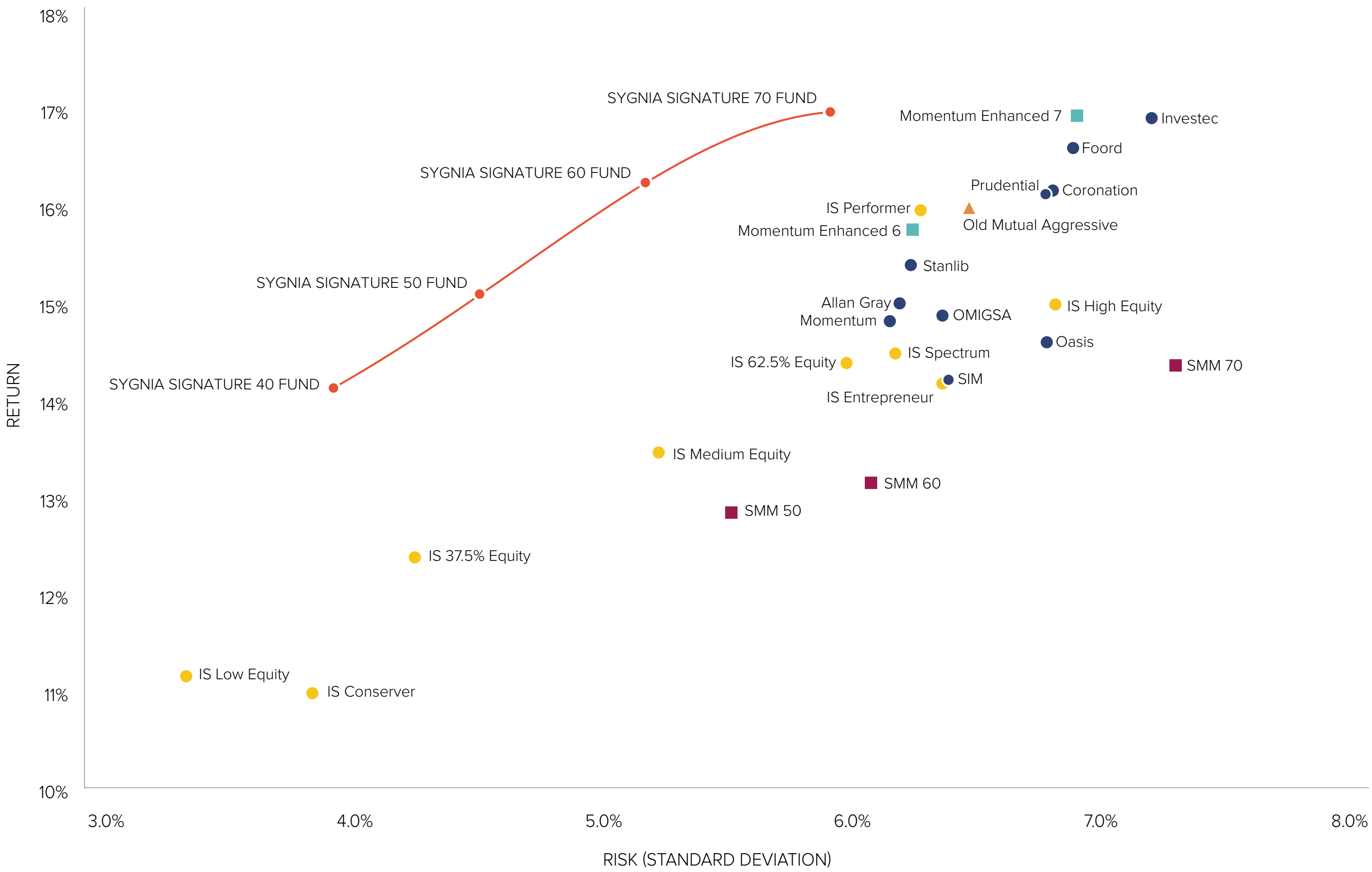
Sygnia's institutional products continued to deliver excellent results for clients in 2015, building on their long term superior returns history. The performance highlights for 2015 have been:

- The flagship risk-profiled multi-manager products, the Sygnia Signature 40, 50, 60 and 70 Funds, ranked 1st in terms of returns over all time periods (1 year, 3 years and 5 years) in all their respective risk categories in the Alexander Forbes Multi-Manager Watch™ Survey to end September 2015. The most pleasing aspect of the performance has been the wide margin by which the funds have outperformed their competitors, particularly in 2015.
- The Sygnia All-Star Fund of Hedge Funds ranked 1st over 1, 3 and 5 years in the Alexander Forbes Fund of Hedge Funds Manager Watch™ Survey to end September 2015 in the multi-strategy category.
- The Sygnia Signature Fund of Hedge Funds ranked 2nd, a step behind the Sygnia All-Star Fund of Hedge Funds, over 1, 3 and 5 years in the Alexander Forbes Fund of Hedge Funds Manager Watch™ Survey to end September 2015 in the multi-strategy category.
- When compared to large single asset managers' performances, as published in the Alexander Forbes Global Large Manager Watch™ Survey to September 2015, the Sygnia Signature 70 Fund ranked 1st over 3 and 5 years and 2nd over 1 year. The significance of this lies in the fact that multi-manager products can compete directly with single asset managers' products and can offer a compelling alternative to the self-selection of single asset managers for retirement funds.

SYGNIA SIGNATURE RANGE FORMS THE EFFICIENT FRONTIER IN PEER GROUP SURVEYS

Source: Alexander Forbes Multi-Manager Watch™ Survey, Alexander Forbes Global Large Manager Watch™ Survey

5-YEAR RISK AND RETURN SCATTERPLOT
TO 30 SEPTEMBER 2015



** RECM was removed from global large manager watch universe; delivering a 5-year return of 3.9% p.a., with the annualised standard deviation of 9.1%*

As at 30 September 2015, the performance of the majority of our domestic and international funds ranked in the first quartile of their respective categories for the past 12 months and since inception.

HIGHLIGHTS INCLUDE:

- The Sygnia Skeleton Balanced 70 Fund, a passively managed high-equity multi-asset class unit trust, ranked 23rd out of 117 unit trusts*, most of them actively managed, in the South African – Multi-Asset – High Equity category since its inception in November 2013 to September 2015.
- The Sygnia SWIX Index Fund, a passively managed equity unit trust, ranked 34th out of 127 unit trusts*, most of them actively managed, in the South African – Equity – General category since its inception in November 2013 to September 2015.
- The Sygnia Top 40 Index Fund, a passively managed equity unit trust, ranked 4th out of 17 unit trusts*, most of them actively managed, in the South African – Equity – Large Cap category since its inception in November 2013 to September 2015.
- The Sygnia CPI + 2% Fund ranked 14th out of 109 unit trusts* in the South African - Multi-Asset - Low Equity category for the 12 months to September 2015.
- The Sygnia CPI + 4% Fund ranked 10th out of 64 unit trusts* in the South African – Multi-Asset – Medium Equity category for the 12 months to September 2015.
- The Sygnia CPI + 6% Fund ranked 28th out of 135 unit trusts* in the South African – Multi-Asset – High Equity category for the 12 months to September 2015.

*Source: MoneyMate

CLIENT SERVICE

Sygnia recognises its key dependency on clients. It is much easier to retain clients than it is to gain new ones.

Consequently, the company prioritises client service and client experience above all else.

Dedicated retail and institutional client service teams are staffed by professionals who are put through extensive training prior to servicing clients.

SYGNIA'S REPORTBACK PRESENTATIONS, AND IN PARTICULAR ITS SIMPLE AND CLEAR MACRO-ECONOMIC ANALYSIS, HAVE BECOME A VERY POPULAR SOURCE OF INFORMATION FOR MANY OF SYGNIA'S CLIENTS.

In the world of technology evolution, Sygnia stands ahead of its peers in the financial services industry in being able to offer its clients daily access to information relating to their investment strategies and performance. The leading edge internet based systems, Sygnia Platinum Light and Sygnia Alchemy, are an essential component in the provision of those services. Both systems include an array of functionality which enables Sygnia's clients to evaluate their investments at all times and helps them to make informed investment decisions. The retail portal, in particular, has expanded significantly in 2015, with the launch of financial planning tools, online transacting, complex performance calculations, intermediary services and a number of additional functions all targeting the client service experience. The development of the online platforms is ongoing and is based on the feedback received from clients.

Sygnia's reportback presentations, and in particular its simple and clear macro-economic analysis, have become a very popular source of information for many of Sygnia's clients. The number of requests for these presentations is growing every year, with many clients and intermediaries using the analysis as a basis for their own decision making and advice.

The cost of the provision of investments and savings products is under regulatory and public spotlight. Sygnia's low-cost index-tracking funds combined with the nil administration fee savings products are well positioned to benefit from the growing awareness of the impact of costs on returns.

The company also strongly supports the principles set out in the Treating Customers Fairly framework and has actively implemented strategies to meet its objectives. For further details, please refer to page 38.

GOVERNANCE

Sygnia has put in place a robust and rigorous corporate governance framework effected through a unitary board and a number of board committees and supported by the appointment of independent assurance providers. Its listing on the JSE has ensured that the group has placed a strong focus on meeting all its regulatory obligations and on being able to illustrate its commitment to sound corporate governance.

ITS LISTING ON THE JSE HAS ENSURED THAT THE GROUP HAS PLACED A STRONG FOCUS ON MEETING ALL ITS REGULATORY OBLIGATIONS AND ON BEING ABLE TO ILLUSTRATE ITS COMMITMENT TO SOUND CORPORATE GOVERNANCE.

The corporate governance framework is maintained by the company's risk and compliance department, with relevant advice being provided by external risk, legal, regulatory and compliance experts.

Risk management follows an integrated approach and is well entrenched in the operations of the group.

No material issues were identified in 2015 that could expose the business to any actual or contingent risk. The board is of the opinion that the group has applied all significant governance principles, including King III.

For further details, please refer to pages 26 to 29.

STAFF

Sygnia's core asset is its people and the expertise, experience and skills of the management team in leading the business into the future. Commitment, involvement, teamwork and excellence govern all the services delivered by the company to its clients and other stakeholders.

Sygnia employs a staff complement of 127 (2014:106). The strong growth in staff numbers, largely a result of Sygnia's entry into the retail market, introduced its own unique management challenges. The scalability of the business infrastructure, and strong focus on training and subsequent performance, allowed for quick integration of new joiners.

TRANSFORMATION AND GENDER EQUALITY LIE AT THE HEART OF ALL THINGS "SYGNIA"

Sygnia maintains a relatively flat structure, although the growth of the business has dictated more rigor in the manner in which divisions are set up, managed, trained and evaluated. More human resources initiatives were introduced in the past year and more are envisaged in 2016.

Transformation and gender equality are part of the fabric of the group, with strong focus being placed on attracting and retaining talented individuals from diverse backgrounds.

Staff retention is critical to the success of the business. The listing of the company has enabled Sygnia to put in place tangible retention mechanisms.

For further details on human capital please refer to pages 36 to 38.

SHAREHOLDER VALUE

The senior management team has successfully grown Sygnia from a start-up in 2006 to a group with R137 billion in assets under management and administration as at 30 September 2015. During the financial year to 30 September 2015 the group was wholly owned by management and staff. Sygnia Limited listed on the main board of the JSE on 14 October 2015. Management and staff retained 77% of the shares after the listing and remain completely committed to the long term success and growth of the business, and the corresponding shareholder value creation.

FUTURE GROWTH STRATEGIES

Sygnia has identified multiple areas of future growth and expansion, all of which it is able to pursue due to the highly scalable operational and regulatory infrastructure that has been put in place since the inception of the business.

The core areas of growth are:

Institutional multi-manager business

Sygnia's investment performance has been consistently strong relative to its peers. Sygnia has made significant in-roads into the institutional client bases of small-to-medium-sized employee benefits consulting companies in South Africa. It has not, however, made any in-roads into the client bases of a number of large employee benefits consulting companies that support multi-management. Those client bases present a significant business opportunity for Sygnia going forward, as Sygnia is able to offer an attractive alternative to the existing multi-management arrangements.

Institutional investment administration/ platform business

Sygnia's investment administration is regarded as a market leader. The group is thus uniquely placed to take advantage of the growing demand for platform services among large institutional investors, including parastatals, municipalities and umbrella funds.

Index-tracking investment management

SYGNIA HAS A 12-YEAR PERFORMANCE TRACK RECORD IN MANAGING INDEX-TRACKING FUNDS.

Sygnia has a 12-year performance track record in managing index-tracking funds. There is a growing demand for low cost products, such as index-tracking funds, among both institutional and retail investors in South Africa as both stand-alone solutions as well as part of a balanced fund solution. Market penetration of index-tracking funds is currently extremely low. However this is likely to change rapidly given that these funds enjoy the benefits of low cost and the support of the regulators. Low costs are expected to become important as investment market conditions worsen.

Funds of South African hedge funds

Sygnia has a 12-year performance track record in successfully managing funds of South African hedge funds. The growth in this product category has been slow, impeded by the non-supportive regulatory environment. However, given the recent changes in regulation declaring hedge funds as Collective Investment Schemes under Government Notice 141, which will allow certain hedge funds to be marketed to the retail public, as well as the changing investment environment dynamics becoming more supportive of capital preservation type strategies, the profile and attractiveness of hedge fund investments are expected to grow. Most investors prefer to access hedge funds through a fund of hedge funds.

Retail multi-manager business

Sygnia's multi-manager funds are enjoying growing support among the financial advisory market due to the cost-effectiveness of the proposition and strong investment performance. Sygnia's penetration of the independent financial advisory market is still relatively low and offers a significant opportunity for growth.

In addition, the proposed regulatory reforms to retail distribution mean that Sygnia's traditional institutional client base is likely to look for retail solutions in order to meet proposed regulatory requirements.

Retail investment administration/ platform/LISP business

Sygnia's LISP platform is supported by constantly evolving internet systems and analytical tools. The cost-effective pricing, together with a sophisticated systems infrastructure, means that Sygnia is becoming increasingly attractive to the direct investor, as well as to financial advisors who are looking for business support in light of the changing regulatory environment.

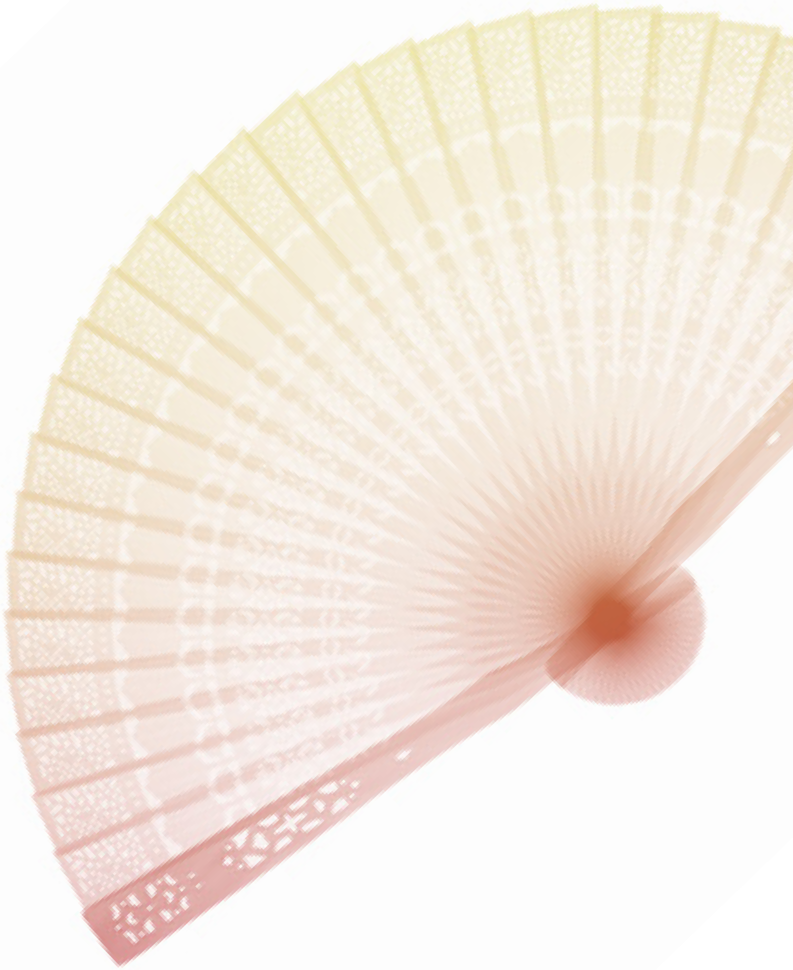
Securities business

Sygnia's securities business was launched at the beginning of the financial year to support its index-tracking and other investment activities. This business aims to attract third party stockbroking clients and individual share investors.

NEW INITIATIVES FOR 2016

In line with our focus on lowering costs across the financial services industry, Sygnia intends to launch a low cost umbrella fund, and a robo-advisor investment service, in 2016. Entry into the umbrella fund market may be facilitated by strategic acquisitions.

The group will also embark on a targeted marketing campaign to increase its profile in the retail market in South Africa.



CORPORATE GOVERNANCE

Sygnia is committed to strong corporate governance and uses the Code of Corporate Practices and Conduct set out in King III as a framework.

The Board of Directors has established processes and policies appropriate to Sygnia to ensure that the group applies the principles outlined by King III as far as possible.

Please refer to Sygnia's website (www.sygnia.co.za) for the detailed evaluation of the application of King III. In the instances where the group has elected not to apply certain aspects, the board has provided explanations as detailed below.

KING III REFERENCE	KING III PRINCIPLE	LEVEL OF COMPLIANCE	COMMENTS
Principle 2.12	The board should ensure the integrity of the company's integrated report.	2	The board of directors and the audit committee have reviewed the draft Integrated Report and mandated a sub-committee to review and approve the final 2015 Integrated Report.
Principle 3.4	The audit committee should oversee integrated reporting.	2	As explained above
Principle 9.1	The board should ensure the integrity of the company's integrated report.	2	As explained above
Principle 9.3	Sustainability reporting and disclosure should be independently assured.	2	Sustainability reporting is not independently assured. The board does not consider independent assurance to be necessary at this point in time.

BOARD OF DIRECTORS

In compliance with the recommendations of King III, Sygnia's unitary board of directors as at 30 September 2015 comprised two executive directors, a non-executive chairman, a lead independent non-executive director and two independent non-executive directors. The roles of chairman and chief executive officer have been separated. An approved board charter regulates the directors' obligations in respect of the group.

The board was restructured in June 2015 ahead of Sygnia's listing to ensure that it has the integrity, skills and experience to provide independent oversight and strategic input into the future of Sygnia as a listed entity. The profiles of directors are detailed on pages 7 to 9.

The constitution of the board dictates that the board promotes gender diversity among its directors. 50% of the current board members are women.

The board is accountable to shareholders and is responsible for managing relationships with all the stakeholders. It provides strategic input to management and approves the implementation of strategic plans in order to create sustainable value for all the 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 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. This support involves facilitating obtaining independent professional advice on issues that may arise.

David Johnson was appointed as company secretary by the board in accordance with the Companies Act, No. 71 of 2008, as amended, with effect from 15 July 2015. The board is satisfied as to his competence, qualifications and experience.

Senior management reports to the board on the development and implementation of the group's strategies. The board has set up the following committees to assist in the process of monitoring of the implementation of strategies and policies adopted by the board:

- Audit Committee
- Risk Committee
- Remuneration Committee
- Social and Ethics Committee
- Group IT Steering Committee

All the committees discharge their responsibilities on behalf of the company, as well as its subsidiaries.

The board and the committees are guided by their respective committee charters. The committees rely on the management of the group for the implementation of strategies and policies.

The composition of the board and its committees as at 30 September 2015 is detailed below.

	BOARD OF DIRECTORS	AUDIT COMMITTEE	RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	GROUP IT STEERING COMMITTEE
HAROON BHORAT ■	Chair		Member	Chair	Member	
KEN HOPKINS ▲	Director	Chair	Chair	Member		
SHIRLEY ZINN ▲	Lead Independent	Member		Member	Chair	
KAIZER MOYANE ▲	Director	Member				
MAGDA WIERZYCKA	CEO				Member	Member
NIKI GILES	Financial Director		Member	Member		Member
SIMON PEILE ●			Member			
WOJCIECH WIERZYCKI ●						Chair

■ NON-EXECUTIVE DIRECTOR ▲ INDEPENDENT NON-EXECUTIVE DIRECTOR ● SENIOR EXECUTIVE

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

Non-executive directors receive fees for their services as directors of the board and for services as members of committees.

On recommendation of the audit committee the board appointed KPMG as the external auditor, and PwC as internal auditors for the 2015 financial year.

The board has also approved the strategic direction of the group for 2016.

The board is responsible for the appraisal of its own performance, the performance of its committees and that of the chief executive officer. No formal evaluation was performed as at 30 September 2015 as it was judged too soon given the recent board restructure. An evaluation will be performed in 2016.

BOARD MEMBER ATTENDANCE

The attendance record applies from the period of appointment to 30 September 2015.

	BOARD OF DIRECTORS	AUDIT COMMITTEE	RISK COMMITTEE	REMUNERATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	GROUP IT STEERING COMMITTEE
HAROON BHORAT ▲	100%		50%	100%	100%	
KEN HOPKINS ▲	100%	100%	100%	100%		
SHIRLEY ZINN ▲	100%	100%		100%	100%	
KAIZER MOYANE ●	100%	100%				
MAGDA WIERZYCKA	100%				100%	100%
NIKI GILES ▲	100%		100%	100%		100%
WOJCIECH WIERZYCKI						100%

▲ APPOINTED 11 JUNE 2015 ● APPOINTED 10 SEPTEMBER 2015

AUDIT COMMITTEE

The group audit committee was established in 2015 to supplement the existing Sygnia Life audit committee. The audit committee is chaired by an independent non-executive director and consists of a further two independent non-executive directors. The committee meets twice a year, as well as on an ad-hoc basis if required.

THE AUDIT COMMITTEE IS RESPONSIBLE FOR ASSISTING THE BOARD IN THE OVERSIGHT AND REVIEW OF THE FINANCIAL MANAGEMENT OF THE GROUP'S ACTIVITIES.

The audit committee is responsible for assisting the board in the oversight and review of the financial management of the group's activities. The audit committee is responsible for ensuring the integrity of the financial reporting process, internal reporting and control processes, management of strategic and major financial risks and the external audit process. It makes recommendations to the board on the appointment of both internal and external auditors. It also reviews financial information and takes responsibility for the preparation of the annual financial statements and the integrated annual report.

Management is accountable to the audit committee for ensuring that the financial risk management processes and controls are incorporated into the day-to-day activities of the business. This includes the development, implementation and monitoring of such processes and controls. The chairman of the committee reports on the status of the external and internal audit, and compliance and financial risk management functions at the board of directors' meetings.

In 2015, after an extensive market review, the audit committee recommended to the board that KPMG be appointed as the external auditor of the group. The audit committee was responsible for the approval of the external auditor's terms of engagement. In conjunction with the risk committee, the audit committee also recommended the appointment of PwC as internal auditors to replace KPMG, as well as approving the internal audit plan for the group.

RISK COMMITTEE

The group risk committee was formed in June 2015 ahead of the listing of the group on the JSE. The risk committee is chaired by an independent non-executive director, who is also the chair of the audit committee, and includes the chairman of the board of directors, an executive director and head of investments.

THE RISK COMMITTEE IS RESPONSIBLE FOR ASSISTING THE BOARD IN THE OVERSIGHT AND REVIEW OF THE RISK MANAGEMENT PROCESSES, POLICIES AND PRACTICES ADOPTED BY THE GROUP IN ITS DAILY OPERATIONS.

The risk committee is responsible for assisting the board in the oversight and review of the risk management processes, policies and practices adopted by the group in its daily operations. This includes the design, implementation, monitoring and review of all policies, processes and controls. In particular, it reviews the management of operational risk, forensics, compliance and capital adequacy within the group, monitors specific risks such as investments, operations and IT, considers and approves the group's risk policies and reports to the board on the adoption of any such policies.

In conjunction with the audit committee, the risk committee supervises the internal audit, reviews its recommendations and advises the board of directors on the effectiveness of the group's internal control systems and processes, as well as on any issues which require prioritisation.

In 2015 the risk committee was involved in an extensive market review of internal auditors. The risk committee was also responsible for reviewing the internal audit plan for the group.

REMUNERATION COMMITTEE

The group remuneration committee was established in June 2015 in preparation for the listing on the JSE. The remuneration committee is chaired by the chairman of the board, and consists of two other independent non-executive directors and one executive director. In compliance with King III, the chief executive officer is not a member of the committee but attends all meetings by invitation.

The remuneration committee is responsible for the appointment of board directors who are equipped to fulfil such role with skill and integrity. It is also tasked with ensuring that the group recruits and retains talented management, and that appropriate remuneration policies and succession plans are in place so as to support the strategy of the group. The committee reviews the level of executive remuneration to ensure it is market-related and competitive. It also approves the overall nature and appropriateness of benefits available to staff, including long term incentives, bonuses, health and retirement benefits.

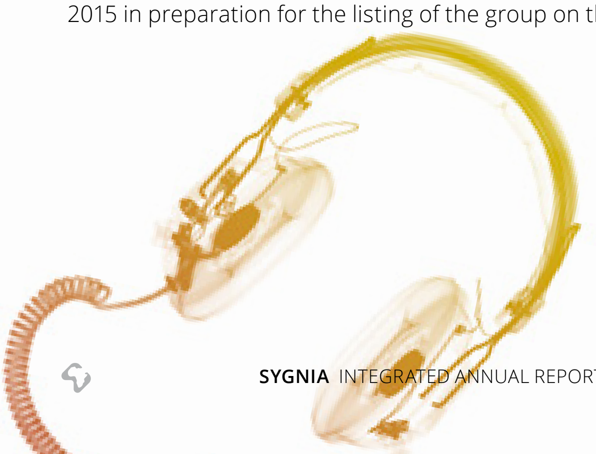
The committee may consult external experts on remuneration structures to assist it in fulfilling its obligations.

In 2015 the remuneration committee recommended to the board the implementation of a share option scheme for key staff members ahead of the listing.

SOCIAL AND ETHICS COMMITTEE

THE OBJECTIVE OF THE SOCIAL AND ETHICS COMMITTEE IS TO ENSURE THAT HIGH ETHICAL STANDARDS ARE APPLIED ACROSS THE BUSINESS

The group social and ethics committee was established in June 2015 in preparation for the listing of the group on the JSE.



The social and ethics committee is chaired by an independent non-executive director and consists of one other non-executive director, who is also the chairman of the board, and the chief executive officer.

The objective of the social and ethics committee is to ensure that high ethical standards are applied across the business, as well as to review and approve the policy, strategy and structure for managing transformation and social issues. The committee oversees the implementation, monitoring and reviewing of the group's activities in relation to the following key areas:

- Ethical conduct
- Environmental, social and governance policies
- Corporate social investment
- Human resources development
- Labour and employment practices, including health and safety policies
- Consumer protection and relationship management
- Transformation

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

GROUP IT STEERING COMMITTEE

The group IT steering committee is chaired by the group's head of IT and systems development, and includes two executive directors. Due to the specialist nature of the committee's work it does not include non-executive directors.

The group IT steering committee is responsible for establishing IT and systems development strategies for the group, including policies in respect of systems development, business continuity and systems security. The committee is also responsible for the implementation, monitoring and review of all such policies. It also determines business priorities in terms of IT investment initiatives and approves such priorities or makes recommendations to the board of directors, as appropriate.

The chair of the committee reports to the board of directors on matters relating to IT and systems strategy and security.

RISK MANAGEMENT AND COMPLIANCE

RISK MANAGEMENT

The risk management framework adopted by the group recognises that risk is an unavoidable and a multi-faceted aspect of providing complex financial services. Risk management requires expert knowledge, independent review and monitoring and frequent communication to stakeholders.

Risks need to be identified, assessed, managed and reviewed. Prioritisation of risks is important in ensuring that resources are optimally allocated to support the group's strategic objectives. The evolving financial services landscape, and the strong growth of the group, including ongoing new business initiatives undertaken by the group, dictate that risk management is an evolutionary process, adapted to prevailing market and business conditions and to the group's expansion strategies.

THE BOARD OF DIRECTORS IS RESPONSIBLE FOR ENSURING THAT RISKS ARE MANAGED EFFECTIVELY AND EFFICIENTLY.

The board of directors is responsible for ensuring that risks are managed effectively and efficiently. In doing so, the board needs to take into account all relevant regulation. The board's risk profile ultimately determines the nature of business strategies adopted by the group. The responsibility for the design and implementation of the risk management process is delegated to senior management who is then responsible for compliance with the risk management framework. This function is subject to independent review by the audit and risk committees which ensure that consistent policies and procedures are established for measuring, managing and reporting risk. The chairman of both committees provides feedback on risk management and compliance to the board at its regular meetings.

The group's objectives in respect of risk management and compliance are to:

- Comply with appropriate risk management practices in terms of corporate governance guidelines and King III.
- Ensure that the risks are consistent with the risk profile and tolerance limits set by the board.
- Accurately and regularly identify, assess, manage and review all risks facing the group.
- Continuously improve the group's ability to identify, assess, manage and respond to risks facing the group.
- Create group-wide awareness and understanding of all potential risks facing the group by training and managing staff, as well as by involving staff in the risk management process.
- Ensure that risk management and compliance form part of all daily operational processes.
- Instil a culture of risk management accountability at all levels within the group.
- Hold management accountable for the risk management and compliance functions.
- Communicate the group's risk management framework to all stakeholders on a regular basis.

Management is responsible for identifying the risks facing the group, ensuring that the controls established to manage those risks are effective and for monitoring their application. Risks are evaluated using the approved risk measurement methodology as defined in the risk management framework. Annual risk management workshops are held with senior management to identify strategic risks and with each key department to identify operational risks. Follow-up workshops are held within six months to re-assess the identified risks and detect additional risks which may have arisen. Ongoing monitoring is performed by a dedicated risk manager. Ad-hoc risk workshops may be held if new business initiatives or ventures are undertaken by the group. All risks are identified, ranked in the order of materiality and actively managed, either by being terminated, tolerated or managed through mitigating controls. The effectiveness of these controls is also assessed. The results of all the workshops are presented to the risk committee and, in a summary form, to the board.

The group has identified numerous risks facing the group and is committed to continuously improving its risk management framework and instilling the risk management discipline through processes, procedures, planning, reporting, training and through integrating risk management in the group's corporate culture.

The board is not aware of any material issues in relation to the risk management and compliance functions that may have arisen in 2015.

RISK MATRIX

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

RISK	EXPLANATION	MANAGEMENT AND MITIGATION
MARKET RISK	› The risk of clients achieving poor investment performance relative to expectations, or of capital losses to the group's capital investments, as a result of the domestic and international financial markets' performance.	› The investment risks are managed by an investment committee of experienced investment professionals. › The investment team evaluates the domestic and international market conditions on a continuous basis and makes decisions based on a structured and well-established investment process and philosophy. › In many cases the management of assets is outsourced to expert asset managers who apply their own processes in mitigating risk of capital losses. The managers are selected and regularly monitored by Sygnia's investment team based on predetermined criteria. This includes the assessment of their investment and risk management processes. › Group's statutory capital is mostly invested in cash and money-market assets as per regulatory requirements. The balance is well diversified between asset classes and between domestic and international markets.
REGULATORY AND LEGAL RISK	› The risk of changes in legislation, regulation, supervisory requirements and industry codes by regulatory authorities having an adverse impact on the existing business of the group. › The risk of non-compliance with existing regulations. › The risk of non-compliance with the requirements of the new Financial Sector Charter.	› Sygnia has a dedicated legal and compliance team in place which monitors and assesses the impact of any regulatory change and advises management. The team also pro-actively engages with regulators on an ongoing basis to ensure compliance with all applicable legislation. Clarity on regulation and guidance are often sought from the regulators. The group may seek outside counsel if required. › The compliance officers and legal staff are members of appropriate bodies and keep abreast of all industry, legislative and regulatory changes. › Engagement with the regulators and other participants in the financial services industry on issues of common interest through staff participation in industry bodies such as ASISA, SAICA and ASSA. › Regular training of management and staff on new legislation, and Financial Advisory and Intermediary Services Act No. 37 of 2002 ("FAIS") and Financial Intelligence Centre Act No. 38 of 2001 ("FICA") requirements. › Ongoing monitoring of all statutory capital requirements across the group and reporting to the board and the statutory actuary. › There is specific focus on the proposed new Solvency and Assessment Management ("SAM") requirements and the implementation of such within both Sygnia Life and the group. › Regular review of strategies put in place to maximise the group's status in terms of compliance with the Financial Sector Charter.

RISK	EXPLANATION	MANAGEMENT AND MITIGATION
OPERATIONAL RISK	› The risk of errors or fraud arising as a result of breakdowns in internal control functions in respect of processes, systems and people.	› Sygnia has, and continues to, implement automation of processes through ongoing systems development. › All incidents are documented and automatically escalated to the internal risk and compliance committee and the compliance officer. Mitigating controls are put in place as soon as possible. › An internal risk and compliance committee assesses the internal controls environment, identifying areas for improvement. The committee meets monthly. › The risk workshops held at departmental level are used to identify, assess and manage operational risks. › Bi-annual type II ISAE 3402 audit is performed by KPMG on the internal processes and controls for the purposes of independent assurance. The reports are made available to all clients. › Insurance cover well in excess of independently recommended or regulated amounts has been put in place. › Unethical or dishonest business practices are actively discouraged and punished and a staff whistleblowing policy has been put in place.
SYSTEMS RISK	› The risk of IT or systems disruptions.	› Sygnia has a dedicated IT department and two software development teams supporting its IT infrastructure and systems. Dedicated staff within each systems development team supports client-facing systems. › All code and data are backed up daily and stored offsite. Hence all systems and data can be restored to previous versions if required. › A group IT steering committee oversees the strategy and policies in relation to IT and systems projects, as well as security. › A comprehensive business continuity plan is in place and is tested on a regular basis. › Software and hardware throughout the organisation is updated and tested in terms of the disaster recovery plan. › All new code releases and systems changes follow a strict testing protocol and sign-off before being deployed in a live environment. › All systems documentation is in place for internally developed systems. › All vendor software is appropriately licensed.
BUSINESS RISK	› The risk that poor investment performance or administration function may result in client losses.	› The investment risks are managed by an investment committee of experienced investment professionals who follow a structured and well-established investment process and philosophy. › All investment decisions, as well as the state of the financial markets, are explained and communicated to clients on a regular basis. › Third party asset managers are monitored on a daily basis for performance deviations from expectations. Any deviations are addressed with the managers and mitigating action is taken if required. › A client-service culture is instilled in all staff members. › Dedicated retail and institutional client service teams are in place to deal with client service related issues and to manage relationships on a pro-active basis. › Access to daily information is provided to clients via dedicated retail and institutional internet-based platforms. › Complaints procedures and escalation policies are in place for both the retail and the institutional divisions to ensure that all complaints are handled as quickly as possible by the appropriate staff.

RISK	EXPLANATION	MANAGEMENT AND MITIGATION
REPUTATIONAL RISK	› The risk that a decision, event or action could compromise or damage Sygnia's brand.	› The group recognises the importance of its brand and reputation to its ability to create value for stakeholders. The management of all aspects of that reputation is vital to the group. The highest ethical standards are required of all staff. › Personal trading policies are in place and are monitored on an ongoing basis. The policies comply with the requirements of the General Code of Conduct for Financial Services Providers and Representatives. › Staff are obliged to trade through the in-house stockbroker unless the requirement is explicitly waived by the group compliance officer. › Fit and proper policies are in place and ongoing monitoring is performed on key individuals and representatives of the group. › A policy is in place regarding all media or social media engagement. Both channels are actively monitored by dedicated staff. › Complaints procedures and escalation policies are in place for both the retail and the institutional divisions to ensure that all complaints are handled as quickly as possible by the appropriate staff.
HUMAN RESOURCE RISK	› The risk of key or senior client-facing staff leaving, which could negatively affect the group's operations, marketing efforts and financial results.	› Sygnia's remuneration policy is designed to attract and retain skilled and experienced staff. › A B-BBEE staff scheme is in place for qualifying black staff. The allocations depend on seniority and risk posed by potential departure to the business. › A share option scheme is in place for senior management and key staff. › Post-listing, the staff owns approximately 77% of the group. The majority of the shareholding rests with the key executives of the group. › The group has an appropriate succession plan in place.
NEW BUSINESS RISK	› The risk of launching an unsuccessful new business venture or product, or an inability to grow the client base in future.	› All proposed new business ventures are subject to extensive debate, both internally and with external experts, and to thorough research. All relevant stakeholders are consulted before proceeding, including clients and business partners. › All new proposed products follow a strict internal approval and authorisation process. › Any unsuccessful business venture or product is terminated in a timeous manner. › Ongoing market research is undertaken to ensure that new products and business ventures are launched in response to a realistic need in the market. › Priority is given to pro-active and ongoing marketing and business development strategies. › Dedicated business development teams are in place for both the institutional and the retail divisions.
DISASTER RECOVERY AND BUSINESS CONTINUITY RISK	› The risk that business is unable to operate due to unforeseen events or external factors.	› A comprehensive business continuity plan is in place and is tested on a regular basis. The plan provides guidance on the restoration of the core business functions and IT infrastructure. › All systems code and data are backed up daily and stored offsite. Hence all systems and data can be restored to previous versions if required. › A disaster recovery site is maintained to ensure that key management and staff can resume operations in the event of a disaster. › Daily retail client data is stored in an offshore location by an international data storage vendor. › Both offices in Cape Town and the office in Johannesburg are equipped with generators capable of maintaining all business processes.

ASSURANCE

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

- senior management
- compliance officers and a risk manager
- internal risk assurance managers (ISAE3402 reporting – KPMG, internal auditors –PwC)
- audit committee
- risk committee
- external assurance provider (external auditors – KPMG)

MULTIPLE LINES OF DEFENCE HAVE BEEN PUT IN PLACE TO ENSURE THAT OUR RISK MANAGEMENT FRAMEWORK IS COLLECTIVELY, BUT INDEPENDENTLY, STRESS-TESTED AND VALIDATED.

The above multiple lines of defence have been put in place to ensure that our risk management framework is collectively, but independently, stress-tested and validated. The collaboration between the role players in our combined assurance framework provides a more complete, transparent and trust-worthy view of the group's risk profile and assurance activities to all stakeholders.

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

In 2015 the internal audit function was outsourced to PwC. No material breakdowns in the risk management function, processes or systems were identified during the year nor brought to the attention of management, nor the audit and risk committees.

COMPLIANCE

Sygnia is committed to complying with all relevant regulation. We are primarily accountable to the Financial Services Board, the South African Reserve Bank and National Treasury.

The compliance function is the responsibility of the board which has appointed a group compliance officer and an operational compliance officer to assist them in that role. A compliance framework and a compliance regulatory policy have been put in place to cover all aspects of compliance within the group. A dedicated compliance team, including a risk manager, assists the compliance officers in the execution of their duties.

Compliance is an agenda item at all risk committee meetings, where the group compliance officer tables and discusses the latest compliance reports, new legislation that affects Sygnia, any compliance breaches and all other matters relevant to compliance.

WE ARE PRIMARILY ACCOUNTABLE TO THE FINANCIAL SERVICES BOARD, THE SOUTH AFRICAN RESERVE BANK AND NATIONAL TREASURY.

The regulatory compliance policy is embedded in all Sygnia's systems, operations, projects and processes to ensure that there is a pro-active approach to compliance and that a culture of compliance is developed within Sygnia. Effective compliance management is the responsibility of each staff member as it depends on an inclusive team-based approach.

The compliance department holds an annual compliance workshop with key stakeholders in order to review the regulation applicable to the group, identify key regulatory risks and rank those in the order of priority. This forms the basis for the compliance risk monitoring plans for the year ahead.

The compliance department conducts regular training for all staff on new and existing regulation, as well as on FAIS and FICA compliance. All staff are encouraged and financially sponsored to write the FAIS regulatory exams.

Sygnia has not had any regulatory penalties, sanctions or fines for contraventions or non-compliance with regulatory obligations imposed on it or any of its directors or officers since its inception.

BEE VERIFICATION

SYGNIA VIEWS MEANINGFUL TRANSFORMATION AS A STRATEGIC IMPERATIVE TO A PROSPEROUS FUTURE FOR SOUTH AFRICA.

The group falls under the auspices of both the Financial Sector Code ("FSC") and the Information and Communication Technology Code ("ICT") in terms of benchmarks for measuring of transformation initiatives.

The group has undertaken formal verification of the compliance of Sygnia Asset Management, the main operating company. In 2015 Sygnia Asset Management was rated as a Level 2 contributor in terms of the FSC. The level of BEE contribution is determined using seven factors:

- Ownership and control
- Management
- Employment equity
- Skills development
- Preferential procurement
- Enterprise development
- Corporate social investment

From 2016, the revised FSC will apply and the changes to measurement criteria are likely to impact the group's BEE rating in 2016. Once the full impact of the amendment can be determined, the group will implement further initiatives to maintain an acceptable ranking.

CONFLICTS OF INTEREST

Sygnia strives to offer clients services free of conflicts of interest and is committed to conducting business with honesty and integrity. All reasonable steps are taken to avoid practices which create conflicts of interest. Where it is not possible to avoid conflicts we take all reasonable steps to mitigate and disclose such conflicts to stakeholders. The group's conflicts of interest management policy is available on the website (www.sygnia.co.za). Monitoring of compliance with the policy is the responsibility of the compliance department.

ALL REASONABLE STEPS ARE TAKEN TO AVOID PRACTICES WHICH CREATE CONFLICTS OF INTEREST.

CLIENT COMPLAINTS

Client satisfaction with Sygnia's products and services is a key component of client retention and thus the long term sustainability of the business. We seek client feedback at all available opportunities. Client complaints are taken very seriously and are dealt with as soon as possible. A comprehensive complaints policy is in place and is available on the company's website (www.sygnia.co.za). An internal escalation procedure is also in place to ensure that the complaint is dealt with by an appropriate person. The reasons the complaint arose is investigated to enable Sygnia to take mitigating action to avoid future complaints of a similar nature.

PERSONAL ACCOUNT INVESTMENTS

All staff are required to comply with the group's personal account trading policy to ensure that clients' interests take precedence over those of staff members. The following restrictions apply to all staff unless waived by the group compliance officer:

- All personal account trading need to be executed through Sygnia Securities, an internal stockbroker.
- All personal account trading is subject to authorisation by the group compliance officer.
- No personal account trading is permitted in any security where there is an open client order.
- A minimum holding period of 12 months applies to any investment.
- Bi-annual declaration of investments held is required by the compliance department.

TRADING IN SYGNIA LIMITED SHARES IS STRICTLY MONITORED AS PER THE LISTING REQUIREMENTS OF THE JSE.

In addition, trading in Sygnia Limited shares is strictly monitored as per the Listing Requirements of the JSE. All directors and staff are prohibited from trading in Sygnia Limited shares during closed periods. The directors and the company secretary are required to obtain prior approval from the chairman for all dealings in the company's shares (including off-market transactions). For the chairman's own dealings, prior approval must be obtained from an independent non-executive director.

BUSINESS SUSTAINABILITY

Sygnia recognises that the sustainability of the business lies in its ability to retain existing clients and grow the client base going forward. In order to achieve those objectives it is essential that the company continues to produce consistent superior investment performance, provide appropriate products and services to clients, deliver excellent client service and ensure client and staff retention.

HUMAN AND INTELLECTUAL CAPITAL

Human and intellectual capital are key components of the company's ability to deliver sustainable value to stakeholders.

THE COMPANY'S FOCUS IS ONE OF INNOVATION, RATHER THAN IMITATION, WITHIN THE FINANCIAL SERVICES INDUSTRY

Sygnia's competitive advantage derives from the intellectual capital inherent in the experience and expertise of its management team. The company's focus is one of innovation, rather than imitation, within the financial services industry. The innovation includes product design, systems development and a low cost approach to charging for savings and investment options. All three have contributed to Sygnia's growth and positioning as a market disruptor in the industry. Future innovation will remain at the core of the company's value proposition.

The success of the business is also very reliant on its ability to attract and retain exceptional people at all levels of the organisation. To achieve that the company needs to put in place processes and strategies which incentivise and motivate staff from both financial and personal growth perspectives.

RECRUITMENT, DEVELOPMENT AND RETENTION

Sygnia is committed to recruiting and retaining appropriately skilled staff, as well as on growing the expertise of its management team.

THE MANAGEMENT TEAM OF SYGNIA HAS BEEN VERY STABLE, WITH LIMITED TURNOVER IN KEY PERSONNEL SINCE THE INCEPTION OF THE BUSINESS

The retention of staff, as well as their effort and motivations to innovate, are premised on aligning the individual's personal objectives with the group's culture, risk management and governance framework and ethical values, on the individual's ability to understand and implement group's strategy and on personal motivation to improve Sygnia's products, processes and services. Sygnia has introduced both short term and longer term incentives, as well as policies and processes to facilitate all of the above.

The management team of Sygnia has been very stable, with limited turnover in key personnel since the inception of the business. This provides overall stability to the strategy of the business, as well as a long term corporate memory of the evolution of all the business units and client relationships. Sygnia intends to recruit senior staff to strengthen its core management team as the strategy of the business expands. The key staff are all significant shareholders in the business. The share option scheme introduced at listing should assist in retaining the broader team, as well as in helping to recruit senior staff going forward.

THE KEY STAFF ARE ALL SIGNIFICANT SHAREHOLDERS IN THE BUSINESS

The middle management team of Sygnia has also been stable, with only a few career-based departures over the years. The share option scheme introduced at listing, as well as the B-BBEE staff scheme, the Ulundi Staff Trust, introduced in 2013, are material components in staff retention at the middle management tier.

Sygnia established the Ulundi Staff Trust to facilitate its B-BBEE transaction in 2013. The transaction was entirely vendor-financed and allowed the Ulundi Staff Trust to acquire control of a 20% shareholding in Sygnia Asset Management.

The junior staff tier, which is largely administration oriented, experiences higher turnover due to the high level of competition for administration staff within the financial services industry, particularly in Cape Town. Sygnia's staff is generally regarded as being of a very high calibre due to the group's rigorous training. As such the administration staff is regularly targeted by competitors. The listing of the company has helped the business to retain key staff via the share option scheme and the Ulundi Staff Trust. Bi-annual performance appraisals are in place and are used to discuss employees' career development. The company is also planning to introduce more human resources management procedures and processes to help it transition from an entrepreneurial business to a corporate one.

The group prioritises the employment of black candidates for all positions, with 47% of staff being black. Sygnia regards rigorous internal training as key to success within the business. As such it is less reliant on finding people with suitable experience. Emphasis is rather placed on finding individuals with the potential to excel. Their progress is fast-tracked within the group to ensure career satisfaction and retention. The Ulundi Staff Trust is an important component in the strategy to retain key black staff. The significance and transparency of the Ulundi Staff Trust as a mechanism for wealth creation increased materially after the listing.

THE GROUP PRIORITISES THE EMPLOYMENT OF BLACK CANDIDATES FOR ALL POSITIONS

A finance internship programme is in place and more internships are planned for the future. The internships are used to train junior staff, and over time, identify skilled individuals who will be retained by the business.

New starters are subject to thorough training within their divisions, as well as being provided with all the corporate policies and procedures. The performance-oriented culture of the group is clearly explained to all new recruits.

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

An internally run Sygnia Academy is used to train all staff on issues relevant to the financial services industry, and to instil the culture of excellence and high ethics in all staff members.

OWNERSHIP CULTURE

It is of critical importance that the entrepreneurial and innovative culture of Sygnia is preserved going forward despite the rapid growth of the business and an increase in staff numbers. This is best achieved by allowing key staff members to meaningfully participate in the growth and success of the company.

AFTER THE LISTING ON THE JSE STAFF RETAINED 77% OWNERSHIP OF THE COMPANY

As at 30 September 2015 the company was wholly staff-owned. After the listing on the JSE staff retained 77% ownership of the company. The founders of the business, as well as key management staff, own a significant portion of the shares directly. Senior management and key staff members were awarded share options at listing. The options will vest over a staggered three, four and five-year period. The qualifying black staff of Sygnia are beneficiaries of the Ulundi Staff Trust which owned 20% of Sygnia Asset Management at the financial year-end. This shareholding was converted to shares in Sygnia Limited at listing. The remaining vesting period for the Ulundi Staff Trust is eight years. Beneficiaries of the Ulundi Staff Trust participate in dividends. Staff members who did not qualify for the above were each granted shares to the value of R10 000 at listing. The share options and the Ulundi Staff Trust have created tangible benefits for participants at listing.

STAFF REMUNERATION

The group's remuneration policy targets attracting, retaining and appropriately rewarding employees at all levels of the organisation. The remuneration policy is reviewed annually by the remuneration committee to ensure that other stakeholders' interests are protected and that the policy and its implementation is aligned with the group's business objectives.

The group pays market-related salaries reflective of the individual's expertise, experience and skills. The salaries are paid on a total cost-to-company basis, incorporating basic salaries, as well as contributions to a group retirement annuity fund and a medical aid scheme.

ANNUAL PERFORMANCE BONUSES ARE AWARDED TO STAFF WHO HAVE DELIVERED ABOVE-EXPECTATIONS PERFORMANCE.

Annual performance bonuses are granted on 1 October of each calendar year, with a three months staggered pay-out, and are awarded to staff who have delivered above-expectations performance. Bonuses are based on both group and individual performance. The administration and systems development divisions are normally remunerated via a thirteenth cheque, while the investment team, new business and client services teams and management across the group are rewarded through performance bonuses. Annual increases are also granted on 1 October of each calendar year and are based on external factors, such as the prevailing rate of inflation and market forces, as well as on individual's performance, skills, experience and effort.

In terms of longer term incentives eligible employees are rewarded through share options and/or participation in the B-BBEE share scheme.

DIRECTORS' REMUNERATION

The non-executive directors' fees have been agreed at the time of their appointment and are encapsulated in their written terms of agreement. The fees are market-related and commensurate with the time required to execute their respective duties and obligations. Approved fees are set for the year and are subject to attendance. Additional fees, at a fixed hourly rate, may be paid for additional time spent on group affairs. They are not linked to the performance of the group or the performance of the share price. The negotiated fees will be subject to a review by the remuneration committee on an annual basis.

Executive directors are not remunerated separately in respect of fulfilling the roles of directors. They may also receive dividends in respect of any shares that they own in the group.

DIVERSITY AND EQUAL OPPORTUNITY

GENDER EQUALITY IS STRONGLY PROMOTED, WITH SIGNIFICANT FOCUS BEING PLACED ON THE PROMOTION OF WOMEN TO KEY MANAGEMENT POSITIONS

Sygnia is committed to ensuring that its staff is representative of the broader South African community. Gender equality is strongly promoted, with significant focus being placed on the promotion of women to key management positions. The following statistics reflect that commitment:

- Sygnia's chief executive officer and finance director are women
- 50% of the board of directors are women
- 47% of staff are women
- Many senior management positions are held by women, including Joint Heads: Institutional Administration, Head: Retail Administration, Head: Retail Sales, Head: Quantitative Research, Group Compliance Officer and Head: Retail Client Service.

In terms of broader staff diversity the following applies:

- 53% of Sygnia's staff is male and 47% is female
- 47% of Sygnia's staff is black
- 3 staff members are disabled

INTELLECTUAL PROPERTY

Sygnia owns all legal rights to its proprietary institutional and retail systems, including Sygnia Platinum, Sygnia Platinum Light and Sygnia Alchemy.

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. We place a strong focus on customer 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 outcome-based regulatory and supervisory framework designed to ensure that regulated financial services companies meet specific, clearly articulated fair treatment objectives in respect of service delivery to 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.

TCF IS A STANDING AGENDA ITEM AT EACH BOARD MEETING.

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 company is thus committed to adhering to the principles incorporated in TCF. The responsibility for the implementation lies with the board, management and every staff member. The group strives to ensure that the TCF principles are reflected in its culture, strategies, policies, products and client service. TCF is a standing agenda item at each board meeting.

OUTCOME 1 Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture.

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 marketing of index-tracking products to both groups of investors ensures fair treatment from both a cost and a performance expectations perspective.

Sygnia has also pioneered the concept of using institutional investment products 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 continue to enjoy continuity of investment strategies at a reasonable cost.

Sygnia places strong focus on consumer education, sponsoring a monthly series of articles published on the Moneyweb internet portal (www.moneyweb.co.za) with different aspects of savings and investments discussed and explained. All staff members are encouraged to contribute to this initiative and to express their uncensored views.

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 our products have been designed to meet specific needs. The product structure is simple and accessible. The retail products, in particular, 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. The retail products mirror the products offered to institutional investors to ensure that members of retirement funds can continue to invest in the same product structures and strategies even after they leave their occupational retirement fund, or in their discretionary capacity.

THE RETAIL INTERNET PORTAL OFFERS CLIENTS ACCESS TO FINANCIAL PLANNING TOOLS WHICH HELP TO GUIDE THEIR SAVINGS AND INVESTMENTS DECISIONS.

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

OUTCOME 3 Consumers are provided with clear information and kept appropriately informed before, during and after the point of sale.

All product information is available on Sygnia's website, as well as the retail and institutional internet portals. 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 communique from Sygnia.

OUTCOME 4 Where consumers receive advice, the advice is suitable and takes account of their circumstances.

Sygnia does not offer advice at this stage. All product information includes the investment objectives, risk profiles and benchmarks of all the strategies 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 made 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 exhaustive description of the global and domestic macro-environment which helps to put performance into perspective.

RETAIL AND INSTITUTIONAL INTERNET PORTALS PROVIDE CLIENTS WITH ACCESS TO DAILY VALUATIONS, INVESTMENT BREAKDOWNS AND PERFORMANCE INFORMATION.

Retail and institutional internet portals provide clients with access to daily valuations, investment breakdowns and performance information.

Dedicated retail and institutional client service teams are well-trained to handle queries and guide clients through the administration process. A dedicated call centre can deal 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, nor impose any penalties, should a client wish to switch providers. All claims are processed within well-explained timelines, with no unnecessary delays. The complaints policy is available on the website, with contact details readily available to clients. All complaints are automatically escalated to the group compliance officer.

ECONOMIC, SOCIAL AND GOVERNANCE FACTORS

Sygnia endorses the principles of sustainable development and supports the incorporation of economic, social and governance ("ESG") factors in investment decision making.

As a multi-manager Sygnia monitors the ESG policies of the third party asset managers employed to manage Sygnia's 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 and this is taken into account in Sygnia's manager selection process.

TRANSFORMATION

Sygnia recognises that the sustainability of the business lies in its ability to attract and retain clients. Meeting the targets set by the revised FSC is an important component of client retention in the institutional market. It is also an important aspect in the context of contributing towards the broad transformation of South Africa to an integrated, balanced and growing economy.

SYGNIA TAKES A HOLISTIC APPROACH TO TRANSFORMATION, IMPLEMENTING STRATEGIES ACROSS THE GROUP AND TAKING A LONG TERM VIEW ON COMPLIANCE WITH THE FSC.

Sygnia takes a holistic approach to transformation, implementing strategies across the group and taking a long term view on compliance with the FSC. The ownership aspect was partially addressed through the formation of the Ulundi Staff Trust. Other BEE owners have been brought on board as part of the listing process. Further strategies will be implemented in the future. Preferential procurement has been an important aspect of the transformation strategy, with an active approach being 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. Where applicable, only Level 1 and 2 compliant stockbroking firms are used. The empowerment credentials of all suppliers and service providers are reviewed by independent parties.

ENVIRONMENTAL IMPACT

Sygnia acknowledges its corporate responsibilities towards the environment and the broader community. As such the company takes active steps to reduce its carbon footprint, both as a corporate and per employee, through encouraging and adopting measures such as:

- minimising the amount of air travel required by utilising video conferencing facilities in our Cape Town and Johannesburg offices;
- utilising natural light as much as possible in all office buildings;
- using electronic communication, electronic reporting and electronic data storage to limit the use of paper and electricity; and
- using public transport rather than cars when on business trips, including MyCity buses in Cape Town and the Gautrain in Johannesburg

The initiatives envisaged in future include contributing to the revitalisation of the Foundry, the head office and a heritage building, by developing a large green roof garden for the enjoyment of all, introduction of an active recycling and waste management programme and employee training on environmental impact issues.

CORPORATE SOCIAL INVESTMENT

The responsibility for corporate social investments ("CSI") made by the group rests with an internal CSI committee which meets on a regular basis.

SYGNIA ASSET MANAGEMENT CONTRIBUTES AT LEAST 1% OF ITS AFTER TAX PROFITS TOWARDS CSI EACH YEAR

It consists of both executive management and staff members who feel passionate about the issue of making a difference. The main objectives set by the committee in terms of projects supported by Sygnia are:

- ***Promotion of social awareness and appreciation of the challenges faced by impoverished communities among staff.*** Priority is given to projects which provide an opportunity for hands-on involvement by staff, or which have been identified and motivated by staff.
- ***Recognition of the urgent need to improve the quality and the availability of education in South Africa.*** Support is given to programmes which facilitate the improvement and access to training and learning opportunities for South African youths.
- ***Support for the most vulnerable section of the society, the children.*** Projects which focus on the welfare and development of children are supported.
- ***Recognition that many projects involve significant administration costs and that smaller direct initiatives may deliver immediate positive outcomes.*** Priority is given to projects with direct and clear delivery paths where administration costs are kept to a minimum.

Sygnia Asset Management contributes at least 1% of its after tax profits towards CSI each year and has supported the following initiatives:

Girls and Boys Town through the CEO SleepOut™ 2015

Girls and Boys Town offers residential care to homeless children who do not cope well in a foster home environment. There are ten child care facilities in South Africa, including children's homes and community "family" homes, all offering specialised child and youth care programmes. The initiative also aims to promote healthy development of youth in the broader community through Girls and Boys Town's national hotline and regional training and resource centres. Girls and Boys Town serve an annual average of 34 416 beneficiaries.

The Solstice Foundation

The Solstice Foundation is a volunteer organisation in Western Cape which raises money through events and donations, with all the money raised being spent on beneficiaries. Solstice has been involved in numerous hands-on projects including building classrooms and playgrounds in pre-primary schools, sports facilities in impoverished communities and a laundry 'house' in a children's home. It has refurbished an orphanage and a drug rehab centre, refitted a hostel kitchen, bought a vehicle for a day care centre, sponsored scholars at 'Model C' schools, established food gardens and provided security infrastructure to a teen halfway house amongst many other small-scale but direct interventions.

Lily of the Valley Children's Village

Lily of the Valley is based in KwaZulu-Natal and provides holistic care for children and youth who have been marginalised through HIV, AIDS and a broken society. Lily of the Valley cares for up to 120 orphaned or vulnerable children by providing a home, a surrogate family and a sense of belonging. Children under its care are provided with education, practical training and skills to integrate into society. On-site medical facilities and personnel are available to provide the necessary treatment to HIV positive children.

Moresterretjies Farm School

Many children in South Africa live on commercial farms where access to government sponsored schooling system is difficult. Farm schools have been an essential provider of primary school education for many of these learners. Those schools require financial and other support on an ongoing basis. Moresterretjies Farm School in Durbanville, Western Cape supports 25 families.

Community Provision and Social Services (COMPASS)

Compass is a nationally recognised organisation which provides shelter to the vulnerable and the homeless in South Africa. They currently have five homes in East Rand and Durban. The organisation offers training to all its residents, as well as providing broader social services in the communities where they are based.

SALT

SALT is based in Tableview, Western Cape and offers volunteer opportunities as well as soliciting financial and in-kind donations in support of projects which focus on providing vulnerable women and children in impoverished communities with access to basic necessities, food and early education.

The Home-from-Home Trust

The Home-from-Home Trust sets up a foster home environment for children in the Western Cape whose needs can not be met through conventional children's homes. In setting up a foster home, Home-from-Home ensures that the foster home meets the needs of the community, that the home is fully equipped and that foster parents are supported and supervised by Home-from-Home to ensure that the children receive the best possible care. Community involvement is an essential component of the care provided by Home-from-Home.

U-Turn Homeless Ministries

U-Turn is a faith-based charity initiative in Cape Town aimed at helping homeless people with food, clothing, housing assistance and vocational training. Apart from helping the homeless move into shelters, the charity runs OT programmes for homeless people as well as offering work-based training programmes centred around its charity shops, including driving and retail training.

St Paul's Primary School

St Paul's Primary School provides education to children from the impoverished societies. As such it is in dire need of financial support.

Volunteer Wildfire Services

The Volunteer Wildfire Services ("VWS") organisation was formed in 1999/2000 to assist in the combating of fires in Cape Town. The WVS has three primary functions:

1. Wildfire suppression services
2. Education and awareness programmes
3. Wildfire suppression and management training

The VWS has assisted the Table Mountain National Park and the CapeNature as a first responder with some of the most serious fires in Cape Town, and works closely with all the other emergency services organisations involved in wild-land fire management such as Cape Town Fire and Emergency Services, Disaster Management, Winelands Fire Brigade and Working with Fire.

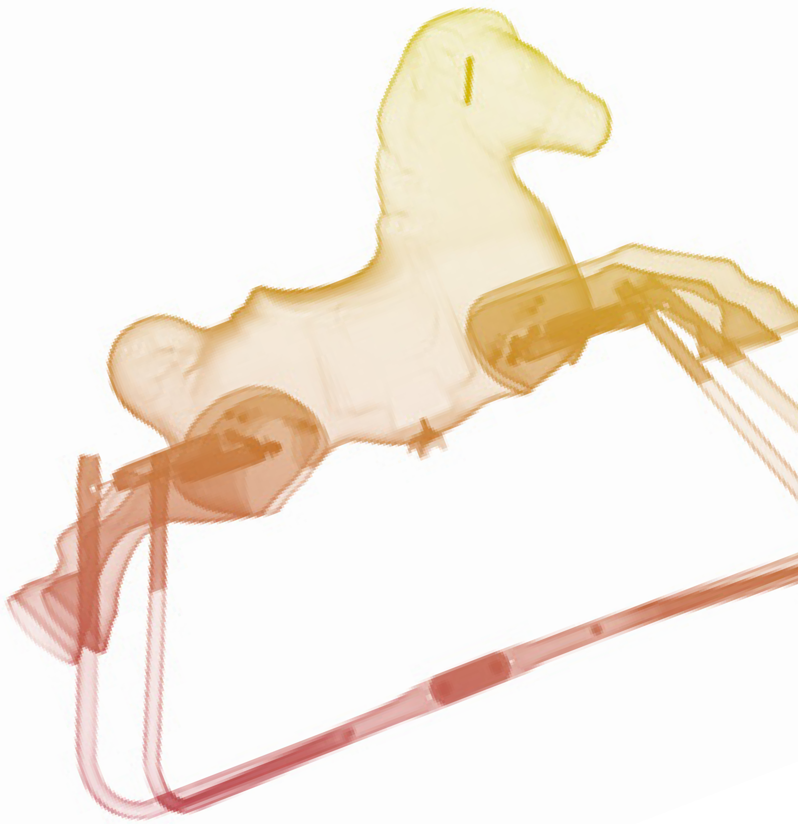
ABRIDGED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015

	NOTES	2015 R	RESTATED 2014 R
ASSETS			
Intangible assets		1 539 661	1 321 254
Deferred tax assets		3 857 822	2 858 313
Property and equipment		29 844 963	19 434 099
Investments linked to investment contract liabilities	8	27 631 242 783	21 452 355 901
Investments		67 358 495	61 126 701
Loans receivable		11 306 658	6 401 959
Taxation receivable		369 513	-
Trade and other receivables		29 665 198	29 845 095
Amounts owing by clearing houses	9	21 553 699	-
Amounts owing by clients	10	5 430 184	-
Cash and cash equivalents		102 030 889	41 873 331
TOTAL ASSETS		**27 904 199 865**	**21 615 216 653**
EQUITY			
Stated capital	11	271 210 689	272 858 029
Retained earnings		91 397 091	73 152 837
Reserves		(219 299 987)	(219 299 987)
TOTAL EQUITY		**143 307 793**	**126 710 879**
LIABILITIES			
Deferred tax liabilities		27 049 808	8 085 232
Investment contract liabilities	8	26 914 802 175	21 423 833 430
Third-party liabilities arising on consolidation of unit trust funds	12	575 790 766	-
Taxation payable		1 389 780	1 675 797
Trade payable and other accruals	13	200 131 900	54 911 315
Dividend payable		2 550 000	-
Amounts owing to clients	10	31 578 463	-
Bank overdraft		7 599 180	-
TOTAL LIABILITIES		**27 760 892 072**	**21 488 505 774**
TOTAL EQUITY AND LIABILITIES		**27 904 199 865**	**21 615 216 653**

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2015

	NOTE	2015 R	2014 R	CHANGE %
Revenue		234 050 879	165 798 175	41%
Expenses		(160 607 113)	(125 998 291)	27%
Investment contract income		2 502 390 290	2 865 527 645	(13%)
Transfer to investment contract liabilities		(2 502 390 290)	(2 865 527 645)	(13%)
Interest income		6 496 655	4 256 073	53%
Other investment income		4 040 848	10 764 923	(62%)
PROFIT FROM OPERATIONS		**83 981 269**	**54 820 880**	**53%**
Finance costs		(445 297)	(61 229)	627%
PROFIT BEFORE TAX		**83 535 972**	**54 759 651**	**53%**
Income tax expense		(24 224 013)	(16 294 133)	49%
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE YEAR		**59 311 959**	**38 465 518**	**54%**
Earnings per share (cents)				
Basic and diluted	14	59.31	38.47	54%



ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2015

	NOTES	STATED CAPITAL R	COMMON CONTROL RESERVE R	GROUP EQUITY ADJUSTMENT R	SHARE-BASED PAYMENT RESERVE R	RETAINED EARNINGS R	TOTAL CAPITAL R
Balance at 1 October 2013		2 858 029	-	(307 062)	33 584 073	2 910 648	39 045 688
Changes in ownership interests							
Common control acquisition of subsidiary	7	270 000 000	(252 576 998)	-	-	43 776 671	61 199 673
Adjusted balance at 1 October 2013		**272 858 029**	**(252 576 998)**	**(307 062)**	**33 584 073**	**46 687 319**	**100 245 361**
Total comprehensive income							
Total profit and comprehensive income for the year		-	-	-	-	38 465 518	38 465 518
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**38 465 518**	**38 465 518**
Transactions with owners							
Dividends paid	15	-	-	-	-	(12 000 000)	(12 000 000)
Total transactions with owners of the Group		**-**	**-**	**-**	**-**	**(12 000 000)**	**(12 000 000)**
Balance at 30 September 2014		**272 858 029**	**(252 576 998)**	**(307 062)**	**33 584 073**	**73 152 837**	**126 710 879**
Total comprehensive income							
Total profit and comprehensive income for the year		-	-	-	-	59 311 959	59 311 959
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**59 311 959**	**59 311 959**
Transactions with owners							
Dividends paid	15	-	-	-	-	(41 067 705)	(41 067 705)
Transaction costs on issue of ordinary shares		(1 647 340)	-	-	-	-	(1 647 340)
Total transactions with owners of the Group		**(1 647 340)**	**-**	**-**	**-**	**(41 067 705)**	**(42 715 045)**
Balance at 30 September 2015		**271 210 689**	**(252 576 998)**	**(307 062)**	**33 584 073**	**91 397 091**	**143 307 793**

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015 R	2014 R
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated by operations	134 465 954	49 859 045
Dividends received	768 478	559 830
Interest received	6 547 843	4 256 073
Interest paid	(445 297)	(61 229)
Taxation paid	(27 228 492)	(16 556 764)
Net cash inflow from operating activities	**114 108 486**	**38 056 955**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(17 095 471)	(12 962 399)
Additions to intangible assets	(2 360 828)	(4 981 589)
Purchase of investments	(47 122 376)	(24 110 144)
Proceeds on sale of investments	43 707 231	17 643 253
Common control acquisition of subsidiary, net of cash acquired	-	13 795 935
Proceeds on disposals of property and equipment	1 486 381	15 411
Net cash outflow from investing activities	**(21 385 063)**	**(10 599 533)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(38 517 705)	(12 000 000)
Transaction costs on issue of ordinary shares	(1 647 340)	-
Net cash outflow from financing activities	**(40 165 045)**	**(12 000 000)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**52 558 378**	**15 457 422**
Cash and cash equivalents at beginning of the year	41 873 331	26 415 909
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**94 431 709**	**41 873 331**

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENT

1. BASIS OF PREPARATION

The abridged audited consolidated financial information has been prepared in accordance with IAS 34 Interim Financial Reporting, as well as the AC 500 standards as issued by the Accounting Practices Board, the requirements of the South African Companies, Act No. 71 of 2008 and the Listings Requirements of the JSE. The abridged audited consolidated financial statements do not include all of the information required for full financial statements. The abridged audited consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operational and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The abridged audited consolidated financial statements are presented in South African Rand. The abridged audited consolidated financial statements have been prepared on the historical cost basis, except for the measurement of financial instruments. The accounting policies applied in the presentation of the abridged audited consolidated financial statements are in accordance with International Financial Reporting Standards and, apart from the following accounting policies which are set out below, have been applied consistently to all periods presented in these financial statements.

The accounting policies for investment contract liabilities, financial instruments and foreign exchange transactions are consistent with policies applied by Sygnia Life Limited in previous periods. An accounting policy has also been included for ‘acquisition of business under common control’ as this is the first time the entity has entered into such a transaction, refer to note 7. In the current year, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 October 2014.

IAS 24: Related Party Disclosures: (Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)) - effective annual periods beginning on or after 1 July 2014. The amendments had no financial impact on the Group

IAS 32 Financial Instruments: Presentation: (Amendments resulting from Annual Improvements 2009 - 2011 Cycle (tax effect of equity distributions)) - effective annual periods beginning on or after 1 January 2014. The amendments had no financial impact on the Group

IAS 36 Impairment of Assets: (The amendment to IAS 36 clarifies the required disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal) - effective annual periods beginning on or after 1 January 2014. The amendments had no financial impact on the Group.

This abridged report is extracted from audited information, but is not itself audited. The auditor’s unqualified audit report and the audited financial statements are available for inspection at the Company’s registered office in terms of 3.18 (F) of the Listings Requirements. These abridged audited consolidated financial statements were prepared under the supervision of NJ GILES, CA (SA) CFA (Financial Director), and approved by the Board of Directors on 25 November 2015.

2. JUDGEMENTS AND ESTIMATES

Preparing the abridged audited consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these abridged audited consolidated financial statements significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the previous financial statements for the year ended 30 September 2014, except for those that applied to Sygnia Life Limited and for judgements used in business combinations under common control. Further information about the assumptions made in measuring fair values are disclosed in the notes to the annual audited financial statements which are available for inspection, who take full responsibility for the preparation of the abridged report.

3. PRIOR YEAR RECLASSIFICATION

The Group has previously disclosed investment contract portfolio debtors and accrued interest as part of trade and other receivables. The Group has restated the current year financial statements to reclassify investment contract portfolio debtors and investment contract portfolio accrued interest from trade and other receivables to investments linked to investment contract liabilities as the Group believes this disclosure better reflects the nature of these assets and is in line with industry best practice. The reclassification impacts the comparative amounts previously presented as follows: ‘Investments linked to investment contract liabilities increases by R165,569,864 and ‘Trade and other receivables’ decreases by R165,569,864. The reclassification impacts the comparative amounts previously presented in statement of cash flows as follows: ‘Increase in net purchase of investments linked to investment contract liabilities’ increased by R165,569,864 and ‘Decrease in trade and other receivables’ increased by R165,569,864. The net effect on the statement of financial position is nil.

The Group also elected to reclassify cash flows in relation to investment contracts. In the interim financial statement for the period ended 31 March 2015, 'Net purchases of investment linked to investment contract liabilities' and 'Policyholder investment contracts' were disclosed on the face of the statement of cash flows as 'Cash flows from investing activities' and 'Cash flows from financing activities' respectively. These amounts are now disclosed as cash flows from operating activities and grouped together with all other cash flow items relating to policyholder investment contracts in order to better present the movement in policyholder investment contracts. The reclassification impacts the amounts previously presented on the face of the interim 2015 statement of cash flows as follows: 'Net purchases of investment linked to investment contract liabilities' changes from R3,741,609,191 to Rnil and 'Policyholder investment contracts' changes from R3,696,890,860 to Rnil. The net financial effect on the statement of cash flows is nil.

4. INTERIM PERIOD ERROR

The Group did not consolidate two unit trust funds that it had control of in its interim financial statements for the period ended 31 March 2015. These unit trust funds have been consolidated in these financial statements as disclosed in note 12. Had these unit trust funds been consolidated in the interim financial statements, the statement of financial position would have been impacted as follows: investments linked to investment contract liabilities would have increased by R349 688 491 with a corresponding increase in third-party liabilities arising on consolidation of unit trust funds of R349 688 491. The error had no impact on the statement of profit or loss and other comprehensive income, statement of changes in equity or statement of cash flows.

5. RELATED PARTY TRANSACTIONS

Related party transactions similar to those disclosed in the Group's financial statements for the year ended 30 September 2014 took place during the current year, except for the following:

Sygnia Limited acquired 100% of the share capital of Sygnia Life Limited from Sygnia Investment Holdings Proprietary Limited. The consideration was settled by the issue of shares from Sygnia Limited to Sygnia Investment Holdings Proprietary Limited. The details of this transaction are set out in note 7.

During the year ended 30 September 2015, artwork was sold at fair value to M Wierzycka, a director, for an amount of R1,694,475 (2014: Nil).

6. 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 provides investment management and administration services to institutional and retail clients predominantly located in South Africa. No disaggregated information is provide to the CODM on the separate operations of the Group, and the CODM assesses operating performance and makes resource decisions about the Group based on the combined results of these operations. The Group has therefore concluded that the combined operations of the Group constitute one operating segment.

7. ACQUISITION OF SUBSIDIARY

Acquisition of Sygnia Life

During the period Sygnia entered into an agreement with Sygnia Investment Holdings to acquire the entire issued share capital of Sygnia Life for a purchase consideration of R270 million. The purchase consideration was settled by the issue of 40,000,000 Ordinary Shares in Sygnia to Sygnia Investment Holdings. As at 30 September 2015, the Group therefore held 100% of Sygnia Life. Sygnia Life was acquired in terms of a common control business combination transaction and therefore falls outside of the scope of IFRS 3.

Details of the net assets acquired are as follows:	R
Accounts receivable and prepayments	103 229 991
Cash and cash equivalents	13 795 935
Furniture and equipment	2 752 632
Investments	43 017 473
Investments linked to investment contract liabilities	19 008 156 774
Loan receivable	8 488 804
Taxation receivable	369 617
Deferred taxation	(3 422 708)
Investment contract liabilities	(19 051 291 976)
Accounts payable and other accruals	(63 850 027)
Value added taxation	(46 842)
Net asset value as at 1 October 2013	**61 199 673**
Shares issued by Sygnia Limited as consideration	(270 000 000)
Adjustment to retained earnings	(43 776 671)
Common control reserve	**(252 576 998)**

8. INVESTMENTS LINKED TO INVESTMENT CONTRACT LIABILITIES / INVESTMENT CONTRACT LIABILITIES

A subsidiary of the Group, Sygnia Life is a linked insurance company and issues linked policies to policyholders (where the value of policy benefits 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 assumed by the policyholder.

9. AMOUNTS OWING BY CLEARING HOUSES

Amounts from clearing houses reflect unsettled client trades at reporting date. The Group started offering stockbroking services during the 2015 financial year.

10. AMOUNTS OWING BY / TO CLIENTS

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"). The amounts owing to and from customers represent unsettled exchange traded transactions at year end. At year end client money held with the JSE Trustees amounted to R253,999,964 (2014: Rnil). The year end JSE Trustee balance does not reflect the impact of unsettled purchases between trade and settlement date of R5,430,184, unsettled sales between trade and settlement date of R26,983,882 and client deposits of R4,594,581, totalling R31,578,463, which have been taken into account in amounts owing to and by clients.

11. STATED CAPITAL

	NUMBER OF SHARES	STATED CAPITAL R
500,000,000 Ordinary shares of no par value		
(2014: 1,000 Ordinary shares of no par value)		
Issued		
As at 1 October 2014	200	2 858 029
Share split	59 999 800	-
Issue of ordinary shares	40 000 000	270 000 000
Adjusted balance	**100 000 000**	**272 858 029**
Transaction costs on issue of ordinary shares	-	(1 647 340)
As at 30 September 2015	**100 000 000**	**271 210 689**

For the year 1 October 2013 to 30 September 2014 there were no changes in the authorised and issued shares of Sygnia Limited The unissued shares at 30 September 2015 are under the control of the directors until the next annual general meeting.

12. THIRD-PARTY LIABILITIES ARISING ON CONSOLIDATION OF UNIT TRUST FUNDS

	2015 R	2014 R
Balance at the beginning of the year	-	-
Capital contributions received	580 052 420	-
Fair value adjustment to third-party liabilities	(4 261 654)	-
	575 790 766	**-**

13. TRADE AND OTHER PAYABLES

	2015 R	2014 R
Dividend tax payable	3 621 765	75 000
Investment contract portfolio creditors	98 533 709	9 023 036
Investment contract portfolio management fee accrual	15 242 459	12 939 777
Accruals	6 965 765	1 513 566
Trade creditors	16 653 945	16 310 722
Sundry creditors	9 855 873	6 258 168
Investment contract unsettled trades	47 943 927	7 918 220
Value added tax payable	1 314 457	872 826
	200 131 900	**54 911 315**

14. EARNINGS AND HEADLINE EARNINGS PER SHARE

	2015 R	2014 R
Profit attributable to ordinary shareholders	59 311 959	38 465 518
Non-headline items (net of tax)		
Loss on disposal of furniture and equipment	**48 138**	**-**
- Gross amount	66 859	-
- Tax effect	(18 721)	-
Furniture and equipment written off	**-**	**440 824**
- Gross amount	-	612 254
- Tax effect	-	(171 431)
Compensation from third parties	**-**	**(11 096)**
- Gross amount	-	(15 411)
- Tax effect	-	4 315
Impairment of intangible assets	**1 037 017**	**3 211 204**
- Gross amount	1 440 301	4 460 006
- Tax effect	(403 284)	(1 248 802)
Headline earnings	**60 397 114**	**42 106 450**

14. EARNINGS AND HEADLINE EARNINGS PER SHARE

The weighted average number of shares and diluted weighted average number of shares were calculated as follows:

Number of shares

	NUMBER OF SHARES 2015	NUMBER OF SHARES 2014
Number of ordinary shares at the beginning of year	200	200
Effect of share split	59 999 800	59 999 800
Number of shares issued during the year	40 000 000	40 000 000
Weighted average number of ordinary shares at end of year	100 000 000	100 000 000
Diluted weighted average number of ordinary shares	100 000 000	100 000 000

** The effect of the share split and share issue relating to the common control transaction have been applied retrospectively*

Basic and diluted earnings per share (cents)

	2015 R	2014 R
Earnings attributable to ordinary shareholders	59 311 959	38 465 518
Headline earnings	60 397 114	42 106 450
Weighted average number of ordinary shares in issue	100 000 000	100 000 000
Earnings per share (cents)	59.31	38.47
Headline earnings per share (cents)	60.40	42.11
Net asset value per share (cents)	143.31	126.71
Tangible net asset value per share (cents)	138.09	122.91

Diluted earnings per share is equal to basic earnings per share. Diluted headline earnings per share is equal to headline earnings per share. Net asset value per share is calculated by dividing the Group's total assets less its liabilities by the weighted average number of ordinary shares in issue. The tangible net asset value is the net asset value excluding intangible assets and deferred tax divided by the weighted average number of ordinary shares.

15. DIVIDENDS

	2015 R	2014 R
Dividends	41 067 705	12 000 000

41.07 cents per share (2014: 12.00 cents per share)

Dividends are not accounted for until they have been approved by the Company's board of directors.
No dividends have been declared or approved subsequent to the financial year end.

16. CAPITAL COMMITMENTS

Operating lease commitments		
Up to 1 year	10 655 886	6 348 533
1 to 5 years	36 686 148	15 220 369
More than 5 years	-	-
	47 342 034	**21 568 902**

17. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 1 October 2015, Sygnia Asset Management repurchased a portion of its shares held by Ulundi Holdings Proprietary Limited for a consideration of R14,293,066. Ulundi Holdings exchanged its remaining shareholding in Sygnia Asset Management Proprietary Limited for shares in Sygnia Limited. This resulted in an additional 8,933,166 ordinary shares being issued.

Sygnia Limited listed on the Main Board of the JSE in the financial services sector on 14 October 2015. The listing was facilitated by way of a private placement of 28,244,834 additional ordinary shares which were issued on the date of listing, resulting in 137,178,000 ordinary shares being listed on the JSE.

On 14 October 2015 Sygnia made an offer to participants of the employee share option scheme to acquire 2,595,242 ordinary shares at a 40% discount to the private placing price.

The options shall be exercisable as follows: 20% shall be exercisable on the third anniversary of the option date, 30% on the fourth anniversary of the option date and 50% on the fifth anniversary of the option date.

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

NOTICE TO THE ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting ('Meeting') of Sygnia Limited ('the Company") will be held, subject to any cancellation, postponement and adjournment, in the auditorium of the offices of the Company at 7th Floor, The Foundry, Cardiff Street, Greenpoint, Cape Town, 8001 on Tuesday, 23 February 2016, at 10:00.

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 15 January 2016, 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 12 February 2016, 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 05 February 2016.

References to all page numbers are in relation to the annual financial statements and the integrated annual 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.

AUDITED FINANCIAL STATEMENTS

The audited annual financial statements of the Company for the year ended 30 September 2015, together with the reports by the directors, the external auditors and the audit committee have been approved by the board of directors of the Company on 25 November 2015, and are available on the Company's website: www.sygnia.co.za.

VOTING AND PROXIES

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 is to reach the Company's transfer secretaries in Johannesburg at least 48 hours before the time appointed for the Meeting (which period excludes Saturdays, Sundays and South African public holidays).

In terms of the Listings Requirements of the JSE, 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 Listings Requirements of the JSE.

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

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

ELECTRONIC PARTICIPATION

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: djohnson@sygnia.co.za, to be received by the company secretary at least 7 business days prior to the Meeting (i.e. 12 February 2016) in order for the company secretary to arrange for the shareholder (or its representative or proxy) to provide reasonable satisfactory identification to the company secretary for the purposes of section 63(1) of the Act and for the company secretary to provide the shareholder (or its representative or proxy) with details as to how to access the Meeting by means of electronic participation. Shareholders participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. The Company reserves the right not to provide for electronic participation at the Meeting in the event that it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to so participate.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: To receive and adopt the 30 September 2015 Annual Financial Statements

To receive and adopt the financial statements for the year ended 30 September 2015, including the Directors' Report and the report of the auditors thereon.

ORDINARY RESOLUTION 2: To appoint the auditor of the Company

To appoint, as recommended by the audit committee, KPMG as the Company's registered auditor for the ensuing year ending 30 September 2016 and to note Mr Gary Pickering as the designated audit partner.

ORDINARY RESOLUTION 3: To re-elect the audit committee members

To re-elect the audit committee members as required in terms of the Act and recommended by the King Code of Governance for South Africa 2009 (King III) (Chapter 3). The following individuals are recommended for re-election to the audit committee:

- Mr K Hopkins (chairman of the audit committee)
- Prof S Zinn
- Mr K Moyane

A profile in respect of each member recommended for re-election to the audit committee is contained on pages 8 and 9 of the 2015 Integrated Report. The re-election of the members of the audit committee will be conducted by way of a separate vote in respect of each individual.

ORDINARY RESOLUTION 4: 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 Companies Act 71 of 2008 and the JSE Listings Requirements.

ORDINARY RESOLUTION 5: To authorise directors and the company secretary to implement special and ordinary resolutions

To consider and, if deemed fit, to pass, without modification, the following ordinary resolution: To resolve that as an Ordinary Resolution that each and every director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of the resolutions passed at this meeting.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTION 1: To authorise the repurchase of shares

To resolve that, in accordance with the Memorandum of Incorporation of Sygnia Limited, it is hereby approved as a general authority contemplated in the JSE Listings Requirements, the acquisition by Sygnia Limited, or any of its subsidiaries from time to time, of the issued ordinary shares of Sygnia Limited, upon such terms and conditions and in such amounts as the directors of Sygnia Limited 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 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.
- A resolution is passed by the board of directors authorising the repurchase, that the company passed the solvency and liquidity test and that since this test was done there have been no material changes to the financial position of the group.

The board of directors, as at the date of this notice, has no definite intention of repurchasing shares. However it is proposed that the board of directors believes it to be in the best interests of the Company that shareholders pass this resolution.

By order of the board

David Johnson
Company secretary
29 January 2016

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 on Tuesday, 23 February 2016, at the offices of the Company at 7th Floor, The Foundry, Cardiff Street, Green Point, 8001 and any cancellation, postponement and 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 resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the ordinary 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.

Dated this __________ day of ______________________________ 2016

Signature/s ______________________________

Mark with an X whichever is applicable

	ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
1	To receive and adopt the 30 September 2015 Annual Financial Statements			
2	To appoint the auditor of the Company			
3	To re-elect the audit committee members			
	3.1 Mr K Hopkins			
	3.2 Prof S Zinn			
	3.3 Mr K Moyane			
4	Control of authorised but unissued shares			
5	To authorise directors and the company secretary to implement special and ordinary resolutions			
	SPECIAL RESOLUTIONS	**FOR**	**AGAINST**	**ABSTAIN**
1	To authorise the repurchase of shares			

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 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 the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the 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 his proxy is not obliged to vote in respect of all the shares held or represented by him, 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 his 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 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown 2107), to be received by the transfer secretaries by not later than 10:00 on Friday, 19 February 2016.

6. The completion and return of this form of proxy in accordance with point 5 above will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

7. A minor must be assisted by the minor's parent or guardian, unless the relevant documents establishing the minor's capacity are produced or have been registered by the Company.

8. Any alterations or corrections to this form of proxy must be initialed by the signatory(ies).

9. This form of proxy must be signed by all joint shareholders. If more than one of those shareholders are present at the annual general meeting either in person or by proxy, the person whose name stands first in the register shall alone be entitled to vote.

10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer office or waived by the chairman of the annual general meeting.

11. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

SHAREHOLDERS HOLDING DEMATERIALISED SHARES

1. Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker (except those shareholders who have elected to dematerialise their shares with "own name" registration) and all beneficial shareholders holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the transfer secretaries of the Company of their voting instructions before the closing time as detailed in point 5 above.

2. All such shareholders wishing to attend the meeting in person may do so only by requesting their CSDP, broker or nominee to issue the shareholder with a letter of representation in terms of the custody agreement. Such letter of representation must also be lodged with the transfer secretaries before the closing time as detailed in point 5 above.

SUMMARY OF THE RIGHTS OF A SHAREHOLDER TO BE REPRESENTED BY PROXY

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

- At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- 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 the Act.

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

- a shareholder of that company may appoint two or more persons concurrent as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
- a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

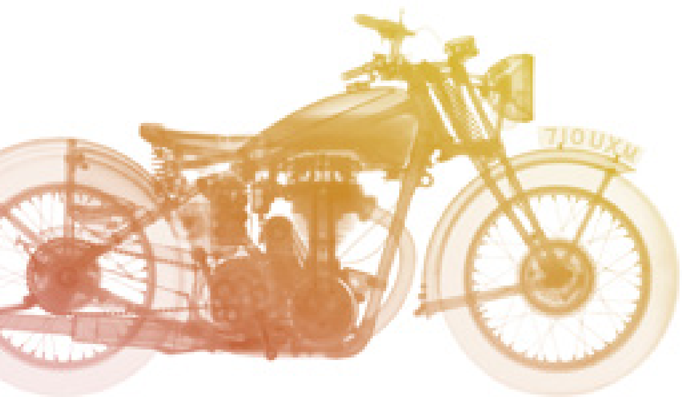
Irrespective of the form of instrument used to appoint a proxy:

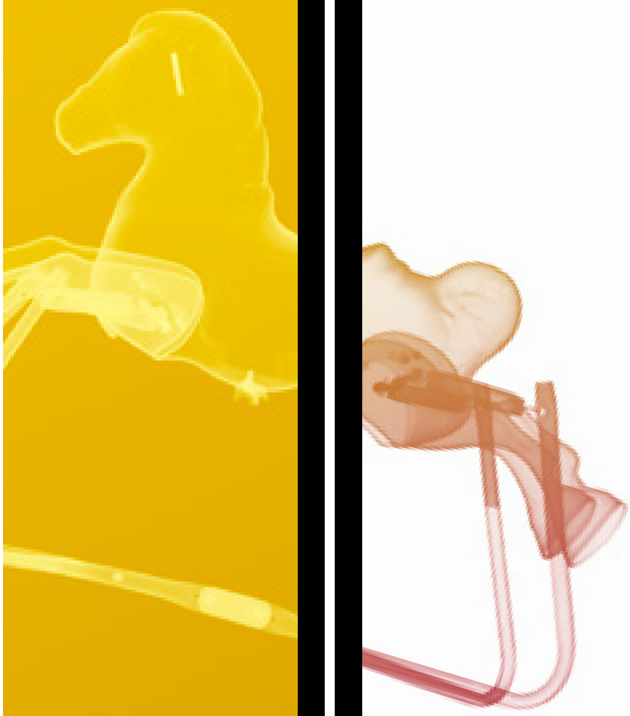
- the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- the appointment is revocable unless the proxy appointment expressly states otherwise; and
- if the appointment is revocable, a shareholder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

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

GLOSSARY OF TERMS

ASISA	Association for Savings and Investment South Africa
AUA	Assets under administration
AUM	Assets under management
B-BBEE	Broad-based Black Economic Empowerment
Board/Board of Directors	The Board of Directors of Sygnia Limited
CFA	Chartered Financial Analyst
Company/Group/Organisation	Sygnia Limited
CRISA	Code for Responsible Investing in South Africa
CSDP	Central Securities Depository Participant
CSI	Corporate Social Investment
ESG	Environmental, Social and Governance
FSB	Financial Services Board
FSC	Financial Sector Code
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IIRF	International Integrated Reporting Framework
IRCSA	Integrated Reporting Council of South Africa
ISAE	International Standard on Assurance Engagements
IT	Information Technology
JSE	The Johannesburg Stock Exchange
King III	King Code of Governance for South Africa 2009
Listing Date/Listing	14 October 2015
MOI	Memorandum of Incorporation
SAICA	South African Institute of Chartered Accountants
SAM	Solvency Assessment and Management
SARB	South African Reserve Bank
SENS	Stock Exchange News Service
TCF	Treating Customers Fairly





SYGNIA

INTEGRATED ANNUAL REPORT 2015

CAPE TOWN

7th Floor, The Foundry
Cardiff Street
Green Point
8001
South Africa
T: +27(0) 21 446 4940
F: +27(0) 21 446 4950
E: info@sygnia.co.za

JOHANNESBURG

Unit 40, 6th Floor
Katherine and West building
West Street
Sandton
2196

T: +27 (0) 10 595 0550
F: +27 (0) 86 206 5173
E: info@sygnia.co.za

WWW.SYGNIA.CO.ZA