PSG Konsult

Notice of Annual General Meeting for the year ended 28 February 2017

SALIENT FEATURES

Core revenue	Recurring headline earnings
↑ 13% to R3 789m	↑ 19% to R486m
2016: R3 346m | **2015:** R2 858m	**2016:** R409m | **2015:** R341m

Total assets under management	Recurring headline earnings per share
↑ 14% to R175bn	↑ 16% to 37.2 cents
2016: R154bn | **2015:** R133bn	**2016:** 32.1 cents | **2015:** 27.0 cents

Gross written premium	Dividend per share
↑ 15% to R2 854m	↑ 16% to 15.3 cents
2016: R2 490m | **2015:** R2 134m	**2016:** 13.2 cents | **2015:** 12.0 cents

PSG Konsult is a leading independent financial services group, with an extensive national footprint and both a Namibian and Mauritian presence. In operation since 1998, we offer a value-orientated approach to our clients' financial needs, from asset and wealth management to insurance.

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PSG KONSULT LIMITED
Incorporated in the Republic of South Africa
Registration number 1993/003941/06
ISIN Code: ZAE000191417
JSE Share Code: KST, NSX Share Code: KFS
("PSG Konsult" or "the Company")

LETTER TO SHAREHOLDERS

Notice is hereby given in terms of sections 61 and 62 of the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), of the annual general meeting of the shareholders of PSG Konsult to be held at Spier Wine Estate, Baden Powell Drive, Stellenbosch on Friday, 23 June 2017, at 11h00 ("the AGM").

Notice is also given in terms of section 31(1) of the Companies Act to every person who holds, or has a beneficial interest in, any securities issued by the Company ("a Holder") of the publication of the annual financial statements of the Company and its subsidiaries (the "PSG Konsult Group") for the financial year ended 28 February 2017.

Included with this notice are the summarised financial statements of the PSG Konsult Group for the financial year ended 28 February 2017.

A copy of the complete annual financial statements and of the summarised financial statements of the PSG Konsult Group for the financial year ended 28 February 2017 may be obtained by a Holder, without charge, as follows:

1. By downloading a copy of the annual financial statements or summarised financial statements from the Company's website at www.psg.co.za or
2. By requesting a copy of the annual financial statements by any of the following means:
   a. Email to company.secretary@psg.co.za
   b. Post to PO Box 3335, Tyger Valley, 7536
   c. Facsimile to (021) 918 7921

E Olivier
(On behalf of the company secretary, PSG Management Services Proprietary Limited)

23 May 2017

4th Floor, The Edge, 3 Howick Close, Tyger Waterfront, Bellville, Cape Town, 7530, Tel: +27(21) 918 7800, company.secretary@psg.co.za
www.psg.co.za

PSG KONSULT LIMITED
Incorporated in the Republic of South Africa
Registration number 1993/003941/06
ISIN Code: ZAE000191417
JSE Share Code: KST, NSX Share Code: KFS
("PSG Konsult" or "the Company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the annual general meeting of the shareholders of PSG Konsult to be held at Spier Wine Estate, Baden Powell Drive, Stellenbosch on Friday, 23 June 2017, at 11h00 ("the AGM").

PURPOSE

The purpose of the AGM is to transact the business set out in the agenda below.

AGENDA

- Presentation of the audited annual financial statements of the Company, including the reports of the directors and the audit committee for the year ended 28 February 2017. The complete audited annual financial statements, including the unmodified audit opinion, is available on the Company's website at www.psg.co.za, or may be requested and obtained in person, at no charge, at the Company's registered office during office hours.
- To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolutions set out below.

Note:
For any of the ordinary resolutions numbers 1 to 6 and 9 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution numbers 7 and 8 and for special resolutions numbers 1 to 4 (inclusive) to be adopted, at least 75% of the voting rights exercised on each such ordinary or special resolution must be exercised in favour thereof.

1. Retirement and re-election of directors

1.1 Ordinary resolution number 1

"Resolved that Mr ZL Combi, who retires by rotation in terms of the memorandum of incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

A summary curriculum vitae of Mr ZL Combi ("KK")

KK holds a diploma in public relations and was awarded the Ernst & Young South African Best Entrepreneur of the Year award in 2000, as well as the World Entrepreneur of the Year in Managing Change award in 2001. KK is a member of the Institute of Directors and serves on the boards of various listed and unlisted companies, including PSG Group Limited ("PSG Group"), Curro Holdings Limited and as chairman of Pioneer Foods Group Limited. KK was previously the executive chairman of Thembeka Capital (RF) Limited.

1.2 Ordinary resolution number 2

"Resolved that Mr PJ Mouton, who retires by rotation in terms of the memorandum of incorporation of the Company, being eligible and offering himself for re-election, be and is hereby re-elected as director."

Summary curriculum vitae of Mr PJ Mouton ("Piet")

Piet obtained a BComm (Mathematics) degree from the University of Stellenbosch. He is the chief executive officer of the PSG Group and serves as a non-executive director on the boards of various PSG Group companies, including Curro Holdings Limited and PSG Alpha. He serves as non-executive director on the boards of various other companies, including Capitec Bank Holdings Limited. He has been active in the investment and financial services industry since 1999.

The reason for ordinary resolution number 1 and 2 is that the memorandum of incorporation of the Company and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") require that a component of the non-executive directors of the Company rotate at the AGM and, being eligible, may offer themselves for re-election as directors.

2. Appointment of the members of the audit committee

2.1 Ordinary resolution number 3

"Resolved that Mr J de V du Toit, being eligible, be and is hereby re-appointed as a member of the audit committee of the Company, as recommended by the board of directors of the Company, until the next AGM of the Company."

Summary curriculum vitae of Mr J de Vos du Toit ("Jaap")

Jaap was appointed as senior general manager at the Trust Building Society in 1984, financial director at Senekal, Mouton & Kitshoff Securities Proprietary Limited in 1988 and portfolio director at the same firm in 1990. In 1996, he co-founded both PSG Group and PSG Konsult and has been a director of both since inception. He also acted as chairman of PSG Konsult from inception in 1998 until 2013. In August 2012, Jaap was appointed as the lead independent non-executive director of PSG Group and PSG Financial Services Limited. He was appointed as chairman of KAP Industrial Holdings Limited in 2012 and is chairman of its nomination committee.

2.2 Ordinary resolution number 4

"Resolved that Mr PE Burton, being eligible, be and is hereby re-appointed as a member of the audit committee of the Company, as recommended by the board of directors of the Company, until the next AGM of the Company."

Summary curriculum vitae of Mr PE Burton ("Patrick")

Patrick worked for Moores Rowland (Chartered Accountants) for eight years, during which time he completed his training contract. He moved to Canada in 1981 and worked for Lanvethol and Horwath (Chartered Accountants) from 1981 to 1984. Patrick obtained his BComm (Honours) in Financial Management in 1992 and a Postgraduate Diploma in Tax Law in 1993 from the University of Cape Town. Patrick was one of the founding members of Siphumelele Investments Limited, established in 1995. His experience includes executive and non-executive positions in fishing, financial services, telecommunications, media and entertainment, technology and insurance. He currently serves as the financial director of Snoek Wholesalers Proprietary Limited.

2.3 Ordinary resolution number 5

"Resolved that Mr ZL Combi, being eligible, be and is hereby re-appointed as a member of the audit committee of the Company, as recommended by the board of directors of the Company, until the next AGM of the Company."

A summary curriculum vitae of Mr ZL Combi is set out in paragraph 1.1 above.

The reason for ordinary resolutions numbers 3 to 5 (inclusive) is that the Company, being a public company listed on the JSE Limited ("JSE"), must appoint an audit committee and the Companies Act, No. 71 of 2008, as amended ("the Companies Act") requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of a company.

3. Re-appointment of auditor

Ordinary resolution number 6

"Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as auditor of the Company for the ensuing year on the recommendation of the audit committee of the Company."

The reason for ordinary resolution number 6 is that the Company, being a public company listed on the JSE, must have its financial results audited and such auditor must be appointed or re-appointed each year at the AGM of the Company as required by the Companies Act.

4. General authority to issue ordinary shares for cash

Ordinary resolution number 7

"Resolved that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, provided that:

- the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash under this authority may not exceed, in the aggregate, 5% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer to shareholders or shares issued to the PSG Konsult Group Share Incentive Trust ("the Trust") or options granted by the Trust in accordance with the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 5% of the Company's issued ordinary share capital amounts to 66 932 574 ordinary shares;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties;
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and
- in the event that the securities issued represent, on a cumulative basis, 5% or more of the number of securities in issue prior to that issue, an announcement containing the full details of such issue shall be published on SENS."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers and/or in consideration for acquisitions and/or to duly approved share incentive schemes), it is necessary for the board to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the memorandum of incorporation of the Company.

The reason for ordinary resolution number 7 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the Company.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

5. Amendment of PSG Konsult Group Share Incentive Trust deed

Ordinary resolution number 8

"Resolved that the existing trust deed of the PSG Konsult Group Share Incentive Trust, which contains the terms of and governs the Company's share incentive scheme ("Trust Deed"), be amended as set out in **Annexure 1** to this notice of AGM."

The reason for ordinary resolution number 8 is to obtain the prior approval of shareholders to amend the Trust Deed, such approval being required in terms of paragraph 14.2, read with paragraph 14.1, of Schedule 14 of the JSE Listings Requirements. The effect of ordinary resolution number 8, if passed, will be that the proposed amendments to the Trust Deed are approved.

For this resolution to be adopted at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

A copy of the current Trust Deed is available for inspection by shareholders at the Company's registered address.

6. Non-binding endorsement of PSG Konsult's Remuneration Policy

Ordinary resolution number 9

"Resolved that the shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration policy as set out in **Annexure 2** to this notice of AGM."

The reason for ordinary resolution number 9 is that King Code of Governance Principles (King III) recommends that the remuneration policy of the Company be endorsed through a non-binding advisory vote by shareholders.

7. Remuneration of non-executive directors

Special resolution number 1

"Resolved, as a special resolution in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors which includes serving on various board subcommittees and to make payment of any related fees on the basis set out below, provided that this authority will be valid until the next AGM of the Company:"

	Current annual remuneration	Proposed annual remuneration
W Theron	R842 700	R900 000
J de V du Toit	R258 000	R470 000
PJ Mouton	R222 600	R270 000
PE Burton	R245 000	R420 000
ZL Combi	R233 500	R400 000
R Stassen	R130 000	R220 000

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors without requiring further shareholder approval until the next AGM of the Company.

8. Financial assistance

8.1 Special resolution number 2: Inter-company financial assistance

"Resolved, as a special resolution in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act), that the board of the Company may deem fit, to any company or corporation that is related or inter-related ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

The reason for and effect of special resolution number 2 is to grant the directors of the Company the authority, until the next AGM of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

8.2 Special resolution number 3: Financial assistance for the acquisition of shares in the Company or in a related or inter-related company

"Resolved, as a special resolution in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act), that the board of the Company may deem fit, to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act), and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the board of the Company may determine for the purpose of, or in connection with, the subscription of any option, or any shares or other securities, issued or to be issued by the Company or by a related or inter-related company, or for the purchase of any shares or other securities of the Company or a related or inter-related company, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

The reason for and effect of special resolution number 3 is to grant the directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or in any related or inter-related company. This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where such financial assistance is directly or indirectly related to a party acquiring options, shares or securities in the Company or any related or inter-related company. A typical example of where the Company may rely on this authority is where the Company or a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of the Company or of its subsidiary, as the case may be, to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's memorandum of incorporation have been met.

9. Share repurchases by PSG Konsult and its subsidiaries

Special resolution number 4

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company, the JSE Listings Requirements and the requirements of any other stock exchange on which the shares of the Company may be quoted or listed, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond fifteen months from the date of this resolution;
- an announcement must be published as soon as the Company has repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the repurchase, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares repurchased thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its subsidiaries ("the PSG Konsult Group") have satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the PSG Konsult Group;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may, at any point in time, only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements, unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect of special resolution number 4 is to grant the directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the repurchase by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

10. Other business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the Company.

Information relating to the special resolutions

1. The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company, as set out in special resolution number 4 above, to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of PSG Konsult Group would not be compromised as to the following:
   - the PSG Konsult Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
   - the consolidated assets of the PSG Konsult Group will, at the time of the AGM and at the time of making such determination, be in excess of the consolidated liabilities of the PSG Konsult Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the PSG Konsult Group;

- the ordinary capital and reserves of the PSG Konsult Group, after the purchase, will remain adequate for the purpose of the business of the PSG Konsult Group for a period of 12 months after the AGM and after the date of the share repurchase; and
- the working capital available to the PSG Konsult Group, after the repurchase, will be sufficient for the PSG Konsult Group's ordinary business purposes for a period of 12 months after the date of the notice of the AGM.

General information in respect of major shareholders, material changes and the share capital of the Company is set out on page 39 of the summary consolidated financial statements annexed to this notice and in the annual financial statements that are available on the Company's website at www.psg.co.za or which may be requested and obtained in person, at no charge, at the registered office of the Company during office hours.

2. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and the notice contains all information required by the JSE Listings Requirements.

3. Special resolution numbers 2, 3 and 4 are renewals of resolutions taken at the previous AGM on 24 June 2016.

VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries ("the Share Register") for purposes of being entitled to receive this notice is Friday, 12 May 2017.
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this AGM is Thursday, 15 June 2017, with the last day to trade being Monday, 12 June 2017.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or drivers license to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
4. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the AGM, may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, containing the relevant instructions for its completion, is enclosed for the use of such shareholders who wish to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries at the address given below by not later than 11h00 on Wednesday, 21 June 2017, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairman of the AGM prior to the commencement of the meeting at any time before the appointed proxy exercises any shareholder rights at the AGM.
6. If you are a certificated or own-named dematerialised shareholder in Computershare Central Securities Depository Participant ("CSDP") with an e-mail address on record, you may cast your votes online and, for this purpose, a separate e mail will be forwarded to you with your security pin and link to the online voting facility.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their CSDP or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholder and the CSDP or broker.
8. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated.
9. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, have one vote in respect of each share held.

By order of the board

PSG Management Services Proprietary Limited
Company secretary

Tyger Valley
19 May 2017

Registered address
4th Floor
The Edge
3 Howick Close
Tyger Waterfront
Bellville
Cape Town
7530

Postal address
PO Box 3335
Tyger Valley
7536

Computershare Investor Services Proprietary Limited
Transfer secretaries

Rosebank Towers
15 Biermann Avenue
Rosebank
2196

PO Box 61051
Marshalltown
2107

Annexure 1

AMENDMENTS TO PSG KONSULT GROUP SHARE INCENTIVE TRUST DEED

The following amendments are proposed to the PSG Konsult Group Share Incentive Trust deed ("Trust Deed"):

1. The amendment of the existing definition of "Exercise Period" in clause 1.1.13 of the Trust Deed, by replacing the number and words "*30 (Thirty) day*" with the number and words "*5 (five) month*", so that such clause will thereafter read as follows:

   *"1.1.13 "**Exercise Period**" means the 5 (five) month period following the applicable Vesting Date or any extension thereof pursuant to clause 21.3;"*

2. The amendment of the existing clause 19.3.1 of the Trust Deed by replacing the number "100 000 000" with the number "200 000 000" and by deleting the words", being 7.92% of all Shares in the issued share capital of the Company on the Signature Date", currently appearing therein, so that such clause will thereafter read as follows:

   "19.3.1 200 000 000 Shares; or"

3. The amendment of the existing clause 19.4.1 of the Trust Deed by replacing the number "37 861 383" with the number "50 000 000" so that such clause will thereafter read as follows:

   "19.4.1 50 000 000 Shares; or"

4. The amendment of the existing clause 21.2 of the Trust Deed by replacing the number and words "30 (Thirty) days" with the number and words "5 (five) months" so that such clause will thereafter read as follows:

   "21.3 An Option must be exercised during the applicable Exercise Period of such Option ("Option Exercise Date") and such exercise, and the Scheme Shares acquired pursuant to such exercise, shall be governed by the applicable provisions of this Trust Deed. For the avoidance of any doubt, and having regard to the provisions of clauses 20.5.1 and 21.1, the Exercise Period for Options falling due at the First Vesting Date, the Second Vesting Date, the Third Vesting Date and the Fourth Vesting Date (as the case may be) shall be within 5 (five) months of each of such First Vesting Date, Second Vesting Date, Third Vesting Date and Fourth Vesting Date (as the case may be)."

5. Consequential changes to the page numbers appearing in the table of contents of the Trust Deed.

REMUNERATION REPORT AND POLICY

PROFITABILITY, BUSINESS PROCESSES AND RISKS, CLIENTS AND PEOPLE ARE THE KEY PERFORMANCE INDICATORS FOR REWARD

The overarching remuneration philosophy remained unchanged as PSG Konsult continues to believe that key individuals should share in the success of the group. The philosophy is aimed at driving a high-performance culture that delivers sustainable returns to shareholders, through employees who are engaged and committed, underpinned by equitable rewards. This ensures alignment between the Company, shareholders, advisers and employees. PSG Konsult wants to provide excellent service to clients using best-of-breed products through superb platforms. The group is growing and winning while prevailing over a regulated and competitive environment. Delivering beyond expectation is a hallmark of the group and this positive approach will mean that good things are ahead for PSG Konsult and all its stakeholders.

Employees made a valuable contribution over the past financial year. It is through their personal performance and commitment that the group achieved its commendable financial performance. Employees are part of a team that continually strives to ensure that the group not only meets, but exceeds its goals. Collective action will always be greater than the sum of individual ambitions.

PSG Konsult aims to remunerate directors, executives and employees fairly and responsibly. This approach takes cognisance of remuneration best practices to ensure that the group attracts and retains appropriate skills and talent.

Sound remuneration practices are an essential component of an effective governance framework. The remuneration policies and practices aim to align remuneration with the long-term interests of the group and other stakeholders and to discourage excessive or inappropriate risk-taking.

PSG Konsult's core philosophy is based on reward for performance, and is aligned with its overall business strategy, objectives and values – maintaining compliance with regulations and market practices.

Profitability, business processes and risks, clients and people are the key performance indicators for reward. Three performance components are considered for annual increases: the overall Company, divisional and individual performance, with due consideration given to inflation.

REMUNERATION COMMITTEE GOVERNANCE

The remuneration committee (Remco) is an objective subcommittee of the board, which consists of three independent non-executive directors and one non-executive director. The board is ultimately responsible for the remuneration policy. To assist the board in fulfilling its responsibilities, it has appointed and mandated a remuneration committee. The primary objective of the Remco is to provide input in and approval of the group's reward strategy.

The boards of all the group's subsidiaries, including the insurance licence regulated entities PSG Life Limited and Western National Insurance Company Limited (South Africa), have appointed the remuneration committee to perform their remuneration responsibilities.

The remuneration policy is a general policy applicable to all employees[1] of the group. The remuneration policy outlines the approach of the group to remunerate directors, executives and employees. For the purpose of all remuneration considerations, "remuneration" has the meaning as defined in section 30(6) of the Companies Act.

Remuneration is governed by the Remco. This committee is mandated by the boards of PSG Konsult and its insurance entities, and also reports to them. The Remco also governs how remuneration is administered. It considers the holistic compensation model as well as the specific remuneration of all executive directors and prescribed officers, including fees paid to all non-executive directors. In addition to this, the Remco is responsible for awarding share incentives to group executives, ensuring that it is market- and performance-related.

PSG Konsult's remuneration policy supports the group's focus to attract and retain highly specialised, skilled staff and executives and acts as an incentive to all employees to perform in the best interests of the group and its stakeholders.

In accordance with King III (soon the King IV Report on Corporate Governance for South Africa, 2016 ("King IV™") and the South African Companies Act, individual remuneration of all prescribed officers must be disclosed. Full compensation details will be made available in the board of directors' report. Furthermore, an independent control function will monitor how remuneration is applied to make sure that the group Remco complies with this policy.

RESPONSIBILITIES

The Remco should perform all the functions necessary to fulfil its role. This includes:

- overseeing how PSG Konsult and all its subsidiaries establish and maintain a remuneration philosophy and policy that will help the group achieve its strategic objectives and performance, as set by the boards
- overseeing how the group prepares the remuneration report, and recommending it to the board for inclusion in the relevant integrated report
- managing stakeholder relations with investors and other stakeholders regarding remuneration matters at the Company's AGM and throughout the year
- reviewing how effectively the remuneration policy is being implemented, and whether the various companies within the group are meeting the boards' objectives
- ensuring that the structure and mix of fixed and variable pay in cash, shares and other elements meets the boards' objectives
- overseeing how all remuneration packages (including fixed and variable remuneration) are set, especially at senior executive, prescribed officer and board level (this includes recommending a mandate for union negotiations to the board)
- ensuring that recorded performance measures which govern the vesting of incentives are accurate
- ensuring that all benefits, including retirement benefits and other financial arrangements, are justified and appropriately valued
- liaising with other board committees, including the audit committee and risk committee, on remuneration matters in the broader context of risk, disclosure and social responsibility matters

- ensuring that the group compares fixed and variable pay to appropriate market comparators regularly to establish whether it complies with the remuneration policy and strategy
- recommending to the board how non-executive directors should be remunerated before final approval is given by the shareholders
- ensuring that the chair of the Remco, or the deputy appointed in his/her absence, attends the AGM and similar events for the answering questions about remuneration
- reviewing the minutes of subsidiary company remuneration committees; and
- ensuring that the chair of the Remco reports all critical issues from Remco meetings to the board, including confirmation that the committee complies with these terms of reference.

REMUNERATION ELEMENTS

The group determines its compensation pool based on its financial performance, after considering its risk appetite. The group's risk appetite is informed by its governance and risk structures. These structures consider both qualitative and quantitative risk factors at a group, divisional and insurance entity level as part of the risk management system.

REMUNERATION ELEMENTS INCLUDE:

Fixed remuneration	Pay bands are broad and allow for flexibility to ensure that individual expertise and experience is duly considered. The Remco has structured the remuneration of executive and senior employees who have authority and responsibility for planning, directing and controlling the activities of the group to allow for a higher level of variable pay than fixed remuneration. This ensures that these employees are adequately incentivised to manage the group responsibly and avoid excessive risk-taking. Individual performance appraisals identify talent at all levels in the business and enable fair and competitive pay based on function, experience and market pay levels.
Short-term incentive scheme	Short-term variable compensation awards are designed to encourage, recognise and reward performance and to allow sufficient flexibility for responding to different business needs. The group recognises and rewards performance; however, short-term variable compensation is not guaranteed. The group determines the size of its short-term variable compensation pool every year based on a total compensation ratio linked to overall business and divisional profitability. Divisional variable compensation pools are split among divisional key individuals and executives based on individual performance and responsible risk management. The total short-term variable compensation pool and the way in which it is allocated is agreed with the Remco every year, giving due consideration to a range of both qualitative and quantitative factors. Commission incentives earned by sales staff are linked to predetermined new business targets. However, risk and pricing is determined independently by managing existing pricing policies and/or underwriting and related risk policies.
Long-term incentive scheme	The purpose of long-term incentives is to incentivise executive directors and senior management to execute the long-term strategy of the group and to create a sense of ownership. On an annual basis, the Remco awards share options to align senior management incentives to shareholder returns and the long-term interests of policyholders. This incentive also seeks to attract and retain key senior employees who play a critical role in business successes. According to the scheme, the group grants share options to executive directors and management. These share options are allocated to participants at grant date based on the 30-day volume-weighted average market price. The scheme vests over a five-year period from the date on which the share option was granted. Shares vest as follows: • 2 years after grant date: 25% • 3 years after grant date: 25% • 4 years after grant date: 25% • 5 years after grant date: 25%
Employee benefits and wellness	The group provides three-time group life cover to core employees, and disability benefit and income cover, which is capped at the lower of 75% of employees' guaranteed pay or R200 000 per month (amount is adjusted annually by inflation).

REMUNERATION OF KEY PERSONS

Non-executive members of the board

- Non-executive directors receive market-related fixed salaries based on the number of board committees on which they serve. These salaries are determined and recommended by relevant senior management for approval by the Remco.

Executive members of the board, senior management and staff carrying out key risk-taking functions as determined by the board, whose remuneration is linked at least in part to the success of those activities

The fixed salary for each of these employees will be competitive. Salaries will be based on the individual employee's responsibilities, performance and future prospect. Employees agree with line managers on their key performance indicators and undergo bi-annual performance reviews.

In addition to their fixed salaries, these employees may also receive variable remuneration, provided that this remuneration:

- is based on the performance of the group, division or insurance entity and considers both financial and non-financial components, goals and targets
- is based on the performance of the employee in relation to established quantitative and qualitative goals and targets
- is aligned with the time horizons of the risk it is rewarding, and the risk profile of the business
- promotes sound and effective risk management and does not encourage undue risk-taking
- supports the business strategy and objectives

Heads of control functions

Group senior management will recommend total compensation (both fixed and variable) for the group heads of control functions:

- Internal audit function: Recommendation to the group audit committee for consideration[2]
- Finance, risk and compliance functions: Recommendation to the group audit and risk committees for consideration[2]

The group audit and risk committees will submit the final proposals to the group Remco for approval[2].

Senior management in each insurance entity will recommend total compensation (both fixed and variable) for its heads of control functions:

- Internal audit function: Recommendation to the audit committee for consideration[3]
- Finance, risk, compliance and actuarial functions (if relevant): Recommendation to the risk committee for consideration[3]

These committees will then submit their final proposals to the group Remco for approval[3].

The fixed remuneration for each of these employees will be competitive. Fixed remuneration will be based on the individual employee's responsibilities, performance and future prospects.

In addition to their guaranteed remuneration, these employees may also receive variable remuneration, provided that this remuneration:

- is not linked to the performance of any business units that they control or oversee
- does not in any way undermine their independence from senior management

REMUNERATION OF OTHER STAFF

The fixed remuneration for other employees will be competitive. Salaries will be based on the individual employee's responsibilities, performance and future prospects.

In addition to their fixed salaries, these employees may also receive variable remuneration provided that this remuneration:

- is based on the performance of the group, division or insurance entity
- is based on the performance of the individual employee

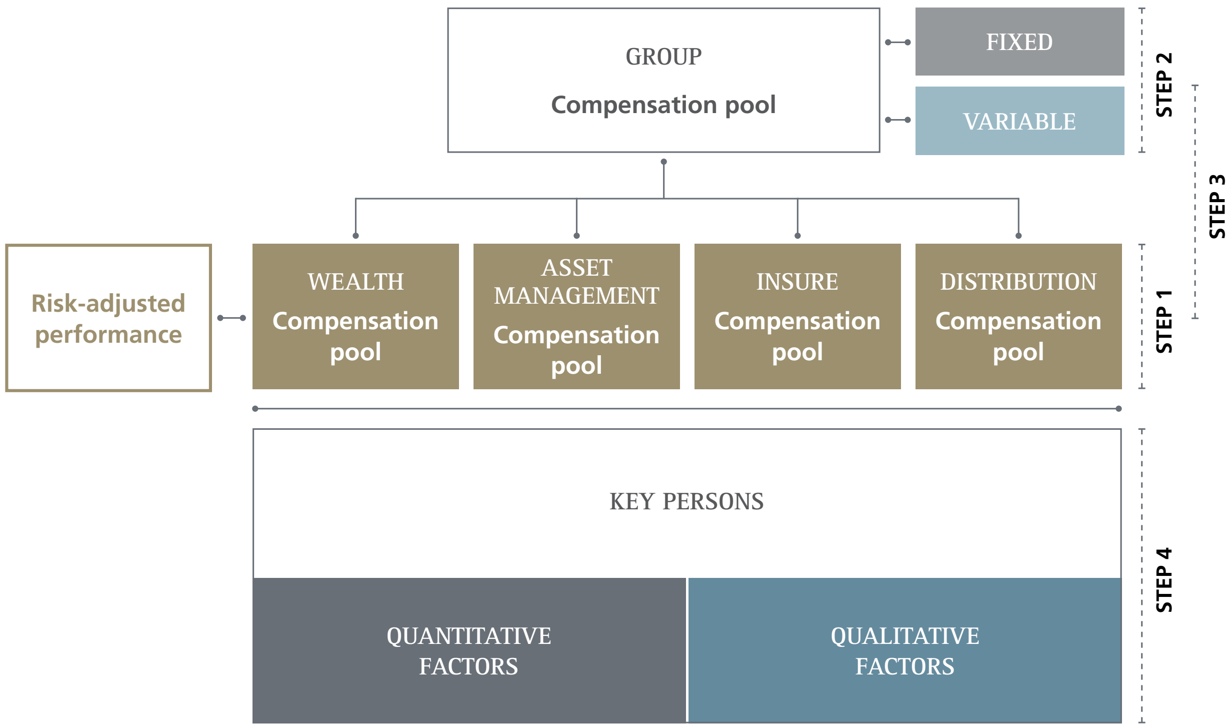
1 *Excluding all share offices' advisers and their support staff. Various compensating controls are in place to prevent inappropriate behaviour and excessive risk-taking*

2 *Independent directors of the group audit and risk committee who are also part of the group Remco will, prior to the group Remco meeting, consider the proposal from management and put forward their recommendation to the group Remco at the meeting*

3 *Senior management, excluding the heads of control functions, will put forward their recommendations to the licence entities' audit and risk committees for consideration. PSG Konsult's senior management will then put the licence entities' audit and risk committees' recommendation to the group Remco*

REMUNERATION POLICY FLOW CHART

Key persons (senior management and heads of control functions)

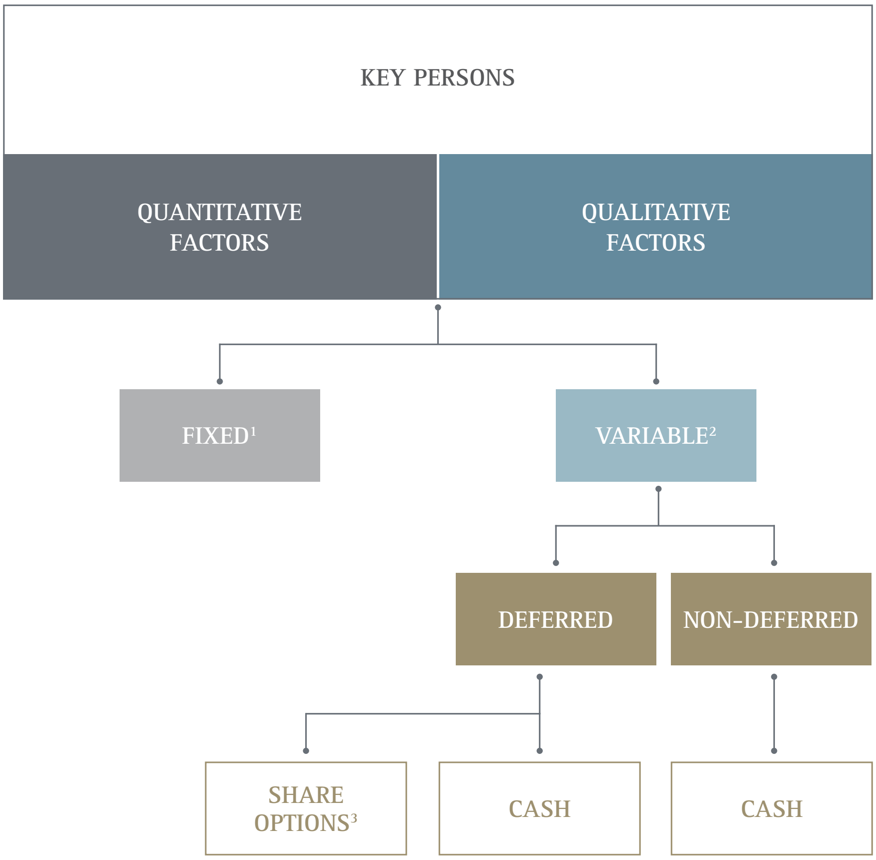


Steps:

1. *Divisional pools are determined based on business performance and adjusted to align with expected risk outcomes.*
2. *Divisional pools are aggregated to determine the group pool.*
3. *Reallocation takes place to ensure risk-adjusted alignment across the whole group.*
4. *Divisional pools are allocated to individuals based on key performance management assessments (taking quantitative and qualitative factors into account).*

Notes:

- All pools consist of a fixed (actual) and variable (remaining part of pool) component
- The compensation pool is dependent on achieving performance goals and objectives, and taking risk factors into account



Notes:

1 *The fixed component is market related and aligned to CPI (increases are subject to risk-adjusted performance).*
2 *The variable component is dependent on achieving performance goals and objectives, and on taking account of risk factors.*
3 *Selected individuals only.*

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

COMMENTARY

PSG Konsult delivered a solid 16% rate of growth in recurring headline earnings per share and return on equity of 25%.

The board of directors is pleased with this set of results. The business environment during this period was challenging and occurred during a period of poor investment market conditions. Shareholder, insurance float and client assets nevertheless benefited from being favourably positioned. This resulted in increased investment income on shareholder and insurance float assets. Total assets under management increased to R175.3 billion, comprising managed assets of PSG Wealth and PSG Asset Management of R142.2 billion and R33.1 billion respectively. PSG Asset Management experienced increases in performance fees due to delivering top-quartile performance for clients during the year under review. Our positioning always takes account of the fact that markets can be unpredictable.

The majority of the performance fees earned by the Asset Management division occurred during the second half of the financial year. We always attempt to take a conservative approach to provisioning in the first half of each financial year until we re-evaluate the full year-end result and after considering all the qualitative and quantitative risk factors affecting that full year audited result. Profits were therefore better in the second half of the year.

Technology costs rose significantly during the past year as we decided to accelerate investment, especially within our Wealth business, given the opportunities we see. Our client-centric focus is on straight through processing from the initial advice stage to the reporting stage. We believe this will build durable competitive advantage. To that end further significant technology cost increases are planned for the next financial year.

PSG Wealth

PSG Wealth achieved recurring headline earnings growth of 1%

We are satisfied with this result in the context of the muted market value increase in local assets linked to the FTSE/JSE ALSI index being up by a modest 4%. The strengthening of the rand resulted in international assets being down in rand terms. Management and other fees increased by 11% as the business continues to focus on recurring income and reduce its reliance on cyclical transactional brokerage fees. These brokerage fees declined by 8% during the current year under review. The cost base of the division increased by 26% as we strengthened both our information technology (IT) and investment research teams, accelerated our investment in developing technology, and at the same time, fully expensed the remaining carrying value of all legacy technology development costs that had been capitalised up until 2014. This means we no longer have any deferred technology development costs. A combination of the above factors offset the additional revenue which stemmed from the net inflows of R13.4 billion.

We remain confident of the fundamentals and future prospects of this division, and believe that our advisers and clients can only gain, over the long term, from the current client-centric digital projects we have embarked upon. We are particularly pleased with the division's formidable financial adviser network that grew by 7%, through both organic and selective adviser acquisitions, to 515 advisers. The experience and stature of the advisers joining the firm continues to add credibility to the growing brand equity. We continue to gain market share with Wealth's platform assets increasing by 15% to R38.0 billion and our managed assets increasing by 13% to R142.2 billion.

PSG Asset Management

PSG Asset Management's recurring headline earnings grew by 57%

The excellent results generated by this division is testimony to the team's ability to generate alpha across all asset classes. Our fund range top-quartile risk-adjusted investment returns for clients during the year under review has further augmented our excellent long-term investment track record. Client assets under management increased by 19% to R33.1 billion. This included R2.6 billion of positive net client inflows predominately into our higher margin multi-asset funds and mainly from our selected retail target market. The excellent investment returns enabled us to earn higher performance fees this year. These fees align our interests with those of our clients. This more than compensated for the small loss of income which arose from the previously communicated decision to exit white labels to reduce operational risk. We remain confident and optimistic over the long-term growth prospects for this business.

PSG Insure

PSG Insure's recurring headline earnings grew by 70%

The group is especially pleased with this achievement. This is against the backdrop of a particularly difficult industry environment. This division, which is in an early growth phase, continues to make inroads into the highly competitive short-term insurance market and gains further benefits from economies of scale. It achieved revenue growth of 19% compared to the prior year. It continued with its shift away from commoditised personal lines' to the commercial lines' side of the business which requires specialised adviser expertise. The comprehensive reinsurance programme reduced the impact of catastrophic and other related events that occurred during this year. This, when combined with our quality underwriting practices, enabled us to achieve an excellent net underwriting margin of 9.7%. The insurance advisers, which now total 229, continue to gain market share on the commercial lines side which is their area of focus.

PSG Konsult's key financial performance indicators for the financial year ended 28 February 2017 are shown below:

	28 Feb 17 R000	Change %	29 Feb 16 R000
Recurring headline earnings	486 439	19	408 748
Non-recurring headline earnings*	–		(116 446)
Headline earnings	486 439	66	292 302
Non-headline items	423	(32)	622
Earnings attributable to ordinary shareholders	486 862	66	292 924
Divisional recurring headline earnings			
PSG Wealth	287 345	1	285 505
PSG Asset Management	130 245	57	82 707
PSG Insure	68 849	70	40 536
	486 439	19	408 748
Weighted average number of shares in issue (net of treasury shares) (million)	1 307.1	3	1 274.2
Earnings per share (cents)			
– Recurring headline	37.2	16	32.1
– Headline	37.2	62	22.9
– Attributable	37.3	62	23.0
– Recurring headline (excluding intangible amortisation cost)	40.4	17	34.6
Dividend per share (cents)	15.3	16	13.2
Return on equity (ROE) (percentage)**	25.3		24.8

* *The prior year non-recurring headline earnings relates to the PSG Life tax matter settlement and related costs.*
** *The ROE for the 2016 financial year taking into account the PSG Life tax matter impact would be 18.4%.*

STRATEGY

PSG Wealth's overall strategy offers an innovative and holistic end-to-end client proposition. We continue to invest in people (including the recruitment of experienced specialists) and in technology with the aim of enhancing user functionality to improve our client experience and product offering. Advisers play a key role in client feedback on the enhancement of our platform and product capabilities. Management is proud of both the accelerated growth and calibre of new advisers that have joined the business. PSG Wealth has recently invested heavily in enhancing the strength and depth of our in-house investment research team. This fully-fledged team has both fund and security investment research analysis capabilities. Our Wealth business is therefore well-placed to meet all the investment needs of our clients. We nevertheless relentlessly strive to improve both our client and service offering.

PSG Asset Management's strategy consists of three parts, namely investment excellence, operational efficiency, and effective sales and marketing initiatives. Generating the best long-term, risk-adjusted returns for investors is the division's primary focus. To this end, the division will continue to prioritise the investment team's performance while managing operational risks and processes. Increasing brand awareness, particularly in the retail investor market, is a key focus area for the marketing team, allowing the division to benefit from a growing investor base.

PSG Insure provides simple and cost-effective short-term insurance solutions to clients, protecting them from unforeseen events. Building critical expertise across underwriting, administration and adviser teams underpins the focus on providing value-added products that meet and exceed clients' expectations. The division continues to invest in its claims and administration departments. This is to build scale and unlock operational efficiencies while freeing up valuable time for our top-calibre advisers to focus on client relationships, especially on the commercial lines' side of the business. The salary-based adviser distribution force is mostly converted onto the entrepreneurial best-of-breed partnership model. This allows our advisers to operate their own businesses independently under the PSG brand and benefit from the central services provided. Key central services provided include compliance, finance, human resources (HR), IT, marketing and risk management.

Careful attention is paid to the group's cost structure, as each division grows, in particular to the cost-to-income ratio. Building a cost-efficient and scalable business is a key priority for the board. The management team is committed to continuously investing in technology as a key enabler to achieve efficiency, automation and ultimately our growth objectives.

RECOGNITION, AWARDS AND ACHIEVEMENTS

The group is proud of the following notable milestones, achievements and industry awards:

- **PSG Wealth**
  - Ranked second in the 2016 Intellidex Wealth Manager of the Year competition.
- **PSG Asset Management** (excluding individual fund awards)
  - Runner-up in the 2016 Raging Bull awards for South African Collective Investment Schemes Management Company and secured second place in the 2017 Morningstar South Africa Fund Awards in the best fund house – large fund range category.
- **PSG Insure**
  - Broker of the Year for both commercial lines, and assets and crop insurance in the 2016 Santam National Broker Awards.

BUSINESS LINE CLOSURE

During the year under review we decided to close our direct short-term business within PSG Insure and fixed income agency trading business within PSG Wealth. We continue to judge each business according to the sustainability of earnings and the return per unit of risk. In both cases these hurdles were not met. All relevant costs have been fully expensed in the normal course of business.

CREDIT RATING

Rating agency Global Credit Rating Co. (GCR) upgraded PSG Konsult's long-term and short-term ratings during 2016, to the investment grade ratings of A-(ZA) and A1-(ZA) respectively. GCR stated the following rationale for the rating: "PSG Konsult's upgrade reflects its conservative balance sheet fundamentals, risk profile and sound earnings capacity. The Company has been successful in executing its business plan, which has seen its business profile continue to strengthen, supported by robust growth in revenue and earnings over recent years. This has followed the well-defined strategy to refocus on core operations, which has allowed for the capturing of additional margin in the asset management and insurance businesses, albeit still anchored by its traditional, uniquely positioned advisory network."

DMTN PROGRAMME

We are considering the establishment of a Domestic Medium Term Note (DMTN) programme that would provide us with a flexible cost-effective structure to internally fund our ScriptFin loan book. Such a programme would enable us to issue listed debt instruments with various maturity profiles and to build a credible track record with debt instrument holders and the debt market.

SHAREHOLDERS

The Company's demonstrable track record on executing and delivering on our strategic goals has enabled us to increase our institutional shareholder base and improve the liquidity of the PSG Konsult shares.

PEOPLE

PSG Konsult had 208 offices and 2 435 employees as at 28 February 2017. Financial planners, portfolio managers, stockbrokers and asset managers totalled 744. A further 435 were professional associates (accountants and attorneys). During the year under review, 33 new advisers were appointed through a combination of organic growth and selective adviser book acquisitions. We believe strongly in building our own future talent and have confidence in the investment in our graduate programme. We have made several key appointments within our wealth management team that will allow us to build on our success and take the business to the next level.

REGULATORY LANDSCAPE AND RISK MANAGEMENT

PSG Konsult, which has 19 regulatory licences (13 in South Africa and 6 in foreign jurisdictions), continues to foster good relationships with our regulators. Seven regulatory site visits were performed this past financial year. We are pleased with the overall feedback that we have received and we continue to position ourselves as early adopters to regulatory change.

MARKETING

Marketing initiatives are important to the group's goal of becoming a leader in the financial services industry. During the period under review, the specialist marketing team focused its efforts on embedding the "Bigger Picture Thinking" advertising campaign, increasing its public relations, digital exposure and adviser-hosted client events, and maintaining quality client communication. This is all with the objective of building the PSG brand within our chosen target markets. Responsible spend is critical and tightly controlled in line with the growth of the firm.

INFORMATION TECHNOLOGY

The integral role that technology plays in the daily operations of PSG Konsult cannot be underestimated. The scalability and efficiency of business functions are dependent on the state of its IT systems. It is for this reason that the group continues to invest in new and innovative technology as it seeks to incorporate further business process automation, reduce operational risk and provide real-time reporting for enhanced management decision-making. The group is confident that the IT strategy, which also includes robust disaster recovery and business continuity plans, will create a solid foundation for future growth.

ACQUISITIONS

The group concluded various asset-for-share transactions (utilising section 42 of the Income Tax Act) as well as further revenue sharing arrangements with its advisers during the financial year. This has allowed the group to standardise the revenue sharing model with additional advisers and has also given these advisers the opportunity to invest in the future of PSG Konsult. These transactions were settled through the issue of 14.9 million PSG Konsult shares and a R2.8 million cash payment. This contributed R11.3 million to headline earnings during the financial year, net of amortisation cost of R6.6 million.

LOOKING FORWARD

The group's aim remains to service existing clients well, and gain new clients. Current economic circumstances are uncertain, and volatility in investment markets remains. However, the group is confident that it will continue to build its client franchise despite this market outlook. A number of initiatives are in place to ensure this happens. The group's focus on products, platforms and client service excellence through the quality of its advice is proving to be a resilient strategy.

The cash-generative nature of the business enabled PSG Konsult to make a substantial investment in IT infrastructure and systems. The primary objective of this investment is to enhance the overall client experience and to improve the scalability and efficiency of the group's core IT-dependent business processes. The group will continue to prioritise organic growth in the domestic market, where it has a relatively low, but rapidly expanding market share. Cash flow generation remains strong, and the group will use this to fund current growth initiatives and to pay dividends consistent with its dividend policy.

EVENTS AFTER REPORTING DATE

No material events have taken place since the reporting date.

DIVIDEND

The board approved and declared a final gross dividend of 10.2 cents per share (2016: 8.8 cents per share) from income reserves. This follows the gross interim dividend of 5.1 cents per share (2016: 4.4 cents per share) declared in October 2016. This brings the total gross dividend declared for the 2017 financial year to 15.3 cents per share (2016: 13.2 cents per share). This is in line with the group's dividend payout policy as approved by the board of directors at the time of listing.

The dividend is subject to a South African dividend withholding tax (DWT) rate of 20% unless the shareholder is exempt from paying dividends tax or is entitled to a reduced rate in terms of the applicable double-tax agreement. Including DWT results in a net dividend of 8.16 cents per share. The number of issued ordinary shares is 1 322 100 026 at the date of this declaration. PSG Konsult's income tax reference number is 9550/644/07/5.

The following are the salient dates for payment of the dividend:

Last day to trade cum dividend	Tuesday, 9 May 2017
Trading ex dividend commences	Wednesday 10 May 2017
Record date	Friday, 12 May 2017
Date of payment	Monday, 15 May 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 May 2017, and Friday, 12 May 2017, both days included.

The board would like to extend its gratitude to all of the group's stakeholders, including shareholders, advisers, clients, business partners, management and employees, for their efforts and contributions during the past year.

On behalf of the board

Willem Theron
Chairman

Francois Gouws
Chief executive officer

Tyger Valley
13 April 2017

www.psg.co.za

Independent auditor's review report on condensed consolidated financial statements

TO THE SHAREHOLDERS OF PSG KONSULT LIMITED

We have reviewed the condensed consolidated financial statements of PSG Konsult Limited, set out on pages 19 to 38 of the PSG Konsult Limited Results Booklet, which comprise the condensed consolidated statement of financial position as at 28 February 2017 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 2 to the financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of PSG Konsult Limited for the year ended 28 February 2017 is not prepared, in all material respects, in accordance with the JSE's requirements for summary financial statements, as set out in note 2 to the financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: DG Malan
Registered Auditor

Cape Town
13 April 2017

Condensed consolidated statement of financial position

as at 28 February 2017

	Reviewed as at 28 Feb 17 R000	Audited as at 29 Feb 16 R000
ASSETS		
Intangible assets	987 042	882 615
Property and equipment	53 469	54 179
Investment property	–	7 349
Investment in associated companies	–	129
Investment in joint ventures	1 178	16 223
Deferred income tax	96 651	90 245
Equity securities (note 7)	2 256 923	1 747 701
Debt securities (note 7)	2 835 244	2 588 565
Unit-linked investments (note 7)	37 653 998	29 695 283
Investment in investment contracts (note 7)	15 521	116 477
Loans and advances	134 308	129 114
Derivative financial instruments	14 593	17 864
Reinsurance assets	71 966	76 184
Deferred acquisition costs	4 073	3 011
Receivables including insurance receivables	1 529 894	2 816 578
Current income tax assets	22 608	7 249
Cash and cash equivalents (including money market investments) (note 7)	1 385 542	1 395 952
Non-current assets held for sale	–	38 948
Total assets	47 063 010	39 683 666
EQUITY		
Equity attributable to owners of the parent		
Stated capital	1 749 505	1 446 604
Treasury shares	(59 206)	(13 462)
Other reserves	(399 700)	(394 755)
Retained earnings	862 689	650 059
	2 153 288	1 688 446
Non-controlling interest	197 212	157 212
Total equity	2 350 500	1 845 658
LIABILITIES		
Insurance contracts	544 235	607 310
Deferred income tax	24 089	44 925
Borrowings	37 791	274 114
Derivative financial instruments	17 379	17 910
Investment contracts (note 7)	22 560 598	19 836 250
Third-party liabilities arising on consolidation of mutual funds	19 690 982	14 023 726
Deferred reinsurance acquisition revenue	3 731	4 524
Trade and other payables	1 821 500	2 894 051
Current income tax liabilities	12 205	135 198
Total liabilities	44 712 510	37 838 008
Total equity and liabilities	47 063 010	39 683 666
Net asset value per share (cents)	164.0	132.2

Condensed consolidated income statement

for the year ended 28 February 2017

	Reviewed Year ended 28 Feb 17 R000	Audited Year ended 29 Feb 16 R000
Gross written premium	1 010 058	940 903
Less: Reinsurance written premium	(247 116)	(242 720)
Net premium	762 942	698 183
Change in unearned premium		
– Gross	54 462	(20 986)
– Reinsurers' share	(630)	434
Net insurance premium revenue	816 774	677 631
Commission and other fee income	2 560 814	2 461 393
Investment income	1 389 064	612 988
Net fair value gains and losses on financial instruments	972 866	1 104 789
Fair value adjustment to investment contract liabilities	(932 672)	(1 389 130)
Other operating income	101 539	34 005
Total income	4 908 385	3 501 676
Insurance claims and loss adjustment expenses	(701 803)	(670 197)
Insurance claims and loss adjustment expenses recovered from reinsurers	120 620	151 335
Net insurance benefits and claims	(581 183)	(518 862)
Commission paid	(1 111 506)	(1 061 309)
Depreciation and amortisation*	(78 995)	(57 308)
Employee benefit expenses	(729 157)	(590 976)
Fair value adjustment to third-party liabilities	(1 065 313)	(67 080)
Marketing, administration and other expenses	(536 936)	(485 365)
Total expenses	(4 103 090)	(2 780 900)
Share of profits of associated companies	32	1 496
Loss on impairment of associated companies	(35)	(1 981)
Share of profits of joint ventures	2 268	3 252
Total profit from associated companies and joint ventures	2 265	2 767
Profit before finance costs and taxation	807 560	723 543
Finance costs	(72 274)	(91 881)
Profit before taxation	735 286	631 662
Taxation	(203 416)	(309 838)
Profit for the year	531 870	321 824
Attributable to:		
Owners of the parent	486 862	292 924
Non-controlling interest	45 008	28 900
	531 870	321 824
Earnings per share (cents)		
Attributable (basic)	37.3	23.0
Attributable (diluted)	36.8	22.4
Headline (basic)	37.2	22.9
Headline (diluted)	36.8	22.3
Recurring headline (basic)	37.2	32.1
Recurring headline (diluted)	36.8	31.2

** Includes amortisation cost of R55.5 million (2016: R38.2 million)*

Condensed consolidated statement of comprehensive income

for the year ended 28 February 2017

	Reviewed Year ended 28 Feb 17 R000	Audited Year ended 29 Feb 16 R000
Profit for the year	531 870	321 824
Other comprehensive income for the year, net of taxation	(14 900)	9 647
To be reclassified to profit and loss:		
Currency translation adjustments	(14 900)	8 478
Not to be reclassified to profit and loss:		
Gain on revaluation of property and equipment	–	1 169
Total comprehensive income for the year	516 970	331 471
Attributable to:		
Owners of the parent	471 962	302 104
Non-controlling interest	45 008	29 367
	516 970	331 471

Earnings and headline earnings per share

	Reviewed Year ended 28 Feb 17 R000	Audited Year ended 29 Feb 16 R000
Headline earnings	486 439	292 302
Recurring	486 439	408 748
Non-recurring	–	(116 446)
Non-headline items (net of non-controlling interest and related tax effect)		
Profit on disposal of intangible assets (including goodwill)	83	190
Impairment of associated companies	(35)	(1 189)
Non-headline items of associated companies	–	2 151
Other	375	(530)
Profit attributable to ordinary shareholders	486 862	292 924
Earnings per share (cents)		
Attributable (basic)	37.3	23.0
Attributable (diluted)	36.8	22.4
Headline (basic)	37.2	22.9
Headline (diluted)	36.8	22.3
Recurring headline (basic)	37.2	32.1
Recurring headline (diluted)	36.8	31.2
Number of shares (million)		
In issue (net of treasury shares)	1 313.1	1 276.8
Weighted average (net of treasury shares)	1 307.1	1 274.2

Condensed consolidated statement of changes in equity

for the year ended 28 February 2017

	Attributable to equity holders of the group					
	Stated capital R000	**Treasury shares R000**	**Other reserves R000**	**Retained earnings R000**	**Non-controlling interest R000**	**Total R000**
Balance at 1 March 2015 (Audited)	1 325 111	(546)	(404 471)	573 065	132 491	1 625 650
Comprehensive income						
Profit for the year	–	–	–	292 924	28 900	321 824
Other comprehensive income	–	–	9 180	–	467	9 647
Total comprehensive income	–	–	9 180	292 924	29 367	331 471
Transactions with owners	121 493	(12 916)	536	(215 930)	(4 646)	(111 463)
Issue of ordinary shares	121 493	–	–	–	–	121 493
Share-based payment costs	–	–	16 608	–	–	16 608
Transactions with non-controlling interest	–	–	–	(3 098)	(360)	(3 458)
Acquisition of subsidiary	–	–	–	–	921	921
Net movement in treasury shares	–	(8 515)	–	–	–	(8 515)
Current tax on equity-settled share-based payments	–	–	20 153	–	–	20 153
Deferred tax on equity-settled share-based payments	–	–	(10 024)	–	–	(10 024)
Loss on issue of shares in terms of share scheme	–	–	(84 974)	–	–	(84 974)
Release of share-based payment reserve to retained earnings on vested share options	–	–	58 773	(58 773)	–	–
Release of profits from treasury shares to retained earnings	–	(4 401)	–	4 401	–	–
Dividend paid	–	–	–	(158 460)	(5 207)	(163 667)
Balance at 29 February 2016 (Audited)	1 446 604	(13 462)	(394 755)	650 059	157 212	1 845 658
Comprehensive income						
Profit for the year	–	–	–	486 862	45 008	531 870
Other comprehensive income	–	–	(14 900)	–	–	(14 900)
Total comprehensive income	–	–	(14 900)	486 862	45 008	516 970
Transactions with owners	302 901	(45 744)	9 955	(274 232)	(5 008)	(12 128)
Issue of ordinary shares	302 901	–	–	–	–	302 901
Share-based payment costs	–	–	28 224	–	–	28 224
Capital contribution by non-controlling interest	–	–	–	–	750	750
Net movement in treasury shares	–	(48 078)	–	–	–	(48 078)
Current tax on equity-settled share-based payments	–	–	25 675	–	–	25 675
Deferred tax on equity-settled share-based payments	–	–	(17 015)	–	–	(17 015)
Loss on issue of shares in terms of share scheme	–	–	(118 469)	–	–	(118 469)
Release of share-based payment reserve to retained earnings on vested share options	–	–	80 794	(80 794)	–	–
Release of loss from treasury shares to retained earnings	–	2 334	–	(2 334)	–	–
Release of revaluation reserve on disposal of property	–	–	(702)	1 346	(467)	177
Release of common control reserve to retained earnings	–	–	11 448	(11 448)	–	–
Dividend paid	–	–	–	(181 002)	(5 291)	(186 293)
Balance at 28 February 2017 (Reviewed)	1 749 505	(59 206)	(399 700)	862 689	197 212	2 350 500

Condensed consolidated statement of cash flows

for the year ended 28 February 2017

	Reviewed Year ended 28 Feb 17 R000	Audited Year ended 29 Feb 16 R000
Cash flows from operating activities		
Cash (utilised in)/generated by operating activities	(772 855)	57 599
Interest income	1 006 782	529 692
Dividend income	381 849	82 872
Finance costs	(28 521)	(41 939)
Taxation paid	(364 747)	(172 284)
Operating cash flows before policyholder cash movement	222 508	455 940
Policyholder cash movement	(100 652)	87 910
Net cash flow from operating activities	121 856	543 850
Cash flows from investing activities		
Acquisition of subsidiaries (including collective investment schemes)	30 916	93 516
Acquisition of intangible assets	(28 069)	(56 826)
Purchases of property and equipment	(23 428)	(35 059)
Proceeds from disposal of non-current assets held for sale	38 948	12 646
Proceeds from disposal of investment property	7 445	–
Proceeds from disposal of intangible assets	5 841	594
Other	922	1 270
Net cash flow from investing activities	32 575	16 141
Cash flows from financing activities		
Dividends paid	(186 293)	(163 667)
Capital contributions by non-controlling interest (ordinary shares)	750	–
Transactions with non-controlling interest	–	(3 458)
Repayment of borrowings	(4 822)	(3 737)
Shares issued	81 959	36 519
Net movement in treasury shares	(48 078)	(8 515)
Other	–	608
Net cash flow from financing activities	(156 484)	(142 250)
Net (decrease)/increase in cash and cash equivalents	(2 053)	417 741
Cash and cash equivalents at beginning of year	1 395 952	975 018
Exchange (losses)/gains on cash and cash equivalents	(8 357)	3 193
Cash and cash equivalents at end of year*	1 385 542	1 395 952
* *Includes the following:*		
Clients' cash linked to investment contracts	14 212	114 864
Other client-related balances	89 211	165 970
	103 423	280 834

Notes to the statement of cash flow:

The movement in cash (utilised in)/generated by operations can vary significantly as a result of daily fluctuations in cash linked to investment contracts, cash held by the stockbroking business and cash utilised for the loan facility obtained by PSG Wealth on the loan facilities provided to clients on their share portfolios at PSG Securities Limited. PSG Life Limited, the group's linked insurance company, issues linked policies to policyholders (where the value of policy benefits is directly linked to the fair value of the supporting assets). When these policies mature, the company raises a debtor for the money receivable from the third-party investment provider, and raises a creditor for the amount owing to the client. Timing difference occurs at month-end where the money was received from the third-party investment provider, but only paid out by the company after month-end, resulting in significant fluctuations in the working capital of the company. Similar working capital fluctuations occur at PSG Securities Limited, the group's stockbroking business, mainly due to the timing of the close of the JSE in terms of client settlements. Refer to note 6.7 for the impact of the client-related balances on the cash flows from operating activities.

Notes to the condensed consolidated financial statements

for the year ended 28 February 2017

1. Reporting entity

PSG Konsult Limited is a company domiciled in the Republic of South Africa. The condensed consolidated financial statements of the company as at and for the year ended 28 February 2017 comprise the company and its subsidiaries (together referred to as the 'group') and the group's interests in associated companies and joint ventures.

2. Basis of presentation

The condensed consolidated preliminary financial statements are prepared in accordance with the Listings Requirements of the JSE Limited (JSE) and the requirements of the Companies Act, No. 71 of 2008, as amended, applicable to condensed financial statements. The JSE requires condensed financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34 – Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the condensed consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

3. Preparation

The condensed consolidated preliminary financial statements are the responsibility of the board of directors of the company. These condensed consolidated preliminary financial statements were prepared by Stephan van der Merwe, CA(SA), under the supervision of the chief financial officer, Mike Smith, CA(SA). PSG Konsult's external auditor, PricewaterhouseCoopers Inc., reviewed these condensed consolidated preliminary financial statements and their unmodified review opinion is presented on page 18. Any reference to future financial performance included in these condensed consolidated preliminary financial statements has not been reviewed by or reported on by the company's auditor.

4. Accounting policies

The accounting policies applied in the preparation of these condensed consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements as at and for the year ended 29 February 2016.

The following new accounting standards and amendments to IFRS, as issued by the International Accounting Standards Board (IASB), which were relevant to the group's operations, were effective for the first time from 1 March 2016:

- Amendments to IAS 1 – Presentation of financial statements – Disclosure initiative
- Amendment to IAS 16 – Property, plant and equipment and IAS 38 – Intangible assets – Clarification of acceptable methods of depreciation and amortisation
- Annual Improvements 2012-14 cycle

These revisions have not resulted in material changes to the group's reported results and disclosures in these condensed consolidated financial statements.

The following new or revised IFRSs and interpretations that are applicable to the group have effective dates applicable to future financial years and have not been early adopted:

- Amendment to IAS 7 – Statement of cash flows (effective 1 January 2017)
- Amendment to IFRS 4 – Insurance contracts (effective 1 January 2018)
- IFRS 9 – Financial instruments (effective 1 January 2018)
- IFRS 15 – Revenue from contracts with customers (effective 1 January 2018)
- IFRS 16 – Leases (effective 1 January 2019)

5. Use of estimates and judgements

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 29 February 2016.

6. Segment information

The composition of the reportable segments represents the internal reporting structure and the monthly reporting to the chief operating decision-maker (CODM). The CODM for the purpose of IFRS 8 – Operating segments has been identified as the chief executive officer, supported by the group management committee (Manco). The group's internal reporting structure is reviewed in order to assess performance and allocate resources. The group is organised into three reportable segments, namely:

- PSG Wealth – deriving income mainly from total managed assets and total platform assets
- PSG Asset Management – deriving income mainly from total assets under management and administration
- PSG Insure – deriving income mainly from written premiums and underwriting

Corporate support costs refer to a variety of services and functions that are performed centrally for the individual business units within each business segment, as well as housing the group's executive office. Besides the traditional accounting and secretarial services provided to group divisions and subsidiaries, the corporate office also provides legal, risk, IT, marketing, HR, payroll, internal audit and corporate finance services. The strategic elements of IT, in terms of both services and infrastructure, are also centralised in the corporate office. The corporate costs are allocated to the three reportable segments.

6.1 Description of business segments

PSG Wealth, which consists of five business units – Distribution, Securities, LISP and Life Platform, Multi Management and Employee Benefits – is designed to meet the needs of individuals, families and businesses. Through its highly skilled wealth managers, PSG Wealth offers a wide range of personalised services (including portfolio management, stockbroking, local and offshore investments, estate planning, financial planning, local and offshore fiduciary services, multi-managed solutions and retirement products). The Wealth offices are fully equipped to deliver a high-quality personal service to customers.

PSG Asset Management is an established investment management company with a proven investment track record. It offers investors a simple, but comprehensive range of local and global investment products. The division's products include both local and international unit trust funds.

PSG Insure, through its registered insurance brokers and PSG's short-term insurance company, Western National Insurance Company Limited, offers a full range of tailor-made short-term insurance products and services from personal (home, car and household insurance) to commercial (business and agri-insurance) requirements. To harness the insurance solutions available to customers effectively, the division's expert insurance specialists, through a strict due diligence process, will simplify the selection process for the most appropriate solution for its clients. In addition to the intermediary services which PSG Insure offers, Short-Term Administration supports clients through the claim process, administrative issues and general policy maintenance, including an annual reappraisal of their portfolio.

The CODM considers the performance of reportable segments based on total core income as a measure of growth and headline earnings as a measure of profitability. In order to evaluate the core results of the group, the CODM segregates the income statement by eliminating the impact of the linked investment policies issued and the consolidation of the collective investment schemes from the core operations in the group.

A subsidiary of the group, PSG Life Limited, is a linked insurance company that 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 group to the market risk of fair value adjustments on the financial asset as this risk is assumed by the policyholder.

The group consolidates collective investment schemes, in terms of IFRS 10 – Consolidated financial statements, over which the group has control. The consolidation of these funds does not impact total earnings, comprehensive income, shareholders' funds or the net asset value of the group; however, it requires the group to recognise the income statement impact as part of that of the group.

In order to reflect the information now used by the CODM, the impact of the linked investment policies issued and the consolidation of the collective investment schemes has been excluded from the income per reportable segment (note 6.3) and the divisional income statement (note 6.4). The new segmental divisional income statement now reflects the core business operations, with a reconciliation to the IFRS income statement included in note 6.6. This change had no impact on the current or prior year reported earnings, diluted earnings or headline earnings per share, or on the net asset value or net cash flows.

6. Segment information (continued)

6.2 Headline earnings per reportable segments

Headline earnings	Wealth R000	Asset Management R000	Insure R000	Total R000
For the year ended 28 February 2017 (Reviewed)				
Headline earnings*	287 345	130 245	68 849	486 439
– recurring	287 345	130 245	68 849	486 439
– non-recurring	–	–	–	–
For the year ended 29 February 2016 (Audited)				
Headline earnings*	169 059	82 707	40 536	292 302
– recurring	285 505	82 707	40 536	408 748
– non-recurring	(116 446)	–	–	(116 446)

* *Headline earnings, calculated in terms of the requirements stipulated in Circular 2/2015 as issued by SAICA, comprise recurring and non-recurring headline earnings. Recurring headline earnings are calculated by excluding non-recurring headline earnings to increase comparability of the performance of the group from one year to another. Non-recurring headline earnings include one-off gains and losses and the resulting tax charge on these items.*

6.3 Income per reportable segment

For the year ended 28 February 2017 (Reviewed)	Wealth R000	Asset Management R000	Insure R000	Total R000
Total IFRS reported income	3 080 130	445 598	1 382 657	4 908 385
Linked investment business and other income	(1 119 014)	–	–	(1 119 014)
Total core income	1 961 116	445 598	1 382 657	3 789 371
Total segment income	2 669 900	721 631	1 429 318	4 820 849
Intersegment income	(708 784)	(276 033)	(46 661)	(1 031 478)

For the year ended 29 February 2016 (Restated) (Audited)	Wealth* R000	Asset Management R000	Insure R000	Total* R000
Total IFRS reported income	1 973 301	369 349	1 159 026	3 501 676
Linked investment business and other income	(155 362)	–	–	(155 362)
Total core income	1 817 939	369 349	1 159 026	3 346 314
Total segment income	2 440 332	635 148	1 195 809	4 271 289
Intersegment income	(622 393)	(265 799)	(36 783)	(924 975)

* *Comparative figures have been restated to show the impact of the linked investment policies issued and the consolidation of the collective investment schemes separately.*

Other information provided to the CODM is measured in a manner consistent with that of the financial statements.

6. Segment information (continued)

6.4 Divisional income statements

The profit or loss information follows a similar format to the consolidated income statement. The divisional income statements reflect the core business operations of the group.

For the year ended 28 February 2017 (Reviewed)	Wealth R000	Asset Management R000	Insure R000	Total R000
Total income	1 961 116	445 598	1 382 657	3 789 371
Total expenses	(1 525 929)	(274 537)	(1 243 664)	(3 044 130)
	435 187	171 061	138 993	745 241
Total profit from associated companies and joint ventures	–	–	2 265	2 265
Profit before finance cost and taxation	435 187	171 061	141 258	747 506
Finance costs*	(26 856)	(336)	(1 329)	(28 521)
Profit before taxation	408 331	170 725	139 929	718 985
Taxation	(114 800)	(40 487)	(31 828)	(187 115)
Profit for the year	293 531	130 238	108 101	531 870
Attributable to:				
Owners of the parent	286 244	130 238	70 380	486 862
Non-controlling interest	7 287	–	37 721	45 008
	293 531	130 238	108 101	531 870
Headline earnings	287 345	130 245	68 849	486 439
Recurring headline earnings	287 345	130 245	68 849	486 439

For the year ended 29 February 2016 (Restated) (Audited)	Wealth** R000	Asset Management R000	Insure R000	Total** R000
Total income	1 817 939	369 349	1 159 026	3 346 314
Total expenses	(1 366 205)	(257 299)	(1 073 578)	(2 697 082)
	451 734	112 050	85 448	649 232
Total profit from associated companies and joint ventures	–	–	2 767	2 767
Profit before finance cost and taxation	451 734	112 050	88 215	651 999
Finance costs*	(38 336)	(359)	(3 244)	(41 939)
Profit before taxation	413 398	111 691	84 971	610 060
Taxation	(237 009)	(29 131)	(22 096)	(288 236)
Profit for the year	176 389	82 560	62 875	321 824
Attributable to:				
Owners of the parent	169 488	82 560	40 876	292 924
Non-controlling interest	6 901	–	21 999	28 900
	176 389	82 560	62 875	321 824
Headline earnings	169 059	82 707	40 536	292 302
Recurring headline earnings	285 505	82 707	40 536	408 748

* *Finance costs in the PSG Wealth division consist mainly of the finance charge on the loan facilities provided to clients on their share portfolios at PSG Securities (secured by the underlying JSE Top 100 equity securities held in excess of four times the value of the loan facilities) on which PSG Wealth receives a margin. The finance costs of R26.9 million (2016: R38.3 million) consist of R15.3 million (2016: R29.2 million) on the loan facilities, with the remaining portion of the finance charge on the CFD margin and the bank overdrafts.*

** *Comparative figures have been restated to exclude the impact of the linked investment policies issued and the consolidation of the collective investment schemes.*

6. Segment information (continued)

6.5 Statement of financial position (client vs own)

In order to evaluate the consolidated financial position of the group, the CODM segregates the statement of financial position of the group between own balances and client-related balances.

Client-related balances represent the investment contract liabilities and related linked client assets of PSG Life Limited, the broker and clearing accounts, and the settlement control accounts of the stockbroking business, the collective investment schemes consolidated under IFRS 10 – Consolidated financial statements and corresponding third-party liabilities, the short-term claim control accounts and related bank accounts, as well as the contracts for difference assets and related liabilities.

As at 28 February 2017 (Reviewed)	**Total IFRS reported R000**	**Own balances R000**	**Client-related balances R000**
ASSETS			
Equity securities	2 256 923	10 952	2 245 971
Debt securities	2 835 244	86 581	2 748 663
Unit-linked investments	37 653 998	561 171	37 092 827
Investment in investment contracts	15 521	–	15 521
Receivables including insurance receivables	1 529 894	251 861	1 278 033
Derivative financial instruments	14 593	–	14 593
Cash and cash equivalents (including money market investments)	1 385 542	1 282 119	103 423
Other assets*	1 371 295	1 371 295	–
Total assets	47 063 010	3 563 979	43 499 031
EQUITY			
Equity attributable to owners of the parent	2 153 288	2 153 288	–
Non-controlling interest	197 212	197 212	–
Total equity	2 350 500	2 350 500	–
LIABILITIES			
Borrowings	37 791	5 989	31 802
Investment contracts	22 560 598	–	22 560 598
Third-party liabilities arising on consolidation of mutual funds	19 690 982	–	19 690 982
Derivative financial instruments	17 379	–	17 379
Trade and other payables	1 821 500	623 230	1 198 270
Other liabilities**	584 260	584 260	–
Total liabilities	44 712 510	1 213 479	43 499 031
Total equity and liabilities	47 063 010	3 563 979	43 499 031

* *Other assets consist of property and equipment, intangible assets, investment in joint ventures, current and deferred income tax assets, loans and advances, reinsurance assets and deferred acquisition costs.*

** *Other liabilities consist of deferred reinsurance acquisition revenue, current and deferred income tax liabilities and insurance contracts.*

6. Segment information (continued)

6.5 Statement of financial position (client vs own) (continued)

As at 29 February 2016 (Audited)	Total IFRS reported R000	Own balances R000	Client-related balances R000
ASSETS			
Equity securities	1 747 701	6 023	1 741 678
Debt securities	2 588 565	100 789	2 487 776
Unit-linked investments	29 695 283	443 737	29 251 546
Investment in investment contracts	116 477	–	116 477
Receivables including insurance receivables	2 816 578	229 599	2 586 979
Derivative financial instruments	17 864	–	17 864
Cash and cash equivalents (including money market investments)	1 395 952	1 115 118	280 834
Other assets*	1 305 246	1 305 246	–
Total assets	39 683 666	3 200 512	36 483 154
EQUITY			
Equity attributable to owners of the parent	1 688 446	1 688 446	–
Non-controlling interest	157 212	157 212	–
Total equity	1 845 658	1 845 658	–
LIABILITIES			
Borrowings	274 114	10 674	263 440
Investment contracts	19 836 250	–	19 836 250
Third-party liabilities arising on consolidation of mutual funds	14 023 726	–	14 023 726
Derivative financial instruments	17 910	–	17 910
Trade and other payables	2 894 051	552 223	2 341 828
Other liabilities**	791 957	791 957	–
Total liabilities	37 838 008	1 354 854	36 483 154
Total equity and liabilities	39 683 666	3 200 512	36 483 154

* *Other assets consist of property and equipment, investment property, intangible assets, investment in associated companies, investment in joint ventures, current and deferred income tax assets, loans and advances, reinsurance assets, deferred acquisition costs and non-current assets held for sale.*

** *Other liabilities consist of deferred reinsurance acquisition revenue, current and deferred income tax liabilities and insurance contracts.*

6. Segment information (continued)

6.6 Income statement (client vs own)

In order to evaluate the consolidated income statement of the group, the CODM segregates the income statement by eliminating the impact of the linked investment policies issued and the consolidation of the collective investment schemes from the core operations of the group.

For the year ended 28 February 2017 (Reviewed)	Total IFRS reported R000	Core business R000	Linked investment business and other R000
Commission and other fee income***	2 560 814	2 714 282	(153 468)
Investment income	1 389 064	209 347	1 179 717
Net fair value gains and losses on financial instruments	972 866	16 359	956 507
Fair value adjustment to investment contract liabilities	(932 672)	–	(932 672)
Other*, ***	918 313	849 383	68 930
Total income	4 908 385	3 789 371	1 119 014
Insurance claims and loss adjustment expenses	(701 803)	(700 589)	(1 214)
Fair value adjustment to third-party liabilities	(1 065 313)	–	(1 065 313)
Other**, ***	(2 335 974)	(2 343 541)	7 567
Total expenses	(4 103 090)	(3 044 130)	(1 058 960)
Total profit from associated companies and joint ventures	2 265	2 265	–
Profit before finance costs and taxation	807 560	747 506	60 054
Finance costs	(72 274)	(28 521)	(43 753)
Profit before taxation	735 286	718 985	16 301
Taxation	(203 416)	(187 115)	(16 301)
Profit for the year	531 870	531 870	–
Attributable to:			
Owners of the parent	486 862	486 862	–
Non-controlling interest	45 008	45 008	–
	531 870	531 870	–

* *Other consists of net insurance premium revenue and other operating income.*

** *Other consists of insurance claims and loss adjustment expenses recovered from reinsurers, commission paid, depreciation and amortisation, employee benefit expenses, marketing, administration and other expenses.*

*** *Linked investment business and other includes the impact of the fees eliminated between the collective investment schemes (consolidated under IFRS 10 – Consolidated financial statements) and the collective investment scheme management company, PSG Collective Investments (RF) Limited.*

6. Segment information (continued)

6.6 Income statement (client vs own) (continued)

For the year ended 29 February 2016 (Audited)	Total IFRS reporting R000	Core business R000	Linked investment business and other R000
Commission and other fee income***	2 461 393	2 438 177	23 216
Investment income	612 988	190 893	422 095
Net fair value gains and losses on financial instruments	1 104 789	12 848	1 091 941
Fair value adjustment to investment contract liabilities	(1 389 130)	–	(1 389 130)
Other*, ***	711 636	704 396	7 240
Total income	3 501 676	3 346 314	155 362
Insurance claims and loss adjustment expenses	(670 197)	(668 808)	(1 389)
Fair value adjustment to third-party liabilities	(67 080)	–	(67 080)
Other**, ***	(2 043 623)	(2 028 274)	(15 349)
Total expenses	(2 780 900)	(2 697 082)	(83 818)
Total profit from associated companies and joint ventures	2 767	2 767	–
Profit before finance costs and taxation	723 543	651 999	71 544
Finance costs	(91 881)	(41 939)	(49 942)
Profit before taxation	631 662	610 060	21 602
Taxation	(309 838)	(288 236)	(21 602)
Profit for the year	321 824	321 824	–
Attributable to:			
Owners of the parent	292 924	292 924	–
Non-controlling interest	28 900	28 900	–
	321 824	321 824	–

* *Other consists of net insurance premium revenue and other operating income.*

** *Other consists of insurance claims and loss adjustment expenses recovered from reinsurers, commission paid, depreciation and amortisation, employee benefit expenses, marketing, administration and other expenses.*

*** *Linked investment business and other includes the impact of the fees eliminated between the collective investment schemes (consolidated under IFRS 10 – Consolidated financial statements) and the collective investment scheme management company, PSG Collective Investments (RF) Limited.*

6. Segment information (continued)

6.7 Statement of cash flows (client vs own)

In order to assist the CODM to evaluate the consolidated statement of cash flows of the group, the statement of cash flows is segregated between cash flows relating to own balances and client-related balances.

For the year ended 28 February 2017 (Reviewed)	Total IFRS reported R000	Own business R000	Client-related balances R000
Cash flows from operating activities	121 856	331 652	(209 796)
Cash (utilised in)/generated by operations	(772 855)	466 209	(1 239 064)
Interest income	1 006 782	201 682	805 100
Dividend income	381 849	7 316	374 533
Finance costs	(28 521)	(28 521)	–
Taxation paid*	(364 747)	(315 034)	(49 713)
Policyholder cash movement	(100 652)	–	(100 652)
Cash flows from investing activities	32 575	190	32 385
Acquisition of subsidiaries (including collective investment schemes)	30 916	(1 469)	32 385
Other**	1 659	1 659	–
Cash flows from investing activities	(156 484)	(156 484)	–
Net (decrease)/increase in cash and cash equivalents	(2 053)	175 358	(177 411)
Cash and cash equivalents at beginning of year	1 395 952	1 115 118	280 834
Exchange losses on cash and cash equivalents	(8 357)	(8 357)	–
Cash and cash equivalents at end of year	1 385 542	1 282 119	103 423

* *The taxation paid relating to own balances includes R114.3 million which was paid to settle the PSG Life tax matter in March 2016.*

** *Other consists of cash flows relating to the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of non-current assets held for sale, proceeds from disposal of investment property, proceeds from disposal of intangible assets and other.*

For the year ended 29 February 2016 (Audited)	Total IFRS reported R000	Own business R000	Client-related balances R000
Cash flows from operating activities	543 850	525 640	18 210
Cash generated by/(utilised in) operations	57 599	535 583	(477 984)
Interest income	529 692	189 427	340 265
Dividend income	82 872	1 041	81 831
Finance costs	(41 939)	(41 939)	–
Taxation paid	(172 284)	(158 472)	(13 812)
Policyholder cash movement	87 910	–	87 910
Cash flows from investing activities	16 141	(80 148)	96 289
Acquisition of subsidiaries (including collective investment schemes)	93 516	(2 773)	96 289
Other**	(77 375)	(77 375)	–
Cash flows from financing activities	(142 250)	(142 250)	–
Net increase in cash and cash equivalents	417 741	303 242	114 499
Cash and cash equivalents at beginning of period	975 018	808 683	166 335
Exchange gains on cash and cash equivalents	3 193	3 193	–
Cash and cash equivalents at end of period	1 395 952	1 115 118	280 834

** *Other consists of cash flows relating to the acquisition of intangible assets, purchases of property and equipment, proceeds from disposal of non-current assets held for sale, proceeds from disposal of intangible assets and other.*

7. Investment contracts

Investment contracts are represented by the following financial assets:

	Reviewed as at 28 Feb 17 R000	Audited as at 29 Feb 16 R000
Equity securities	**2 154 854**	1 661 713
Debt securities	**443 311**	783 225
Unit-linked investments	**19 932 700**	17 159 971
Investments in investment contracts	**15 521**	116 477
Cash and cash equivalents	**14 212**	114 864
	22 560 598	19 836 250

8. Receivables including insurance receivables and trade and other payables

Included under receivables are broker and clearing accounts at our stockbroking business of which R1 230.5 million (2016: R2 513.5 million) represents amounts owing by the JSE for trades conducted during the last few days before the end of the financial year. These balances fluctuate on a daily basis depending on the activity in the market.

The control account for the settlement of these transactions is included under the trade and other payables, with the settlement to the clients taking place within three days after the transaction date.

9. Transactions with non-controlling interests

For the year ended 29 February 2016

Acquisition of a further interest in PSG Namibia Proprietary Limited
With effect from 1 March 2015, PSG Konsult Limited (through its subsidiary PSG Distribution Holdings Proprietary Limited) acquired an additional 4% stake from a minority shareholder. The group now holds 58% of the issued share capital of PSG Namibia Proprietary Limited.

10. Non-current assets (or disposal groups) held for sale

For the years ended 28 February 2017 and 29 February 2016

PSG Konsult Limited (through its subsidiary Western Group Holdings Limited) entered into an agreement to sell its 23% interest held in Xinergistix Limited on 1 November 2015. The transaction was subject to suspensive conditions and was treated as a non-current asset held for sale on 29 February 2016.

Xinergistix Limited was sold for R44.1 million during the 2017 financial year, after the fulfilment of the suspensive conditions, which included the approval from the Competition Commission.

11. Acquisition of subsidiaries

For the year ended 28 February 2017

i) PSG Securities Limited (Mauritius) (previously Ramet & Associés Ltée)

PSG Konsult Limited, through its subsidiary PSG Wealth Limited (Mauritius) (previously DMH Associates Limited (Mauritius)), acquired a 100% interest in PSG Securities Limited (Mauritius), a registered stockbroker in Mauritius. The effective date of the transaction was 1 July 2016 following the fulfilment of suspensive conditions, and the consideration paid was immaterial.

ii) Acquisition of collective investment schemes

The group obtained control of the PSG Wealth Income Fund of Funds and the PSG Wealth Global Creator Feeder Fund during the 2017 financial year. These funds were consolidated in accordance with IFRS 10 – Consolidated financial statements and are collective investment schemes managed by PSG Asset Management.

Fund consolidated	PSG Wealth Income Fund of Funds	PSG Wealth Global Creator Feeder Fund
% Interest in fund on effective date	30	30
Date of acquisition	31 August 2016	28 February 2017
Details of the net assets acquired are as follows:	Group R000	Group R000
Unit-linked investments	1 969 562	3 657 943
Receivables including insurance receivables	34	1 848
Cash and cash equivalents (including money market investments)	11 076	21 309
Third-party liabilities arising on consolidation of mutual funds	(1 392 596)	(2 598 124)
Trade and other payables	(699)	(1 762)
Net asset value	587 377	1 081 214
Fair value of interest held before the business combination	(587 377)	(1 081 214)
Total consideration paid	–	–

For the year ended 29 February 2016

i) PSG Wealth Limited (Mauritius)

PSG Konsult Limited, through its wholly-owned subsidiary PSG Konsult (Mauritius) Limited, acquired a 70% interest in PSG Holdings Limited (Mauritius) (previously DMH Holding Limited), a holding company incorporated in Mauritius. PSG Holdings Limited (Mauritius) has a wholly-owned subsidiary, PSG Wealth Limited (Mauritius), a financial services provider in Mauritius. The effective date of the transaction was 1 November 2015 following the fulfilment of suspensive conditions, and the consideration paid was immaterial.

ii) Acquisition of collective investment schemes

The group obtained control of the following collective investment schemes during the second half of the 2016 financial year: PSG Wealth Enhanced Interest Fund, PSG Wealth Creator Fund of Funds and the PSG Wealth Moderate Fund of Funds. These funds were consolidated in accordance with IFRS 10 – Consolidated financial statements and are collective investment schemes managed by PSG Asset Management.

Fund consolidated	PSG Wealth Enhanced Interest Fund	PSG Wealth Creator Fund of Funds	PSG Wealth Moderate Fund of Funds
% interest in fund on effective date	31	31	30
Date of acquisition	1 September 2015	29 February 2016	29 February 2016
Details of the net assets acquired are as follows:	Group R000	Group R000	Group R000
Debt securities	610 369	–	–
Unit-linked investments	419 456	3 361 218	14 168 287
Receivables including insurance receivables	13 181	715	–
Cash and cash equivalents (including money market investments)	43 345	20 529	32 415
Third-party liabilities arising on consolidation of mutual funds	(748 930)	(2 344 629)	(9 947 685)
Trade and other payables	(544)	–	–
Net asset value	336 877	1 037 833	4 253 017
Fair value of interest held before the business combination	(336 877)	(1 037 833)	(4 253 017)
Total consideration paid	–	–	–

12. Other acquisitions

For the year ended 28 February 2017

Standardising of revenue sharing model

The group (through its subsidiaries PSG Wealth Financial Planning Proprietary Limited and PSG Multi Management Proprietary Limited) concluded various asset-for-share transactions (utilising section 42 of the Income Tax Act) as well as further revenue sharing arrangements with a number of its advisers during the financial year. The purpose of these transactions was to standardise the revenue sharing arrangements between the advisers and PSG Konsult.

The consideration was paid with the issue of PSG Konsult shares (14.9 million shares at an average of R6.86 per share) and a cash consideration of R2.8 million on the effective dates. These transactions did not qualify for accounting in terms of IFRS 3 – Business Combinations as the assets acquired (the right to an increased share in the income stream of the adviser) did not constitute a business acquired.

These transactions contributed R11.3 million to our headline earnings during the 2017 financial year, net of amortisation cost of R6.6 million.

For the year ended 29 February 2016

Standardising of revenue sharing model

During the 2016 financial year, the group, through its subsidiaries PSG Wealth Financial Planning Proprietary Limited and PSG Corporate Financial Planning Proprietary Limited, concluded further revenue-sharing arrangements with a number of its advisers for a cash consideration of R17.6 million.

These transactions contributed R1.5 million to our headline earnings during the 2016 financial year.

13. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk, cash flow risk and fair value interest rate risks), credit risk and liquidity risk. Insurance activities expose the group to insurance risk (including pricing risk, reserving risk, underwriting risk and reinsurance risk). The group is also exposed to operational risk and legal risk.

The capital risk management philosophy is to maximise the return on shareholders' capital within an appropriate risk framework.

The condensed consolidated financial statements do not include all risk management information and disclosure required in the annual financial statements and should be read in conjunction with the group's annual financial statements as at 28 February 2017.

There have been no changes in the group's financial risk management objectives and policies since the previous financial year-end.

Market risk (price risk, foreign currency risk and interest rate risks)

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

A portion of the policyholders' and shareholders' investments are valued at fair value and are therefore susceptible to market fluctuations.

With regard to the subsidiary, PSG Life Limited, this company only invests assets into portfolios that are exposed to market price risk that matches 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. Fees charged on this business are determined as a percentage of the fair value of the underlying assets held in the linked funds which are subject to equity and interest rate risk. As a result, the management fees fluctuate, but cannot be less than nil.

Included in the equity securities of R2 256.9 million (2016: R1 747.7 million) are quoted equity securities of R2 256.6 million (2016: R1 747.5 million), of which R2 154.9 million (2016: R1 661.7 million) relates to investments in linked investment contracts. The price risk of these instruments is carried by the policyholders of the linked investment contracts.

Debt securities linked to policyholder investments amounted to R443.3 million (2016: R783.2 million) and do not expose the group to interest rate risk; cash and cash equivalents linked to policyholder investments amounted to R14.2 million (2016: R114.9 million) and do not expose the group to interest rate risk.

Fair value estimation

The information below analyses financial instruments, carried at fair value, by level of hierarchy as required by IFRS 13 – Fair value measurement. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- input other than quoted prices included within level 1 that is observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- input for the asset or liability that is not based on observable market data (that is, unobservable input) (level 3).

13. Financial risk management (continued)

Fair value estimation (continued)

There have been no significant transfers between level 1, 2 or 3 during the financial year under review.

The table below analyses financial assets and liabilities which are carried at fair value by valuation method. There were no significant changes in the valuation techniques and assumptions applied since 29 February 2016.

Valuation techniques and main assumptions used in determining the fair value of financial assets and liabilities classified within level 2 can be summarised as follows:

Instruments	Valuation techniques	Main assumptions
Derivative financial instruments	Exit price on recognised over-the-counter (OTC) platforms	Not applicable
Debt securities	Valuation model that uses the market input (yield of benchmark bonds)	Bond interest rate curves Issuer credit ratings Liquidity spreads
Unit-linked investments	Quoted put (exit) price provided by the fund manager	Not applicable – prices are publicly available
Investment in investment contracts	Prices are obtained from the insurer of the particular investment contract	Not applicable – prices provided by registered long-term insurers
Investment contract liabilities – unit-linked	Current unit price of underlying unitised financial asset that is linked to the liability, multiplied by the number of units held	Not applicable
Third-party financial liabilities arising on the consolidation of mutual funds	Quoted put (exit) price provided by the fund manager	Not applicable – prices are publicly available

The fair value of financial assets and liabilities measured at fair value in the statement of financial position can be summarised as follows:

As at 28 February 2017 (Reviewed)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Financial assets at fair value through profit or loss				
Derivative financial instruments	–	14 593	–	14 593
Equity securities	2 256 555	7	361	2 256 923
Debt securities	1 004 941	1 686 210	–	2 691 151
Unit-linked investments	–	36 544 759	1 109 239	37 653 998
Investment in investment contracts	–	15 521	–	15 521
	3 261 496	38 261 090	1 109 600	42 632 186
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities				
Investment contracts	–	17 379	–	17 379
Trade and other payables	–	21 317 266	1 099 239	22 416 505
Third-party liabilities arising on consolidation of mutual funds	–	–	38 141	38 141
	–	19 690 982	–	19 690 982
	–	41 025 627	1 137 380	42 163 007

As at 29 February 2016 (Audited)	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Financial assets at fair value through profit or loss				
Derivative financial instruments	–	17 864	–	17 864
Equity securities	1 747 453	8	–	1 747 461
Debt securities	846 266	1 420 858	–	2 267 124
Unit-linked investments	–	28 386 299	1 308 984	29 695 283
Investment in investment contracts	–	73 815	–	73 815
Available-for-sale				
Equity securities	–	–	240	240
	2 593 719	29 898 844	1 309 224	33 801 787
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	–	17 910	–	17 910
Investment contracts	–	18 173 163	1 298 984	19 472 147
Trade and other payables	–	–	5 297	5 297
Third-party liabilities arising on consolidation of mutual funds	–	14 023 726	–	14 023 726
	–	32 214 799	1 304 281	33 519 080

13. Financial risk management (continued)

Fair value estimation (continued)

The following tables presents the changes in level 3 financial instruments during the reporting periods under review:

	Reviewed 28 Feb 17 R000	Audited 29 Feb 16 R000
ASSETS		
Carrying value at 1 March	1 309 224	1 117 501
Additions	192 189	392 791
Disposals	(423 345)	(761 413)
Gains recognised in profit and loss*	31 532	560 345
Carrying value at 28/29 February	1 109 600	1 309 224
LIABILITIES		
Carrying value at 1 March	1 304 281	1 120 109
Additions	250 598	406 434
Disposals	(449 047)	(784 529)
Losses recognised in profit and loss**	31 548	562 267
Carrying value at 28/29 February	1 137 380	1 304 281

* *Gains on these items were recognised in profit and loss under the line item "net fair value gains and losses on financial instruments".*

** *Losses recognised in profit and loss were recognised in the line item "fair value adjustment to investment contract liabilities".*

Unit-linked investments represent the largest portion of the level 3 financial assets and relate to units held in hedge funds and are priced monthly. The prices are obtained from the asset managers of the particular hedge funds. These are held to match investment contract liabilities, and as such any change in measurement would result in a similar adjustment to investment contract liabilities. Therefore, the group's overall profit or loss is not materially sensitive to the input of the models applied to derive fair value.

Trade and other payables classified within level 3 have significant unobservable inputs, as the valuation technique used to determine the fair values takes into account the probability (at each reporting period) that the contracted party will achieve the profit guarantee as stipulated in the business agreement.

The table below summarises the carrying amounts and fair values of financial instruments not presented on the statement of financial position at fair value, for which their carrying values do not approximate their fair values:

	Reviewed 28 Feb 17 R000	Audited 29 Feb 16 R000
ASSETS		
Debt securities – held-to-maturity		
– Carrying value	144 092	321 441
– Fair value	141 481	333 175
Investment in investment contracts		
– Carrying value	–	42 662
– Fair value	–	42 707
TOTAL ASSETS		
– Carrying value	144 092	364 103
– Fair value	141 481	375 882
LIABILITIES		
Investment contracts		
– Carrying value	144 092	364 103
– Fair value	141 481	375 882

The fair value of the financial assets and liabilities in the table above is categorised in terms of level 2 (2017: Rnil, 2016: R265.3 million) and level 3 (2017: R141.5 million, 2016: R110.6 million).

14. Related-party transactions

Related-party transactions similar to those disclosed in the group's annual financial statements for the year ended 28 February 2015 took place during the financial year.

15. Capital commitments and contingencies

	Reviewed as at 28 Feb 17 R000	Audited as at 29 Feb 16 R000
Operating lease commitments	156 379	149 620
Capital commitments	1 943	1 200

16. Events after the reporting date

No event material to the understanding of these results has occurred between the end of the reporting period and the date of approval of the condensed consolidated financial statements.

GENERAL INFORMATION

LISTINGS REQUIREMENTS

In accordance with the Listings Requirements, the following information is required to be disclosed:

BOARD OF DIRECTORS OF PSG KONSULT LIMITED

Independent non-executive

Jacob de Vos du Toit (Jaap) (60)
Lead independent non-executive director
BAcc, CA(SA), CTA, CFA
Appointed 17 August 1998

Patrick Ernest Burton (Patrick) (62)
Independent non-executive director
BComm (Hons) Financial Management, PG Dip Tax
Appointed 2 March 2014

Zitulele Luke Combi (KK) (63)
Independent non-executive director
Diploma in Public Relations
Appointed 16 April 2014

Non-executive

Willem Theron (62)
Non-executive director and chairman
BCompt (Hons), CA(SA)
Appointed 1 March 1998

Petrus Johannes Mouton (Piet) (38)
Non-executive director
BComm (Mathematics)
Appointed 6 December 2012

Riaan Stassen (62)
Independent non-executive director
BComm (Hons), CA(SA)
Appointed 14 April 2016

Executive

Francois Johannes Gouws (Francois) (50)
Chief executive officer
BAcc, CA(SA)
Appointed 1 March 2014

Michael Ian Frain Smith (Mike) (47)
Chief financial officer
BComm (Hons), CA(SA), H Dip Tax, H Dip Company Law
Appointed 18 July 2013

SHAREHOLDING OF DIRECTORS

The shareholding of directors in the Company as at 29/28 February was as follows:

Audited	Beneficial Direct	Beneficial Indirect	Non-beneficial Direct	Non-beneficial Indirect	Total shareholding 2017 Number	Total shareholding 2017 %
J de V du Toit	–	–	–	13 800 000	13 800 000	1.0
FJ Gouws	19 297 771	35 000 000	–	–	54 297 771	4.1
MIF Smith	245 711	–	–	2 116 558	2 362 269	0.2
W Theron	–	–	–	23 251 232	23 251 232	1.8
R Stassen	–	500 000	–	–	500 000	0.0
	19 543 482	35 500 000	–	39 167 790	94 211 272	7.1

Audited	Beneficial Direct	Beneficial Indirect	Non-beneficial Direct	Non-beneficial Indirect	Total shareholding 2016 Number	Total shareholding 2016 %
J de V du Toit	–	–	–	12 800 000	12 800 000	1.0
FJ Gouws	16 466 161	35 000 000	–	–	51 466 161	4.0
MIF Smith	105 935	–	–	1 916 558	2 022 493	0.2
W Theron	–	–	–	23 050 924	23 050 924	1.8
	16 572 096	35 000 000	–	37 767 482	89 339 578	7.0

ORDINARY SHARE ANALYSIS

	Shareholders Number	%	Shares held Number	%
Range of shareholding				
1 – 50 000	3 628	86.3	28 959 846	2.2
50 001 – 100 000	191	4.5	13 017 899	1.0
100 001 – 500 000	233	5.5	49 200 381	3.7
500 001 – 1 000 000	59	1.4	40 543 140	3.1
Over 1 000 000	95	2.3	1 181 389 296	90.1
	4 206	100.0	1 313 110 562	100.0
Treasury shares	15		8 989 464	
	4 221		1 322 100 026	
Public and non-public shareholding				
Non-public				
Holding company	1	0.0	810 058 551	61.7
Directors and management	20	0.5	117 344 030	8.9
Public	4 185	99.5	385 707 981	29.4
	4 206	100.0	1 313 110 562	100.0
Individual shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2017:				
PSG Financial Services Limited			810 058 551	61.7
Coronation Asset Management			83 729 823	6.4
			893 788 374	68.1

STATED CAPITAL OF THE COMPANY

The Company's authorised and issued share capital at 28 February 2017 was:

Authorised

3 000 000 000 ordinary shares with no par value (2016: 3 000 000 000 ordinary shares with no par value)

Issued

1 322 100 026 ordinary shares with no par value (2016: 1 279 123 721 ordinary shares with no par value)*

* *Gross of 8 989 464 (2016: 2 335 723) treasury shares.*

Total value of stated capital at 28 February 2017 was R1 749 504 739 (2016: R1 446 604 111).

MATERIAL CHANGES

Other than the information disclosed in the condensed consolidated financial statements, no material changes in the financial or trading position of the Company and its subsidiaries have occurred between 28 February 2017 and the date of this notice.

DIRECTORATE

Non-executive directors

W Theron (Chairman), PJ Mouton, J de V du Toit^, PE Burton*, ZL Combi*, R Stassen*
(^ Lead independent; * Independent)

Executive directors

FJ Gouws (Chief executive officer), MIF Smith (Chief financial officer)

COMPANY INFORMATION

Company secretary

PSG Management Services Proprietary Limited

PSG Konsult head office and registered office

4th Floor, The Edge, 3 Howick Close, Tyger Waterfront, Bellville, Cape Town, 7530
PO Box 3335, Tyger Valley, Bellville, 7536

Listing

Johannesburg Stock Exchange (JSE)
Namibian Stock Exchange (NSX)

Transfer secretary

Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
PO Box 61051, Marshalltown, 2107

Sponsors

JSE sponsor: PSG Capital Proprietary Limited
NSX sponsor: PSG Wealth Management (Namibia) Proprietary Limited

Auditor

PricewaterhouseCoopers Inc.
Cape Town

ADMINISTRATIVE INFORMATION

PSG Konsult Limited (Incorporated in the Republic of South Africa)
("PSG Konsult" or "the Company")
Registration number: 1993/003941/06
JSE share code: KST
NSX share code: KFS
ISIN code: ZAE000191417

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