

**CASS SADDLE AGRICULTURE EXCHANGE
TRADED FUND (EFT)**

**AUDITED INFLATION ADJUSTED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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FOR THE PERIOD ENDING 31 DECEMBER 2023**

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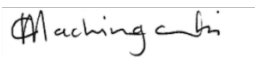
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CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2023

TRUSTEE'S REPORT

The management company, Cass Saddle Asset Management (Pvt) Ltd has managed the scheme in compliance with the regulatory requirements as stipulated in the Collective Investments Scheme Act of 1997 [Chapter 24:19], the Trust Deed and the Prospectus. They have fully complied with the reporting requirements and have discharged their responsibilities in all respects. The financial statements for the period ending 31 December 2023 were authorised for issue accordingly.

On behalf of the Trustee



Christinah Machingambi
Trustee
29 March 2024

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2023

FUND MANAGER'S REPORT

Background

The Cass Saddle Agriculture Exchange Traded Fund (CSAG) debuted on the Zimbabwe Stock Exchange on 15th July 2022. It invests in agriculture-related stocks that are listed primarily on the ZSE. Agriculture remains the mainstay of the Zimbabwean economy and CSAG ETF provides a credible means for the country's agriculture activity to be reflected in the financial markets.

Environment

For the review period, the macro environment was characterised by predominantly a tight monetary policy regime, albeit with intermittent deviations. The high interest rates were retained and statutory reserve ratios for banks were increased. These developments had correlated increases and declines in the stock market, in many ways, a repeat of the volatility experienced in the prior year.

Performance

The CSAG.ZW ETF returned 223% for the review period despite trading at 12% discount to Net Asset Value (NAV) on the last day of trading.

The fund received dividends from a single counter (BAT.zw) compared to 3 counters in the prior year. It was therefore prudent to reinvest the dividends.

Outlook

Agriculture is arguably the oldest profession and it has been reported that agriculture will be the next oil. We are strong believers in this proposition. It is therefore incumbent upon us as Fund Managers to play our part in positioning Zimbabwe to take advantage of this development. This is achieved through appropriate products in the financial and capital markets.

In light of this, it is our strategic intent to establish rapport with institutional and retail investors so that, via the Cass Saddle Agriculture Exchange Traded Fund, we can collectively channel the much-needed patient money into agriculture investments.

"Africa's food and agribusiness will be worth an estimated US\$1 trillion by 2030."

African Development Bank President, Dr Akinwumi Adesina

In so far as performance is concerned, we do expect an upsurge in the price for two pronged reasons. Firstly, it is expected to catch up with the Net Asset Value. Secondly, we expect strong performance of the underlying stocks on account of population increases, accentuated by urbanisation, not only in Zimbabwe but across the globe.

We hope farmers will be able to fully exploit the interventions by government, to increase the amount of irrigable land through construction of dams across the country, so that the effects of the predicted drought are not as severe.

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All living beings depend on agro products, therefore there is merit in investing in agriculture.

On behalf of the Fund Manager



Calvin Mugabe

Fund Manager

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Cass Saddle Agriculture Exchange Traded Fund (EFT)

Report on the Audit of the Inflation Adjusted financial statements

Opinion

We were engaged to audit the Inflation-adjusted financial statements of Cass Saddle Agriculture Exchange Traded Fund (EFT) set out on pages 11 to 15 which comprise the inflation-adjusted statement of financial position as at December 31, 2023, and the inflation-adjusted statement of comprehensive income and the inflation-adjusted statement of cash flow and the notes to the Inflation adjusted financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying inflation-adjusted financial statements present fairly, in all material respect, the inflation-adjusted financial position of the Fund as at 31 December 2023 and its inflation-adjusted financial performance and its inflation-adjusted cash flow for the year ended in accordance with the International Financial Reporting Standards ("IFRS") and in the manner required by the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibility under those standards are further described in the Auditor's Responsibilities for the Inflation adjusted financial statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IEBA Code) together with the ethical requirements that are relevant to our audit of inflation-adjusted financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and IEBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Inflation-adjusted financial statements of the current period. These matters were addressed in the context of our audit of the Inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR’S REPORT

To the Trustees of Cass Saddle Agriculture Exchange Traded Fund (EFT)

Report on the Audit of the Inflation Adjusted financial statements

Key audit matter (Continued)

Key audit matter	How the matter was addressed
Net assets attributable to unit holders	
<p>Included in the inflation-adjusted Financial statements is the net assets of unit holders as at 31 December 2023 which are liabilities amounting to ZWL(\$) 298,834,621.67</p> <p>Net assets attributable to unit holders has been considered as a key audit matter as a result of the significant volumes of units in issue, the frequency of issuing and redemption of units and the materiality of the balance in relation to the Financial Statements as a whole.</p>	<p>To respond on the key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none"> ✓ We evaluated the design and tested the implementation of controls management has put into effect to the issuing and redemption of units. ✓ We confirmed units in issue from trustee and compared this to ledgers. ✓ We performed completeness test for units issued. ✓ We performed an analytical expectations and expressed variances of monetary values in issue as percentage of total value of investment for the funds. ✓ We inspected underlying documents supporting documentation to determine the gross market value of the units in issue, and ✓ We assessed adequacy of the disclosures in the inflation adjusted financial statements for compliance with international Accounting Standards (IAS) 1, Presentation of Financial Statements. <p>Based on our procedures we found that the net asset attributable to unit holders were appropriately accounted for.</p>

Other information

The Fund Manager is responsible for the other information. The other information comprises the Fund Manager’s Statement of responsibility, Trustee’s report, the analysis of unit holder balances at year end, the foreign currency denominated balance an the transactions and the Historical Financial information as required by the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed, which we obtained prior to the date of this auditors report. The other information does not include the Inflation adjusted financial statements and the auditor’s report thereon .

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

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Cass Saddle Agriculture Exchange Traded Fund (EFT)

Report on the Audit of the Inflation Adjusted financial statements

Other Information (Continued)

In connection with our audit of the inflation-adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation-adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Fund Manager for the Inflation Adjusted financial statements

The Fund Manger is responsible for the preparation and fair presentation of the Inflation adjusted financial statements in accordance with International Financial Reporting Standards and the requirements of the Collective Investments Schemes Act (Chapter 24:19), the Trust Deeds and for such internal controls as the Fund Manager determines it necessary to enable the preparation of Inflation adjusted financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the Inflation adjusted financial statements, the Fund Manger is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Inflation adjusted financial statements

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

- Identify and assess the risks of material misstatement of the Inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Cass Saddle Agriculture Exchange Traded Fund (EFT)

Report on the Audit of the Inflation Adjusted financial statements

Auditor's responsibilities for the audit of the Inflation adjusted financial statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.
- Conclude on the appropriateness of the Fund Managers' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted statements, including the disclosures and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

INDEPENDENT AUDITOR'S REPORT

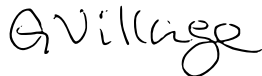
To the Shareholders of Cass Saddle Agriculture Exchange Traded Fund (EFT) (continued)

Report on the Audit of the Inflation Adjusted financial statements

Report on other legal and regulatory matters

In our opinion, the Inflation-adjusted financial statements of Cass Saddle Agriculture Exchange Traded Fund (EFT) have been prepared in accordance with the requirements of the Collective Schemes Act (Chapter 24:19).

The Engagement Partner on the audit resulting in this independent auditor's report is Shepherd Chimutanda.



GVillage
Chartered Certified Accountants (Zimbabwe)
Shepherd Chimutanda (FCCA)
Managing Partner
Registered Public Auditor
PAAB Practice Certificate Number: 0403


28/03/2024

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2023

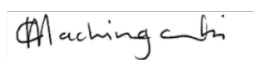
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	Inflation Adjusted		Historical Cost	
		2023 ZWL(\$)	2022 ZWL(\$)	2023 ZWL(\$)	2022 ZWL(\$)
ASSETS		298,834,622	151,935,589	298,834,622	31,652,934
Listed Equities	5	297,712,126	132,600,702	297,712,126	27,624,873
Cash and cash equivalents	6	1,122,496	19,334,886	1,122,496	4,028,061
Total Assets		298,834,622	151,935,589	298,834,622	31,652,934
NET ASSETS ATTRIBUTABLE TO EQUITY UNIT HOLDERS AND LIABILITIES					
Unity Holders Funds		298,834,622	151,935,589	298,834,622	31,652,934
Net Assets attributable to unit holders		298,834,622	151,935,588.65	298,834,622	31,652,934
TOTAL ASSETS ATTRIBUTABLE TO UNIT HOLDERS AND LIABILITY		298,834,622	151,935,589	298,834,622	31,652,934

Signed on behalf of the Fund by:


.....

Fund Manger


.....

Trustee

Date: 29 March 2024
.....

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31 DECEMBER 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	Inflation Adjusted		Historical Cost	
		2023 ZWL(\$)	2022 ZWL(\$)	2023 ZWL(\$)	2022 ZWL(\$)
Income		675,446	60,947	223,437	42,720
Dividends		675,445.83	37,923	223,437	37,923
Other Income	3	-	23,024	-	4,797
Operating Expenses		(5,997,989)	(2,173,715)	(1,984,132)	(452,853)
Investment Management fee		(1,933,714)	(400,210)	(639,672)	(83,376)
Audit fees		(1,088,272)	(1,536,015)	(360,000)	(320,000)
Trust Fees		(822,236)	(107,450)	(271,995)	(22,385)
Licences Fees		(815,648)	-	(269,816)	-
Other Expenses	4	(1,338,118)	(130,039)	(442,649)	(27,091)
Operating Loss		(5,322,543)	(2,112,767)	(1,760,695)	(410,133)
Other Comprehensive Income		809,071,732	(54,666,180)	267,640,531	(11,388,674)
Revaluation Loss on Equities	5.1	799,450,404	(49,415,732)	264,457,801	(10,294,842)
Loss on Disposal of Equities	5.2	9,621,328	(5,250,449)	3,182,730	(1,093,833)
Increase / (Decrease) in net income attributable to equity holders before net monetary gain/ (loss)		803,749,189	(56,778,947)	265,879,837	(11,798,807)
Net Monetary loss		-	120,282,655	-	-
Increase / (Decrease) in net income attributable to equity		803,749,189	63,503,707	265,879,837	(11,798,807)
Increase/ (Decrease) in net income attributable to unit holders		803,749,189	63,503,707	265,879,837	(11,798,807)

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31 DECEMBER 2023

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	Inflation Adjusted	Inflation Adjusted	Historical Cost	Historical Cost
		2023 ZWL(\$)	2022 ZWL(\$)	2023 ZWL(\$)	2022 ZWL(\$)
Net (loss) / Income		803,749,189	(56,778,947)	265,879,837	(11,798,807)
Adjustment for Non cash Movement					
Loss on sale of shares	5.2	(9,621,328)	5,250,449	(3,182,730)	1,093,833
Fair Value Losses on Equity Investment	5.1	(799,450,404)	49,415,732	(264,457,801)	10,294,842
Net Monetary Gain		(9,428,927)	144,110	-	-
		(14,751,470)	(1,968,656)	(1,760,695)	(410,132)
Net Operating Cash Flow Before Working Capital Changes					
Increase in Trade and Other Receivables		-	-	-	-
Increase in Trade and Other Payables		-	-	-	-
Net Cash Outflow from Operating Activities		-	-	-	-
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Investment		(15,492,171)	(258,350,657)	(5,124,803)	(53,822,520)
Sale of Investment	5	10,651,200	76,334,222	3,523,412	15,902,805
Net Cash Outflow from Investing Activities		(4,840,971)	(182,016,434)	(1,601,391)	(37,919,715)
CASH FLOW FROM FINANCING ACTIVITIES					
Cash Inflow from Unit Holders Contribution		1,380,050	203,319,976	456,520	42,357,909
Net Cash Inflow from Financing Activities		1,380,050	203,319,976	456,520	42,357,909
Net Increase in Cash and Cash Equivalents		(18,212,390)	19,334,886	(2,905,565)	4,028,061
Cash and Cash Equivalents at the Beginning of the period		19,334,886	-	4,028,061	-
Cash and Cash Equivalent ast the End of the Period	6	1,122,496	19,334,886	1,122,496	4,028,061

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2023

NOTES TO THE INFLATION-ADJUSTED FINANCIAL STATEMENTS

1. General Information

1.1 Reporting Entity

Cass Saddle Agriculture Exchange Traded Fund (EFT) is registered and domiciled in Zimbabwe. The Fund commenced trading on 15 July 2022. The investment objective for the Fund is to provide investment returns before fees and expenses, closely correspond to the performance of the Zimbabwe Based Agriculture Companies whose revenue are primary derived from agriculture proceeds.

2. Basis of preparation

2.1. Statement of Compliance

The Exchange Traded Fund's Inflation adjusted financial statements for the year ended 31 December 2023 have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), the Zimbabwe Stock Exchange Listing Requirements and the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

2.2. Reporting currency

The Fund's Functional; and presentation currency in Zimbabwean Dollar (ZWL). The inflation-adjusted financial statements represents the principal Inflation-adjusted financial statements of the Fund. Historical Cost Inflation adjusted financial statements have been presented as supplementary information to the rested Inflation adjusted financial statements.

IAS 29 requires that the Inflation-adjusted financial statements prepared in the currency of a hyper-inflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be rested in the same terms.

The Restatement of the Historical cost numbers is based on the conversion factors derived from the Consumer Price Index (CPI) issued by the Zimbabwe Statistical Office (ZIMSTATS). The Fund Manager believes the CPI best represents average price movements in the economy during 2022 and this applied it in preparation of these Inflation-adjusted financial statements. The indices and conversion factors used to restate the accompanying Inflation adjusted financial statements as at 31 December 2023 are given below:

Date	Indices	Conversion factor
01.01.2023	29,499.89	1.25
31.12.2023	140,252.59	1
Average		4.800475

2.3 Auditors Statement

The Inflation-adjusted financial statements should be read in conjunction with the complete set of Inflation adjusted financial statements of Cass Saddle Agriculture Exchange Traded Fund for the twelve months ending 31 December 2023, which have been audited by GVillage Chartered Certified Accountants, signed by Shepherd Chimutanda, PAAB Practising Certificate Number: 0403 and an unqualified opinion has been issued thereon.

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND

AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31 DECEMBER 2023

NOTES TO THE INFLATION-ADJUSTED FINANCIAL STATEMENTS

	Inflation Adjusted		Inflation Adjusted		Historical Cost		Historical Cost	
	2023	2022	2023	2022	2023	2022	2023	2022
	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)
3 Other Income	-	23,024	-	4,797	-	4,797	-	300
Trustee Fess Reversal	-	21,584	-	4,497	-	4,497	-	300
Bank Charge Reversal	-	1,440	-	300	-	300	-	
4 Other Operating expenses	1,338,118	130,039	442,649	27,091	442,649	27,091		
Bank Charges and Maintenance fee	1,338,117.62	130,038.86	442,649	27,091	442,649	27,091		
	Inflation Adjusted		Inflation Adjusted		Historical Cost		Historical Cost	
	2023	2022	2023	2022	2023	2022	2023	2022
	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)	ZWL(\$)
	No. Of Units	Price ZWL	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Ariston	233,395	47.00	10,969,565	4,541,725.00	10,969,565	946,183		
BAT	2,811	13,100.00	36,824,100	37,768,263.74	36,824,100	7,868,310		
CFI	15,703	2,185.00	34,311,055	23,099,563.17	34,311,055	4,812,361		
Dairibord	48,949	600.99	29,418,070	6,341,894.85	29,418,070	1,321,215		
Hippo	25,780	1,900.00	48,982,000	21,026,882.98	48,982,000	4,380,557		
SeedCo	34,887	1,000.00	34,887,000	12,668,729.79	34,887,000	2,639,293		
Tanganda	37,546	957.00	35,931,522	12,974,457.59	35,931,522	2,702,985		
TSL	52,200	1,100.00	57,420,000	10,814,702.25	57,420,000	2,253,041		
Zimplot	37,100	241.75	8,968,814	3,364,482.94	8,968,814	700,927		
Total Listed Equities	488,371		297,712,126	132,600,702	297,712,126	27,624,873		
5.1 Quoted Investment Reconciliations								
opening balance			95,686,157.63	-	31,652,934	-		
Quoted Investment Purchased			15,492,171.35	(258,350,657)	5,124,803	(53,822,520)		
Quoted Investment Disposed			(10,651,200)	76,334,222.49	(3,523,412)	15,902,805		
			100,527,129	(182,016,434)	33,254,325	(37,919,715)		
Revaluation /Fair Value loss			799,450,403.96	(49,415,732)	264,457,801	(10,294,842)		
Closing Balance			(698,923,275)	(132,600,702)	297,712,126	(27,624,873)		
5.2 Loss on Disposal								
Sale of Investment			- 10,651,200.10	76,334,222.49	(3,523,412)	15,902,805.41		
Cost price of sold Investment			1,029,872.45	(81,584,671.78)	340,681	(16,996,638.17)		
			(5,693,098)	(5,250,449.28)	(3,864,093)	(1,093,832.76)		
6 Cash and Cash Equivalent			1,122,496	19,334,886	1,122,496	4,028,061		
Cash at bank			1,122,496	19,334,886.34	1,122,496	4,028,061		