

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

**AUDITED ABRIDGED INFLATION ADJUSTED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

**CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND
ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 DECEMBER 2022**

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CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

TRUSTEE'S STATEMENT

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 [Chapter24:19], 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 2022 were authorised for issue accordingly.

On behalf of the Trustee

pp 
Christinah Machingambi

Trustee

27 April 2023

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

FUND MANAGER'S REPORT

Background

The Cass Saddle Agriculture Exchange Traded Fund invests primarily in ZSE listed stocks that are in the agriculture sector and its associated value chain. It is worthy of note that during the review period, National Foods Limited migrated from the ZSE to the VFEX, therefore it was removed from the list of counters in the ETF.

Environment

The macro environment during the review period was characterised by a tight monetary policy stance adopted by monetary authorities. This was evidenced, primarily, by the increase in interest rates and the attendant increase in the capital gains tax on disposals of listed equities within 180 days from date of purchase. These developments, as expected, had an adverse effect on the stock market, resulting in a major pull-back which lasted from May 2022 until November 2022, where a recovery ensued.

Performance

The CSAG.ZW ETF listed on the Zimbabwe Stock Exchange on the 15th of July 2022 at a Net Asset Value of ZWL1.00 per unit and closed the end of the review period, 31 December 2022, at a market value of ZWL1.80. The ETF exhibited strong performance of 80% growth which compares favourably with 21% returned by the All-Share Index of the ZSE for the comparable period.

The fund received dividends from 3 counters, and the Fund Manager perceived it to be prudent to reinvest the dividends.

Outlook

We remain upbeat about the potential that lies in the agriculture sector of the economy and resultantly the downstream benefits to the agriculture listed stocks on the ZSE. The NDS1 is very deliberate about transforming the economy into an upper middle-income society and agriculture will play a pivotal role.

The geopolitical tensions and the associated global food crisis, will benefit the local agriculture industry, hence listed stocks. It is our expectation that, bolstered by the improvement in the macro-economic environment, the ETF will continue on its upward growth trajectory.

On behalf of the Fund Manager



Calvin Mugabe

Fund Manager

INDEPENDENT AUDITOR'S REPORT

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

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 (ETF) set out on pages 4 to 13 which comprise the inflation adjusted statement of financial position as at December 31, 2022, and the inflation adjusted statement of comprehensive income and the inflation adjusted statement of cash flow and the notes to the inflation adjusted Inflation adjusted financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying inflation adjusted Inflation adjusted financial statements present fairly, in all material respect, the inflation adjusted financial position of the Fund as at 31 December 2022 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 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 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 (ETF)

Report on the Audit of the Inflation adjusted financial statements

Key audit matter (Continued)

Key audit matter	How the matter was addressed
<p>Net assets attributable to unit holders</p> <p>Included in the inflation adjusted Financial statement is the net assets of unit holders as at 31 December 2022 which are liabilities amounting to ZWL(\$) 31,652,933.93</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 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 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 (ETF)

Report on the Audit of the Inflation adjusted financial statements

Other Information (Continued)

In connection with our audit of the inflation adjusted 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 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 sch internal control 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 are 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 raise 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 (ETF)

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 matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about 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

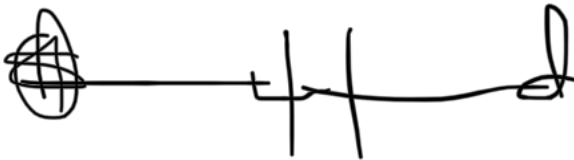
To the Shareholders of Cass Saddle Agriculture Exchange Traded Fund (ETF) (continued)

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 (ETF) 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.



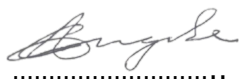
Global Village
Chartered Certified Accountants (Zimbabwe)
Shepherd Chimutanda (FCCA)
Partner
Registered Public Auditor
PAAB Practice Certificate Number: 0403

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2022

	Note(s)	Inflation Adjusted	Historical Cost
		2022 ZWL(\$)	2022 ZWL(\$)
ASSETS		31,652,934	31,652,934
Listed Equities	5	27,624,873	27,624,873
Cash and cash equivalents	6	4,028,061	4,028,061
Total Assets		31,652,934	31,652,934
NET ASSETS ATTRIBUTABLE TO EQUITY UNIT HOLDERS AND LIABILITIES			
Unity Holders Funds		31,652,934	31,652,934
Net Assets attributable to unit holders		31,652,934	31,652,934
TOTAL ASSETS ATTRIBUTABLE TO UNIT HOLDERS AND LIABILITY		31,652,934	31,652,934

Signed on behalf of the Fund by:



Fund Manger



Trustee

Date: 27 April 2023

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note(s)	Inflation Adjusted 2022 ZWL(\$)	Historical Cost 2022 ZWL(\$)
Income		46,321	42,720
Dividends		41,120	37,923
Other Income	3	5,201	4,797
Operating Expenses		(491,031)	(452,853)
Investment Management fee	Type text here	(90,406)	(83,376)
Audit fees		(346,978)	(320,000)
Trust Fees		(24,273)	(22,385)
Other Expenses	4	(29,375)	(27,091)
Operating Loss		(444,710)	(410,133)
Other Comprehensive Income		(12,348,817)	(11,388,674)
Revaluation Loss on Equities	5.1	(11,162,767)	(10,294,842)
Loss on Disposal of Equities	5.2	(1,186,050)	(1,093,833)
Net Monetary loss		(12,793,527)	(11,798,807)
		(1,389,950)	-
Loss for the year		(14,183,477)	(11,798,807)
Decrease in net assets attributable to unit holders		(14,183,477)	(11,798,807)

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2022

		Inflation Adjusted	Historical Cost
	Note(s)	2022 ZWL(\$)	2022 ZWL(\$)
Net loss		(14,183,477)	(11,798,807)
Adjustment for Non cash Movement			
Loss on sale of shares	5.2	1,186,050	1,093,833
Fair Value Losses on Equity Investment	5.1	11,162,767	10,294,842
Net Monetary Gain		1,050,357	-
		(784,303)	(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		(58,360,122)	(53,822,520)
Sale of Investment	5	17,243,519	15,902,805
Net Cash Outflow from Investing Activities		(41,116,603)	(37,919,715)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash Inflow from Unit Holders Contribution		45,928,967	42,357,909
Net Cash Inflow from Financing Activities		45,928,967	42,357,909
Net Increase in Cash and Cash Equivalents		4,028,061	4,028,061
Cash and Cash Equivalents at the Beginning of the period		-	-
Cash and Cash Equivalent at the End of the Period	6	4,028,061	4,028,061

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2022

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS

1. General Information

1.1 Reporting Entity

Cass Saddle Agriculture Exchange Traded Fund (ETF) is registered and domiciled in Zimbabwe. The Fund commenced trading on 15 July 2022. The investment objective for the Fund is to provide investment result that 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 2022 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 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 Hyperinflationary 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 2022 are given below:

Date	Indices	Conversion factor
01.07.2022	10,932.83	1.25
31.12.2022	13,672.91	1
Average		1.084

2.3 Auditors Statement

The Abridged 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 2022, which have been audited by Global Village Chartered Certified Accountants, signed by Shepherd Chimutanda, PAAB Practicing Certificate Number: 0403 and an unqualified opinion has been issued thereon.

CASS SADDLE AGRICULTURE EXCHANGE TRADED FUND

ABRIDGED AUDITED INFLATION ADJUSTED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31 DECEMBER 2022

NOTES TO THE INFLATION ADJUSTED FINANCIAL STATEMENTS

			Inflation Adjusted	Historical Cost
			2022 ZWL(\$)	2022 ZWL(\$)
3 Other Income			5,201	4,797
	Trustee Fess Reversal		4,876	4,497
	Bank Charge Reversal		325	300
4 Other Operating expenses			29,375	27,091
	Bank Charges and Maintenance fee		29,375	27,091
			Inflation Adjusted	Historical Cost
			2022 ZWL(\$)	2022 ZWL(\$)
5 Listed Equities				
	No. Of Units	Price (ZWL)	Market Value	Market Value
	Ariston	233,395	4.05	946,183
	BAT	2,811	2799.11	7,868,310
	CFI	11,689	411.70	4,812,361
	Dairibord	37,749	35.00	1,321,215
	Hippo	23,990	182.60	4,380,557
	SeedCo	35,417	74.52	2,639,293
	Tanganda	30,246	89.37	2,702,985
	TSL	51,200	44.00	2,253,041
	Zimplot	41,231	17.00	700,927
	Total Listed Equities	467,728		27,624,873
5.1 Quoted Investment Reconciliations				
	opening balance		-	-
	Quoted Investment Purchased		(58,360,122)	(53,822,520)
	Quoted Investment Disposed		17,243,519	15,902,805
			(41,116,603)	(37,919,715)
	Fair Value loss		(11,162,767)	(10,294,842)
	Closing Balance		(29,953,836)	(27,624,873)
5.2 Loss on Disposal				
	Sale of Investment		17,243,519	15,902,805.41
	Cost price of sold Investment		(18,429,570)	(16,996,638.17)
			(1,186,050)	(1,093,832.76)
6 Cash and Cash Equivalent			4,028,061	4,028,061
	Cash at bank		4,028,061	4,028,061