

# OLD MUTUAL ZIMBABWE STOCK EXCHANGE TOP TEN EXCHANGE TRADED FUND

Abridged Audited Financial Statements For the Year Ended 31 December 2022



DO GREAT THINGS EVERY DAY

## THE FUND MANAGER'S STATEMENT OF RESPONSIBILITY

The Fund Manager, Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG), has pleasure in presenting the financial statements of the Old Mutual Zimbabwe Stock Exchange (ZSE) Top Ten Exchange Traded Fund ("the Fund") for the year ended 31 December 2022. The Fund is an investment vehicle for various clients whose funds are pooled together with the objective to:

- provide investment results that, before fees and expenses, closely correspond to the performance of ZSE Top Ten Index; and
- provide the unit holder with a steady growth of income and capital in the medium to long term period.

### Responsibility

The Fund Manager is responsible for the preparation, integrity and objectivity of inflation adjusted financial statements, comprising the statement of financial position as at 31 December 2022, the statements of comprehensive income, cash flows, changes in net assets of unit holders and the notes to the financial statements for the year then ended, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed, that fairly present the state of affairs of the Fund at the end of each financial period.

The OMIG Board set standards and management implement systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded, and that the risk of error, fraud or loss is reduced in a cost effective manner as well as make appropriate accounting estimates. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authority within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

### Compliance with legislation

These financial statements, which have been prepared on an inflation adjusted basis, are based on the application of inflation indices on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable), agree with the underlying books and records. They have been properly prepared in accordance with the accounting policies set out in note 2 and comply with the disclosure requirements of the Collective Investments Schemes Act (Chapter 24:19).

### Compliance with the International Financial Reporting Standards

The financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the IASB and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC). Complying with IFRSs achieves consistency with the financial reporting framework adopted by the Fund Manager's ultimate parent company, Old Mutual Limited, which is incorporated in South Africa. Using a globally recognized reporting framework also allows comparability with similar businesses and consistency in the interpretation of the financial statements.

In 2019, the emergence of hyperinflation resulted in the adoption of inflation adjusted accounts prepared in terms of International Accounting Standard 29 (IAS29) "Financial Reporting in Hyperinflationary Economies", as the primary basis of reporting.

Accordingly, the inflation adjusted financial statements represent the principal financial statements of the fund. Historical cost financial statements have been presented as supplementary information to the restated financial statements as

per Pronouncement 01/2019 issued by the Public Accountants and Auditors Board on 11 October 2019.

### Financial highlights

The operating results and financial position of the Fund are set out in the statement of comprehensive income, statement of financial position, statement of changes in net assets, statement of cash flows and the accompanying notes.

The Fund recorded an inflation adjusted net loss attributable to unitholders of ZWL\$1,296,144,073 for the year (2021: net income of ZWL\$1,139,790,309).

### Going concern

The Fund Manager has assessed the ability of the Fund to continue operating as a going concern and believe that the preparation of financial statements using the going concern assumption is still appropriate.

### Fund Manager's responsibilities for the financial statements

The OMIG Audit, Risk and Compliance Committee (ARCC), together with the Group Internal Audit, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

Based on the above, the Fund Manager is satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The Fund Manager has ensured that the Fund has complied with the laws and regulations in all material respects.

It is the responsibility of the independent auditors to express an opinion on the financial statements. Their statement to the participants of the Fund is set out below.

**Business address**  
Mutual Gardens  
100 The Chase (West)  
Emerald Hill  
Harare

**Postal address**  
Private Bag A6101  
Avondale  
Harare

### Approval of the annual financial statements

These financial statements were prepared under the supervision of Faith Mundeta PAAB Registration number: 0710. The Fund Manager's statement of responsibility and the financial statements were approved on 27 March 2023 and are signed by:

**Marjorie Mayida**  
Fund Manager

28 March 2023

## THE TRUSTEE'S REPORT

Stanbic Investor Services Zimbabwe is the Trustee for the Fund in terms of the Collective Investment Schemes Act (Chapter 24:19) and the Trust Deed.

In terms of the Trust Deed, the Trustee is a person or an entity who holds the assets of the Fund in trust for the participants. It is the duty of the Trustee to take reasonable care to ensure that the Fund is managed by the Fund Manager in accordance with the Collective Investment Schemes Act (Chapter 24:19) and the Trust Deed, in relation to the pricing of, and dealings in, units in the Fund; the application of

income of the Fund; and the investments applicable to the Fund.

The Trustee is required to satisfy themselves on reasonable grounds and on a continuing basis that the Fund Manager has maintained and is maintaining sufficient financial records. The Trustee takes into their custody or under their control, all the capital property of the Trust and hold it in trust for the unit holders in accordance with the Trust Deed, and hence, the Trustee along with the Fund Manager, are responsible for taking all reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

Under the Collective Investment Schemes Act (24:19), the Trustee is required to keep accurate accounts and records. Pursuant to the Trust Deed, this duty is devolved to the Fund Manager who is required to keep, in accordance with the requirements of the law proper, books of accounts and records showing all transactions effected on behalf of the Fund and arrange for the audit and delivery of financial statements to the Trustee. The Trustee may accept and shall not be bound to verify the financial statements produced by or on behalf of the Fund Manager unless the Trustee has actual notice of any irregularity.

### Conclusion

Having carried out such procedures as we consider necessary to discharge our responsibilities as the Trustee of the Fund, based on the information available to us and the explanations provided, we report that in all material aspects the Fund, acting through the Fund Manager:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed; and
- has observed the investment and restrictions of the scheme.

**Trustees**  
Stanbic Investor Services Zimbabwe  
59 Samora Machel Avenue  
Harare

28 March 2023

## INDEPENDENT AUDITOR'S STATEMENT

These abridged inflation-adjusted financial statements should be read in conjunction with the complete set of the inflation-adjusted financial statements as at the end and for the year ended 31 December 2022.

The financial statements have been audited by Messrs Deloitte & Touche Chartered Accountants (Zimbabwe) ("Deloitte"), who have issued an unqualified opinion. The Auditor's report on the inflation-adjusted financial statements, from which these abridged inflation-adjusted financial statements are extracted, is available for inspection at the Fund's registered office.

The opinion included a key audit matter in respect of net assets attributable to unit holders.

The engagement Partner responsible for the audit was Mr Lawrence Nyajeka, PAAB Practice Certificate Number 0598.

28 March 2023



Statement of Comprehensive Income for the year ended 31 December 2022

Note	Audited Inflation Adjusted		*Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
<b>Investment (loss) / income</b>	<b>(1 270 181 330)</b>	<b>1 497 222 166</b>	<b>426 784 610</b>	<b>430 041 910</b>
Dividend income	24 212 336	33 774 502	18 711 520	8 151 406
Foreign exchange gains	4 715 205	-	4 715 205	-
Fair value (loss) / gain on equity investments	(1 465 506 524)	1 363 037 122	288 176 744	396 510 627
Gain from sale of shares	166 397 653	100 410 542	115 181 141	25 379 877
<b>Operating expenses</b>	<b>(17 004 118)</b>	<b>(39 681 559)</b>	<b>(15 025 989)</b>	<b>(10 199 911)</b>
Management fees	(11 537 447)	(8 202 538)	(6 227 837)	(1 978 802)
Trustee's fees	(2 061 053)	(1 444 031)	(1 088 271)	(345 642)
Audit fees	(7 826 318)	(7 801 970)	(7 826 318)	(2 269 612)
Transfer Secretary fees	(920 402)	(3 335 597)	(846 421)	(778 363)
Other expenses	(939 818)	(2 025 339)	(864 277)	(528 430)
Distribution to Unit holders	6 280 920	(16 872 084)	1 827 135	(4 299 062)
<b>Net (loss)/income attributable to unit holders before monetary loss</b>	<b>(1 287 185 448)</b>	<b>1 457 540 607</b>	<b>411 758 621</b>	<b>419 841 999</b>
Loss on net monetary items	(8 958 625)	(317 750 298)	-	-
<b>Net (loss)/income attributable to unit holders</b>	<b>(1 296 144 073)</b>	<b>1 139 790 309</b>	<b>411 758 621</b>	<b>419 841 999</b>
<b>(Loss)/Earnings per unit</b>				
Basic and diluted (cents)	(802)	833	255	307

Statement of Financial Position As at 31 December 2022

Note	Audited Inflation Adjusted		*Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
<b>ASSETS</b>				
Cash and cash equivalents	45 478 368	14 012 069	45 478 368	4 076 143
Equity investments	1 107 591 514	2 001 204 730	1 107 591 514	582 155 048
Accounts receivable	-	63 802 055	-	18 560 164
<b>Total assets</b>	<b>1 153 069 882</b>	<b>2 079 018 854</b>	<b>1 153 069 882</b>	<b>604 791 355</b>
<b>LIABILITIES</b>				
Accounts payable	8 975 843	17 025 573	8 975 843	4 952 778
Intercompany payable	612 878	4 183 336	612 878	1 216 942
<b>Total liabilities</b>	<b>9 588 721</b>	<b>21 208 909</b>	<b>9 588 721</b>	<b>6 169 720</b>
<b>Net assets</b>	<b>1 143 481 161</b>	<b>2 057 809 945</b>	<b>1 143 481 161</b>	<b>598 621 635</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>				
Net assets attributable to unit holders	1 143 481 161	2 057 809 945	1 143 481 161	598 621 635
<b>Total net assets attributable to unit holders</b>	<b>1 143 481 161</b>	<b>2 057 809 945</b>	<b>1 143 481 161</b>	<b>598 621 635</b>

Statement of Changes in Net Assets of Unit Holders for the year ended 31 December 2022

	Units in issue ZWL	Undistributed income/(loss) ZWL	Total ZWL
<b>Inflation Adjusted Audited 31 December 2022</b>			
Opening net assets attributable to unit holders	918 019 636	1 139 790 309	2 057 809 945
Net loss attributable to unit holders	-	(1 296 144 073)	(1 296 144 073)
Issue of units during the year	381 815 289	-	381 815 289
<b>Closing net assets attributable to unit holders</b>	<b>1 299 834 925</b>	<b>(156 353 764)</b>	<b>1 143 481 161</b>
<b>31 December 2021</b>			
Opening net assets attributable to unit holders	-	-	-
Net income attributable to unit holders	-	1 139 790 309	1 139 790 309
Issue of units during the year	918 019 636	-	918 019 636
<b>Closing net assets attributable to unit holders</b>	<b>918 019 636</b>	<b>1 139 790 309</b>	<b>2 057 809 945</b>
<b>Unaudited Historical 31 December 2022</b>			
<b>Opening net assets attributable to unit holders</b>	<b>178 779 636</b>	<b>419 841 999</b>	<b>598 621 635</b>
Net income assets attributable to unit holders	-	411 758 621	411 758 621
Issue of units during the year	133 100 905	-	133 100 905
<b>Closing net assets attributable to unit holders</b>	<b>311 880 541</b>	<b>831 600 620</b>	<b>1 143 481 161</b>
<b>31 December 2021</b>			
<b>Opening net assets attributable to unit holders</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net income assets attributable to unit holders	-	419 841 999	419 841 999
Issue of units during the year	178 779 636	-	178 779 636
<b>Closing net assets attributable to unit holders</b>	<b>178 779 636</b>	<b>419 841 999</b>	<b>598 621 635</b>

Statement Of Cash Flows for the year ended 31 December 2022

	Audited Inflation Adjusted		*Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
<b>Cash flows from operating activities</b>				
Net (loss)/income	(1 296 144 073)	1 139 790 309	411 758 621	419 841 999
Non-cash items movements and adjustments to net income	1 460 791 319	(1 363 037 122)	292 891 949	(396 510 627)
Changes to working capital	52 181 867	(42 593 146)	21 979 165	(12 390 444)
<b>Net cash from operating activities</b>	<b>216 829 113</b>	<b>265 839 959</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>				
Purchase of investments	(853 545 200)	(638 167 608)	(430 122 490)	(185 644 421)
Sale of investments	281 651 892	-	192 862 768	-
<b>Net cash outflow from investing activities</b>	<b>(571 893 308)</b>	<b>(638 167 608)</b>	<b>(237 259 722)</b>	<b>(185 644 421)</b>
<b>Cash flows from financing activities</b>				
Net cash inflow from purchases of units by unit holders	381 815 289	918 019 636	133 100 905	178 779 636
<b>Net cash inflow from financing activities</b>	<b>381 815 288</b>	<b>918 019 636</b>	<b>133 100 905</b>	<b>178 779 636</b>
Effects on exchange rate fluctuations on cash held	4 715 205	-	4 715 205	-
<b>Net increase in cash and cash equivalents</b>	<b>31 466 299</b>	<b>14 012 069</b>	<b>41 402 225</b>	<b>4 076 143</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>14 012 069</b>	<b>-</b>	<b>4 076 143</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>	<b>45 478 368</b>	<b>14 012 069</b>	<b>45 478 368</b>	<b>4 076 143</b>

\*The historic amounts are shown as supplementary information. The historic information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historic financial information.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 General Information

1.1 Reporting entity

The Old Mutual Zimbabwe Stock Exchange Top Ten Exchange Traded Fund is registered and domiciled in Zimbabwe. The Fund commenced trading on 1 January 2021. The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of ZSE Top Ten Index.

1.2 Fund objectives

The objectives of the Fund are:

- To provide investors with an investment that balances long term capital growth and regular income; and
- To provide a medium risk profile by spreading investments over several sectors of the economy.

1.3 Fund Managers

The Fund Manager is Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG). OMIG is a subsidiary of Old Mutual Zimbabwe Limited (OMZIL)

1.4 Risk factor

This is a moderate risk Fund. The Fund value fluctuates in line with the share prices on the Zimbabwe Stock Exchange, whose prices are affected by the performance of the companies, the economic and political outlook environment. The diversification of the asset classes in the portfolio minimizes specific asset risks.

1.5 Fund administration

The Fund is exposed to a mix of financial risks resulting predominantly from the top ten listed counters on the Zimbabwe Stock Exchange. Financial risk is limited by the regulatory environment. The CIS Act (Chapter 24:19) has strict and specific regulations as to what instruments may and may not be held. The Fund is also governed by a Trust Deed, which commits it to a specific investment objective.

The Securities and Exchange Commission of Zimbabwe approves the creation of the Fund and reviews compliance by the Fund Manager at least annually. Regular checks are performed by the independent Trustee as well as the compliance function of the Fund Manager to ensure compliance with investment mandates and limitations specified in the Trust Deed and the regulations determined under the Collective Investments Scheme Act (Chapter 24:19). The Trustee is the custodian of units in issue as required by the Collective Investment Schemes Act (Chapter 24:19).

The Custodian is responsible for maintaining the Fund bank capital account and executing investments as directed by the Fund Manager.

2. Accounting Policies

2.1 Basis of preparation

The Fund's functional and presentation currency is Zimbabwean Dollars. The inflation adjusted financial statements represent the principal financial statements of the Fund. Historical cost financial statements have been presented as supplementary information to the restated financial statements.

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). Notwithstanding the fact that the change in prices of some commodities were directly linked to exchange rate movements, the Fund Manager does not support using exchange rate movements as a direct proxy for average price movements in the economy. The Fund Manager believes the CPI best represents average price movements in the economy during 2021 and has thus applied it in preparation of these Financial Statements. The indices and conversion factors used to restate the accompanying Financial Statements as at 31 December 2021 are given below.

Dates	Indices	Conversion Factors
31/12/2022	13 672.91	1
31/12/2021	3 977.48	3.4376

2.2 Revenue

Revenue comprises dividend income.

2.3 Management fees

Management fees are calculated based on the rate approved by the Fund Manager and the unitholders. In 2021, management fees were calculated using a rate of 0.5% per annum based on fund value under management, with the accrual being done on a monthly basis.

2.4 Trustee's fees

Trustee's fees are calculated using a rate of 0.1% per annum based on fund value under management, with the accrual being done monthly and payment effected on a monthly basis.

	Audited Inflation Adjusted		*Unaudited Historical	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
<b>3 Dividends Received</b>				
CBZ	1 102 307	5 401 000	701 985	1 327 604
Meikles	-	412 867	-	120 104
Delta Corp Limited	10 292 937	6 363 774	8 650 977	1 542 416
Ok Zimbabwe	-	2 130 644	-	465 377
Econet Wireless Zimbabwe Limited	-	10 893 955	-	2 643 828
Hippo	-	1 148 607	-	284 152
Innscore Africa Limited	6 985 921	4 381 622	5 131 565	1 034 123
National Foods	3 151 122	4 90 925	2 330 168	127 675
Simbisa	2 680 049	1 032 888	1 896 825	268 624
IBC	-	1 518 220	-	337 503
<b>Total Dividends received</b>	<b>24 212 336</b>	<b>33 774 502</b>	<b>18 711 520</b>	<b>8 151 406</b>

4 Exchange Traded Fund's Investments

Quoted investments as at 31 December 2022	Number of shares	Market price ZWL Cents	Audited Inflation Adjusted	Unaudited Historical
			Market value ZWL	Market value ZWL
<b>Local shares ZSE</b>				
CBZ	358 438	13 500	48 389 130	48 389 130
BAT Zimbabwe	14 106	279 911	39 484 306	39 484 306
Delta Corp Limited	896 274	35 977	322 454 917	322 454 917
Ecocash Holdings	1 778 924	4 008	71 301 053	71 301 053
Econet Wireless Zimbabwe Limited	1 780 266	9 628	171 396 711	171 396 711
Hippo	132 543	18 260	24 202 259	24 202 259
Innscore Africa Limited	391 195	71 367	279 183 040	279 183 040
<b>Foreign Equities</b>				
National Foods	46 969	119 947	56 338 009	59 338 009
Simbisa	385 930	24 575	94 842 087	94 842 087
<b>Total quoted equity investments</b>			<b>1 107 591 514</b>	<b>1 107 591 514</b>

Quoted investments as at 31 December 2021

Quoted investments as at 31 December 2021	Number of shares	Market price ZWL Cents	Audited Inflation Adjusted	Unaudited Historical
			Market value ZWL	Market value ZWL
<b>Local shares ZSE</b>				
CBZ	326 783	25 840	84 439 544	24 563 657
BAT Zimbabwe	12 689	1 100 369	139 625 880	40 617 489
Cassava	1 694 228	13 957	236 764 894	68 875 451
Delta Corp Limited	815 726	55 871	455 757 582	132 580 926
Econet Wireless Zimbabwe Limited	1 618 707	29 219	472 977 001	137 590 095
Hippo	108 111	96 252	104 059 268	30 271 080
Innscore Africa Limited	356 294	55 825	198 901 363	57 860 863
National Foods	43 062	472 526	203 479 031	59 192 517
Simbisa	340 033	30 938	105 200 167	30 602 970
<b>Total quoted equity investments</b>			<b>2 001 204 730</b>	<b>582 155 048</b>

5 Total net assets attributable to unit holders - units in issue

	Audited Inflation Adjusted ZWL\$	Unaudited Historical ZWL\$
<b>Opening Issued units 1 January 2021</b>	-	-
<b>Issued in 2021</b>	918 019 636	178 779 636
143 625 247 units/Average price ZWL\$ 1.24 each		
<b>Closing Issued units 31 December 2021</b>	<b>918 019 636</b>	<b>178 779 636</b>
143 625 247 units		
<b>Issued in 2022</b>	381 815 289	133 100 905
21 309 596 units/Average price ZWL\$ 6.25 each		
<b>Closing Issued units 31 December 2022</b>	<b>1 299 834 925</b>	<b>311 880 541</b>
164 934 843 units		

Supplementary information to the abridged financial statements

Analysis of unit holder balances at 31 December 2022 on the secondary market

Category	Number of unitholders	Market value	Price (cents)	Number of units
0 to 5 000	697	1 373 177	6.4401	213 223
5 001 to 10 000	274	1 909 284	6.4401	296 468
10 001 to 20 000	222	3 277 283	6.4401	508 887
20 001 to 50 000	194	6 065 853	6.4401	941 888
50 001 to 100 000	117	8 329 329	6.4401	1 293 354
100 001 to 250 000	99	15 138 028	6.4401	2 350 589
250 001 to 500 000	39	13 712 358	6.4401	2 129 215
500 001 to 1 000 000	29	20 050 479	6.4401	3 113 380
1 000 001 to 20 000 000	31	115 034 953	6.4401	17 862 293
20 000 001 to and above	6	877 306 139	6.4401	136 225 546
<b>Total</b>	<b>1 708</b>	<b>1 062 196 882</b>	</	

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**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS TOP TEN EXCHANGE TRADED FUND  
REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS**

**Opinion**

We have audited the inflation adjusted financial statements of Old Mutual Unit Trusts Top Ten Exchange Traded Fund ("the Fund") set out on pages 9 to 27 which comprise the inflation adjusted statement of financial position as at 31 December 2022, and the inflation adjusted statement of comprehensive income, inflation adjusted statement of changes in equity, and inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of the Fund as at 31 December 2022, and its inflation adjusted financial performance and its inflation adjusted cash flows for the year then ended in accordance with 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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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. In addition to the matters described in the basis of opinion section, we have determined the matters below to be the key audit matter to be communicated in our report:



A full list of partners and directors is available on request

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS TOP TEN EXCHANGE TRADED FUND**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS**

**Key audit matters (continued)**

Key audit matter	How the matter was addressed in the audit
<b>Net assets attributable to unitholders</b>	
<p>Included in the inflation adjusted statement of changes in net assets of unit holders as at 31 December 2022 are liabilities amounting to ZWL 1 143 481 161 (2021: ZWL 2 057 809 945).</p> <p>The accounting policy and disclosures for units in issue attributable to unit holders is included in note 11. The balance is indicative of the unit holders' investments in the Fund.</p> <p>Net assets attributable to unit holders has been considered 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 balances in relation to the financial statements as a whole.</p>	<p>To respond to the key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We evaluated the design and tested the implementation of controls management has put into effect relating to the issuing and redemption of units;</li> <li>• We confirmed units in issue from the Trustee and compared this to the ledger;</li> <li>• We performed completeness test for units in issue;</li> <li>• We recomputed the value of units in issue as per the client numbers and compared this to the value we confirmed from Stanbic;</li> <li>• We performed an analytical expectation and expressed variances of monetary values in issue as percentages of total value of investment for the fund;</li> <li>• We inspected underlying supporting documentation to determine the gross market value of the units in issue; and</li> <li>• We assessed adequacy of the disclosures in the inflation adjusted financial statements for compliance with International Accounting Standard (IAS) 1, Presentation of financial statements.</li> </ul> <p>Based on our procedures we found that the net assets 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, Trustees' report, the analysis of unit holder balances at year end, the foreign currency denominated balances and 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 auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS TOP TEN EXCHANGE TRADED FUND**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS**

**Responsibilities of the Fund Manager for the Inflation Adjusted Financial Statements**

The Fund Manager 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 Deed and for such internal control as the Fund Manager determines it necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, the Fund Manager 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 Fund Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 scepticism 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.
- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's 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 Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS TOP TEN EXCHANGE TRADED FUND**

**REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS**

**Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements (continued)**

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

From the matters communicated with the Fund Manager, we determine those matters that were of most significance 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 the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

The financial statements of the Fund are properly drawn up in accordance with the requirements of the Collective Investments Schemes Act (Chapter 24:19).

*Deloitte & Touche*

Chartered Accountants (Zimbabwe)

Per. Lawrence Nyajeka

Partner

PAAB Practice Certificate Number 0598

Harare

Zimbabwe

Date:

*31 March 2023*