

GROW YOUR INVESTMENT PORTFOLIO WITH DATVEST MODIFIED CONSUMER STAPLES EXCHANGE TRADED FUND



DATVEST MODIFIED CONSUMER STAPLES EXCHANGE TRADED FUND AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FUND MANAGER'S REPORT

Datvest Modified Consumer Staples Exchange Traded Fund "Datvest ETF" provides a unique solution to various clients in helping them invest in various counters on the Zimbabwe Stock Exchange (ZSE) and Victoria Falls Stock Exchange (VFEX) through the Datvest ETF basket. The Datvest ETF tracks counters comprising of consumer staples such as Delta, Innscoor, National Foods, Meikles, Simbisa Brands, OK Zimbabwe, TSL, Dairiboard, Hippo and African Distillers.

Finances

The fund recorded an inflation adjusted profit after tax of ZWL\$255.2 million against prior year inflation adjusted loss of ZWL\$1.6 billion driven by fair value gains in inflation adjusted terms on equity investments. The fund managed recorded profit after tax of ZWL\$1.1 billion in historical terms [prior year; ZWL\$93.5 million].

	AUDITED		UNAUDITED	
	INFLATION ADJUSTED 31 DEC 2023 ZWL\$	RESTATE 31 DEC 2022 ZWL\$	HISTORICAL 31 DEC 2023 ZWL\$	HISTORICAL 31 DEC 2022 ZWL\$
Net assets attributable to unit holders	255 211 311	(1 649 442 581)	1 139 555 112	93 479 240
Earnings / (loss) per unit	1.87	(7.28)	8.37	0.41
Net asset value per unit	11.75	6.94	11.75	1.44
Total liabilities including unit holders' funds	1 628 603 310	1 578 672 573	1 628 603 310	328 522 234

Dividend Notice

As at the end of the year, the Fund Manager declared a final dividend of ZWL58.20 cents per unit on 28 March 2024. In light of the current macroeconomic environment, this dividend will be paid in United States Dollars as USD 0.0095 cents per unit. A separate detailed notice to shareholders will be issued in this regard.

The Outlook

Promulgation of Statutory Instrument 218 of 2023 extended the multicurrency regime to 2030 and fostered market confidence in pursuing USD medium term transactions and investments, albeit limited due to general macroeconomic policies instability. In this regard, the fund expects this to translate to increased investor confidence and improve stock market performance. The shares on the Victoria Falls Exchange are expected to preserve value for unitholders.

STATEMENT OF FUND MANAGER'S RESPONSIBILITIES

CBZ Asset Management Private Limited, t/a Datvest (Manager), is the fund manager of the Datvest Modified Consumer Staples Exchange Traded Fund (the "Datvest ETF" or "the Fund"). The Directors of CBZ Asset Management Private Limited (the "Directors") are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Datvest ETF and enable them to ensure that the financial statements comply with the Securities and Exchange Act (Chapter 24:25) and Collective Investments Schemes Act (Chapter 24:19). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Datvest ETF and to prevent and detect fraud and other irregularities. The Datvest ETF inflation adjusted financial statements are required by Law and IFRS Accounting Standards (IFRS) as issued by International Accounting Standards Board (IASB) to present fairly the financial position of the Datvest ETF as at the year end and their performance for the period then ended.

In preparation of the Datvest ETF's financial statements, the Manager is required to:

- state whether they have been prepared in accordance with IFRS; and
- state whether they have been prepared on the going concern basis unless it is inappropriate to consider that Datvest ETF will continue in business;
- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent.

Compliance with Local Legislation

These financial statements comply with the Securities and Exchange Act [Chapter 24:25], Collective Investments Schemes Act [Chapter 24:19] and the Asset Management Act [Chapter 24:26].

Compliance with IFRS Accounting Standards

The financial statements have been prepared to take account of the effects of inflation in accordance with International Accounting Standard (IAS) 29, Financial Reporting in Hyperinflationary Economies. These financial statements are prepared in order to comply with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS) and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions. The historical cost amounts are shown herein as supplementary information. The Datvest ETF's External Auditors have therefore not expressed an opinion on this historic financial information.

Going concern

The Directors of CBZ Asset Management (Private) Limited ("the Directors") have assessed the ability of the Datvest ETF to continue operating as a going concern and believe that the preparation of these financial statements on a

going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Datvest ETF to continue to operate as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements. The Directors are responsible for preparing the annual financial statements.

Sustainability

CBZ Asset Management (Private) Limited accelerated its drive to create long-term value through embedding Environmental, Social and Governance (ESG) factors into its strategy and operations. As a result, in addition to the ongoing certification with the European Organisation for Sustainable Development "EOSD", CBZ Asset Management (Private) Limited, through the parent entity CBZ Holdings Limited, also obtained a nomination for accreditation with the Green Climate Fund "GCF". The entity also engaged the International Finance Corporation "IFC" for advisory services on ESG, Climate Governance and Climate Risk which facilitated sustainability training for Board members and senior management of CBZ Asset Management (Private) Limited, aimed at establishing a firm foundation for implementation of ESG aspects. Looking ahead, the CBZ Asset Management (Private) Limited's Board is committed to continue enhancing governance structures and observe sustainability principles through incorporation of 'Green' frameworks in investment policies.

Responsibility

The financial statements were prepared by CBZ Asset Management (Private) Limited, the Datvest ETF's Fund Managers, under the direction and supervision of the CBZ Holdings Limited Group Chief Finance Officer Mr Tawanda Gumbo, PAAB Number 0223.

By order of the Board of CBZ Asset Management (Private) Limited.


T. MUZADZI
MANAGING DIRECTOR

31 March 2024


N. MHLANGA
CHAIRMAN

31 March 2024

THE TRUSTEE'S REPORT

Stanbic Investor Services Zimbabwe is the Trustee for the Datvest Modified Consumer Staples Exchange Traded Fund (the fund) in terms of the Collective Investment Schemes Act (Chapter 24:19) and the Trust Deed.

In terms of the Trust Deed for the Fund, 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.

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 investments and restrictions of the scheme.


Trustees
Stanbic Investor Services Zimbabwe
59 Samora Machel Avenue
Harare
31 March 2024



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Independent Auditors' Report

To the Unit Holders of Datvest Modified Consumer Staples Exchange Traded Fund

Opinion

We have audited the inflation adjusted financial statements of Datvest Modified Consumer Staples Exchange Traded Fund (the Fund) set out on pages 10 to 36, comprise the inflation adjusted statement of financial position as at 31 December 2023, and the inflation adjusted statement of profit or loss and other comprehensive income, the inflation adjusted statement of changes in net assets of unit holders and inflation adjusted cash flows for the year then ended, accounting policies and notes to the inflation adjusted financial statements.

In our opinion, the inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of Datvest Modified Consumer Staples Exchange Traded Fund as at 31 December 2023, and its inflation adjusted financial performance and inflation adjusted cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the manner required by the Securities and Exchange Act (Chapter 24:25), and Asset Management Act (Chapter 24:26), and the Collective Scheme of Investments Act (Chapter 24:19).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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 the inflation adjusted financial statements in Zimbabwe, and we have fulfilled our other 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.

We have determined that there are no key audit matters to communicate in our report.



Other information

The directors of CBZ Asset Management (Private) Limited, the managers of the Fund, ("the directors"), are responsible for the other information. The other information comprises the information in the report titled "Datvest Modified Consumer Staples Exchange Traded Fund Annual Financial Statements for the year ended 31 December 2024", including the unaudited financial information in the inflation adjusted financial statements titled "Unaudited Historical" but does not include the inflation adjusted financial statements and our auditors' 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 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, 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 directors for the inflation adjusted financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Securities and Exchange Act (Chapter 24:25), Asset Management Act (Chapter 24:26) and the Collective Investments Schemes Act (Chapter 24:19), and for such internal control as the directors determine is 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 directors are 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 Fund or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the inflation adjusted financial statements

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 auditors' 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.

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 directors.
- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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.

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

From the matters communicated with the directors of CBZ Asset Management (Private) Limited, the managers of the Fund, ("the directors"), 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 auditors' 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.

Brian Njikizana
Chartered Accountant (Zimbabwe)
Registered Auditor
PAAB Practicing Certificate Number 0363

31 March 2024

For and on behalf of, KPMG Chartered Accountants (Zimbabwe), Reporting Auditors

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