



MORGAN & CO

OUR WORD IS OUR BOND

**MORGAN & CO
MULTI-SECTOR
EXCHANGE TRADED FUND**

**Abridged Audited Financial Statements
For the Year Ended 31 December 2023**

FUND MANAGER'S RESPONSIBILITY STATEMENT AND APPROVAL OF FINANCIAL STATEMENTS

The Fund Manager, TN Asset Management, ensures that the financial statements fairly present the state of affairs of the fund. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The fund manager has assessed the ability of Morgan & Co Multi Sector Exchange Traded Fund to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the fund manager believe that under the current economic environment a continuous assessment of the ability of fund to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

The financial statements set out in this report have been prepared by the fund manager in accordance with International Financial Reporting Standards (IFRS). The statements are based on the appropriate accounting policies which were supported by reasonable and prudent judgements and estimates.

The fund's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring fund practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the fund have been addressed and the fund manager confirms that the systems of accounting and internal control are operating in a satisfactory manner.

In light of the current financial position, the fund manager is satisfied that Morgan & Co Multi Sector Exchange Traded Fund is a going concern and has continued to adopt the going concern basis in preparing the financial statements.

The external auditors are responsible for independently reviewing and reporting on the fund's financial statements. The financial statements have been audited by the fund's external auditors.

The fund manager's statement of responsibility and the financial statements were approved by the fund executives on 03 April 2024 and are signed on their behalf by:



Fund Manager

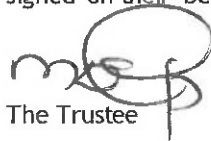
03 April 2024

The Trustee's Statement

CABS Custodial Services Zimbabwe is the Trustee for the Morgan & Co Multi-Sector Exchange Traded Fund ("the Fund") in terms of the Collective Investment Schemes Act (Chapter 24:19) and the Trust Deed.

In our opinion, the fund manager, TN Asset Management, has maintained sufficient financial records, in compliance with the regulatory requirements stipulated in the Collective Investment Schemes Act of 1997 [Chapter 24:19], the regulations contained in the Statutory Instrument 14 of 2004 and the amendments thereto, 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 were prepared to the satisfaction of the Trustee's on 03 April 2024 and are signed on their behalf by:


The Trustee

03 April 2024

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 2023. This is the second year of the audit. Comparative financial information has been included. The financial statements have been audited by Kreston Zimbabwe Chartered Accountants who have issued an unqualified opinion.

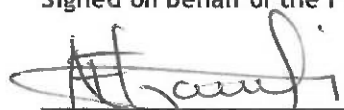
The auditor's report on the Inflation-adjusted financial statements, from which these abridged inflation-adjusted financial statements are extracted, is available for inspection at the Fund's registered office. The Engagement Partner responsible for the audit was Morden Mutumwa, PAAB Practice Certificate Number 0540.


03 April 2024


STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023


Notes	Inflation Adjusted		Historical	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
ASSETS	17,495,977	12,563,405	17,495,977	2,617,376
Equity investments	17,478,870	12,474,642	17,478,870	2,598,884
Cash and cash equivalents	16,700	88,763	16,700	18,492
Accounts receivables	407	-	407	-
TOTAL ASSETS	17,495,977	12,563,405	17,495,977	2,617,376
EQUITY	17,453,007	12,532,024	17,453,007	2,610,838
Unit holders contribution	14,498,499	17,774,270	399,261	1,332,529
Undistributed income/(loss)	2,954,508	(5,242,246)	17,053,746	1,278,309
LIABILITIES	42,969	31,381	42,969	6,538
Accounts payables	42,969	31,381	42,969	6,538
TOTAL EQUITY AND LIABILITIES	17,495,977	12,563,405	17,495,977	2,617,376

Signed on behalf of the Fund by:


ASSET MANAGER


TRUSTEE


DATE


DATE

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

	Notes	Inflation Adjusted		2023 ZWL '000	2022 ZWL '000
		2023 ZWL '000	2022 ZWL '000		
Income		8,308,616	1,018,012	15,824,177	1,317,360
Dividend Income		427,453	560,920	163,150	62,721
Fair value Gain/ (loss) on shares	4.1	6,903,924	(333,215)	15,288,035	1,166,238
Interest Income		14,930	-	5,699	-
Gain on sale of shares	4.2	962,309	790,307	367,293	88,401
Operating Expenses		(231,063)	(193,158)	(88,192)	(21,606)
Portfolio Management Fees		91,603	108,271	34,963	12,111
Trustee Fees		18,321	21,654	6,993	2,422
Publication Expenses		6,175	-	2,357	-
Custodial Fees		9,160	10,827	3,496	1,211
Register Maintenance Fees		12,918	-	4,930	-
Transfer Secretary Fees		1,832	16,650	699	1,862
Bank Charges		2,235	695	853	78
Audit fees		87,343	35,060	33,337	3,922
Interest Expense		1,476	-	563	-
Net Income before exchange gain or loss		8,077,552	824,855	15,735,984	1,295,754
Net Monetary gain/ (loss)		15,836	(5,983,367)	-	-
Realised Exchange gain		103,366	-	39,453	-
Net Income/ (loss) for the year		8,196,755	(5,158,512)	15,775,437	1,295,754
Weighted Average Units in Issue		41,156,692	137,359,941	41,156,692	137,359,941
Basic and Diluted EPS (cents)		19,916	(12,534)	38,330	3,148

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

		INFLATION ADJUSTED		
		Units in issue	Undistributed Income	Total
		ZWL '000	ZWL '000	ZWL '000
Balance as at 1 January 2022		-	-	-
Unit holders contribution:	Shares	16,042,093	-	16,042,093
	Cash	1,732,177	-	1,732,177
Net loss for the year		-	-	-
Dividend paid		-	(83,735)	(83,735)
Balance as at 31 December 2022		17,774,270	(83,735)	17,690,536
Redemption of Units		-	-	-
Net income for the year		-	-	-
Balance as at 31 December 2023		17,774,270	(83,735)	17,690,536

		HISTORICAL		
		Units in issue	Undistributed Income	Total
		ZWL '000	ZWL '000	ZWL '000
Balance as at 1 January 2022		-	-	-
Unit holders contribution:	Shares	971,659	-	971,659
	Cash	360,870	-	360,870
Net income for the year		-	1,295,754	1,295,754
Dividend paid		-	(17,445)	(17,445)
Balance as at 31 December 2022		1,332,529	1,278,309	2,610,838
Redemption of Units		-	-	-
Net income for the year		-	-	-
Balance as at 31 December 2023		1,332,529	1,278,309	2,610,838

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Inflation Adjusted		Historical	
		2023	2022	2023	2022
		ZWL '000	ZWL '000	ZWL '000	ZWL '000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss)		8,196,755	(5,158,512)	15,775,437	1,295,754
Adjustments for: Non-cash movements					
Fair value gain/ loss on shares	4.1	(6,903,924)	333,215	(15,288,035)	(1,166,238)
Gain on sale of shares	4.2	(962,309)	(790,307)	(367,293)	(88,401)
Net Monetary gain/ loss		(15,836)	5,983,367	-	-
Operating surplus before working capital changes		314,686	367,763	120,109	41,115
Working capital changes					
Increase in trade and other receivables		(407)	-	(407)	-
Increase in trade and other payables		11,588	31,381	36,432	6,538
Net Cashflow from operating activities		325,867	399,144	156,134	47,653
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of equity and money market	4.1	(3,047,264)	(4,757,111)	(1,163,078)	(532,115)
Proceeds from sale of investments	4.2	2,633,498	1,426,195	1,005,152	159,530
Net cash outflow from investing activities		(413,766)	(3,330,917)	(157,926)	(372,586)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash inflow from purchase of units by holders		-	3,226,180	-	360,870
Dividend paid		-	(83,735)	-	(17,445)
Net cash flow from financing activities		-	3,142,445	-	343,425
Net (Decrease)/ Increase In Cash and Cash Equivalents		(87,899)	210,672	(1,792)	18,492
Effect of IAS 29		15,836	(121,909)	-	-
Cash and cash equivalents at the beginning of the year		88,763	-	18,492	-
Cash and cash equivalents at the end of the year		16,700	88,763	16,700	18,492

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General Information

1.1 Reporting entity

The Morgan & Co Multi-sector Exchange Traded Fund is registered and domiciled in Zimbabwe. The Fund commenced trading on 3 January 2022. The investment objective of the Fund is to provide a type of pooled investment vehicle that is actively managed.

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 TN Asset Management.

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, and the outlook.

1.5 Fund administration

Collective investment schemes invest in financial assets. The Fund is exposed to a mix of financial risks resulting from the listed counters on the Zimbabwe Stock Exchange. Financial risk is limited by the regulatory environment. The Collective Investment Schemes 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 Trust Deed's investment objective is further refined into an investment mandate which requires the Fund Manager to manage the Fund in accordance with the specified mandate. As far as possible, compliance limits are built into the daily pricing systems and processes of the Fund Manager and are checked and reported on daily.

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 Dollar (ZWL). 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

IAS 29 requires that the 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 restated in the same terms.

The restatement of the historical cost numbers is based on the conversion factors derived from the Total Consumption Poverty Lines (TCPL) issued by the Zimbabwe Statistical Office (ZIMSTATS). The Fund Manager believes the TCPL best represents average price movements in the economy during 2023 and have 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 2023 are given below:

Date	Indices	Conversion factor
1/01/23	29,499.89	4.75
31/12/23	140,252.60	1
Average		2.62

2.2 Revenue

The Fund has adopted International Financial Reporting Standard 15 - Revenue from Contracts with Customers (IFRS 15). The core principle of the standard is that revenue recognised reflects the consideration which the Fund expects to receive in exchange for the transfer of promised services to the customer. It incorporates a five-step model to determine the amount and timing of revenue recognition. Revenue comprises dividend income, realised and unrealised gains on investments.

2.3 Management fees

Management fees are calculated using a rate of 0.5% per annum based on fund value under management, with the accrual being done on a daily 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 daily and payment effected on a monthly basis.

2.5 Custodial's fees

Custodial's fees are calculated using a rate of 0.05% per annum based on fund value under management, with the accrual being done daily and payment effected on a monthly basis.

2.6 Transfer Secretary

Transfer secretary fees are calculated using a rate on 0.01% per annum based on portfolio value under management, with the accrual being don daily and payment effected on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Exchange Traded Fund's Investments

EQUITY INSTRUMENTS Equity value as at 31 December	Inflation Adjusted		Historical	
	2023 ZWL '000	2022 ZWL '000	2023 ZWL '000	2022 ZWL '000
	Market Value			
Old Mutual Zimbabwe Limited	1,060,709	5,341,631	1,060,709	1,112,840
NMB Bank Limited	1,157,686	2,944,971	1,157,686	613,536
First Mutual Holdings Limited	10,029,797	1,157,055	10,029,797	241,053
Zimre Holdings Limited	1,844,500	730,168	1,844,500	152,118
First Capital Bank Ltd	-	1,829,977	-	381,245
CBZ bank	-	52	-	11
ZB Financial Holdings Limited	373,591	148,498	373,591	30,937
Delta Corporation Limited	674,493	322,290	674,493	67,144
Morgan & CO Multi- Sector ETF	1,318,214	-	1,318,214	-
Nampack Zimbabwe Limited	527,317	-	527,317	-
Seed CO Limited	387,500	-	387,500	-
Unifreight Africa	550	-	550	-
Morgan & Co made in Zimbabwe ETF	469	-	469	-
Old Mutual ZSE top 10 ETF	2,136	-	2,136	-
Cass Saddle Agriculture ETF	1,888	-	1,888	-
Money Market Investments	100,020	-	100,020	-
Total Equity & Money Market investments	17,478,870	12,474,642	17,478,870	2,598,884

4. Financial Risk Management

4.1 Market risk

Market risk is the risk that changes in market prices such as equity prices will affect the Fund income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4.2 Equity price risk

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities. The Fund Manager closely monitors the prices on the Zimbabwe Stock Exchange to manage the risk associated with price fluctuations.

4.3 Fair values of financial assets and liabilities

Determination of fair value

Fair values are determined according to the following hierarchy based on the requirements in IFRS 13 'Financial Instruments: Disclosures'.

Level 1 - quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2 - valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Level 3 - valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

Fair value hierarchy

Analysis of instruments at fair value.

	Level 1	Level 2	Level 3
Historical			
As at 31 December 2022	ZWL		
Equity instruments measured at fair value	2,598,936,994		
Total Financial assets measured at fair value	2,598,936,994		
As at 31 December 2023			
Equity instruments measured at fair value	17,478,869,755		
Total Financial assets measured at fair value	17,478,869,755		

5. Events after the reporting date

Subsequent to 31 December 2023, on the 30th of January 2024, TN Asset Management (Pvt) as the Portfolio Manager in conjunction with CABS Custodial Service who are the trustees of the Morgan & Co Multi- Sector ETF declared a dividend of 0.0437 USD cents per unit paid in respect of the qualifying ETF units. The dividend was paid out of the USD dividend received in the ETF counter components in the year 2023. The dividend was paid on or about 22nd of February 2024. The dividend was paid by direct transfers or other approved forms as per the following time table:

Date of announcement	30 January, 2024
Last Date to Trade- cum dividend	19 February, 2024
Share Trade Ex Dividend	20 February, 2024
Last Record Date	23 February, 2024
Payment Date	29 February, 2024
Dividend Per Share	0.0437 USD cents
Dividend Amount	USD18,000.00

MORGAN & CO MULTI-SECTOR
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

MORGAN & CO
MULTI-SECTOR EXCHANGE TRADED FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023

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**MORGAN & CO
MULTI-SECTOR EXCHANGE TRADED FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2023**

Background of the Fund

It is a Multi-sector Exchange Traded Fund that is actively managed on the ZSE. The Fund aims to provide a pooled investment vehicle that is actively managed.

THE SPONSOR	Morgan & Co (Private) Limited 14165 Sauer Road Gunhill Harare
THE MANAGER	TN Asset Management (Pvt) 64 Knightsbridge Road Harare
THE TRUSTEE	CABS Custodial Service 3 Northend Close Northridge Park, Highlands Harare
PRINCIPAL BANKERS	CABS Custodial Service 3 Northend Close Northridge Park, Highlands Harare
TRANSFER SECRETARY	Corpserve Transfer Secretaries 2nd Floor, ZB Centre Corner 1st St & Nkwame Nkrumah Ave Harare
INDEPENDENT AUDITORS	Kreston Zimbabwe Chartered Accountants Ground Floor Block A, Smatsatsa Office Park Borrowdale Harare

MORGAN & CO MULTI-SECTOR EXCHANGE TRADED FUND

MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

It is management's responsibility to ensure that the financial statements fairly present the state of affairs of the fund. The external auditors are responsible for independently reviewing and reporting on the financial statements.

Management has assessed the ability of Morgan & Co Multi Sector Exchange Traded Fund to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, management believe that under the current economic environment a continuous assessment of the ability of fund to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

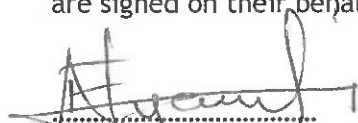
The financial statements set out in this report have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The statements are based on the appropriate accounting policies which were supported by reasonable and prudent judgements and estimates.

Fund's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on established written policies and procedures and all employees are required to maintain the highest ethical standards in ensuring fund practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the fund have been addressed and management confirms that the systems of accounting and internal control are operating in a satisfactory manner.

In light of the current financial position, management is satisfied that Morgan & Co Multi Sector Exchange Traded Fund is a going concern and has continued to adopt the going concern basis in preparing the financial statements.

The external auditors are responsible for independently reviewing and reporting on fund's financial statements. The financial statements have been audited by fund's external auditors and their report is presented on pages 3 to 6.

Fund's financial statements which are set out on pages 7 to 14 were in accordance with their responsibilities, approved by the fund executives on28-04-.....2024 and are signed on their behalf by:


ASSET MANAGER


TRUSTEE

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF MORGAN & CO MULTI SECTOR EXCHANGE TRADED FUND
(ETF)*****Unqualified Opinion***

We have audited the financial statements of **Morgan & Co Multi-Sector Exchange Traded Fund** set out on pages 6 to 15, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in reserve, and the statement of cash flows for the year ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly the financial position of Morgan & Co Multi Sector Exchange Traded Fund as at 31 December 2023, and its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards and the manner required by the Securities and Exchange Commission of Zimbabwe [Securities and Exchange Act Chapter (24:25)].

Basis for Unqualified 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 Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of the financial statements in Zimbabwe. 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 unqualified opinion except for the matter below.

Going Concern

Our review of the managements' responsibility statement set on page 2, relating to going concern, we have nothing to report having performed our review. As noted within the Managements' Responsibility statement on page 2, the management have concluded that it is appropriate to prepare financial statements using the going concern basis of accounting. The going concern basis presumes that the company has adequate resources to remain in operation and that the management intend it to do so, for at least one year from the date of financial statements were signed. As part of our audit, we have assessed that the managements' use of a going concern basis is appropriate. However, because not all future events or conditions can be predicted, these statements are not guaranteed as to the fund's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, there are no key audit matters.

Other information

Other information consists of the managements' responsibility statement included in the financial statements, other than the fund's financial statements and our auditor's report

thereon. The management are responsible for the other information.

Our opinion on the fund 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 fund's financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 obtained prior to the date of this auditor's, 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.

Management's Responsibilities for the Financial Statements

The trustees and fund manager of Morgan & Co ETF are responsible for the preparation and fair presentation of the fund's financial statements in accordance with IFRS and for such internal control as the Fund manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management 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 Fund manager either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the fund's 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 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 based on the fund's financial statements.

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

- Identify and assess the risk of material misstatement of the fund's 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, intention omission, misrepresentations, or override or internal control.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstance, but not to express an opinion on the effectiveness of the fund's internal controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members
- Conclude on the appropriateness of the fund'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 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 disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date in 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 financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the fund's activities within the fund to express an opinion on the financial statements. We remain solely responsible for our Audit opinion.

We communicate with the members 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 with a statement that we have complied with the relevant ethical requirement 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. From the matters communicated with the fund, we determined those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations preclude 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 the other legal and regulatory Requirements.

In our opinion, the financial statements have been properly prepared per accounting policies set out on pages 10 to 13.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Modern Mutumwa (PAAB Practicing Certificate Number: 0540).

KRESTON ZIMBABWE
KRESTON ZIMBABWE CHARTERED ACCOUNTANTS
REGISTERED PUBLIC AUDITORS
HARARE

25/03/2024
DATE

MORGAN & CO

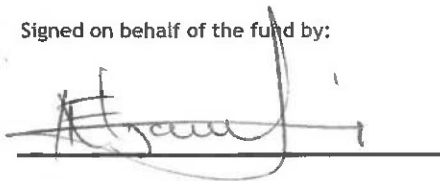
MULTI-SECTOR EXCHANGE TRADED FUND

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Inflation Adjusted		Historical	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
ASSETS		17,495,976,681	12,563,404,736	17,495,976,681	2,617,375,987
Equity investments	4	17,478,869,755	12,474,641,978	17,478,869,755	2,598,883,745
Cash and cash equivalents	5	16,699,808	88,762,758	16,699,808	18,492,241
Accounts receivables		407,118	-	407,118	-
TOTAL ASSETS		17,495,976,681	12,563,404,736	17,495,976,681	2,617,375,987
EQUITY		17,453,007,415	12,532,023,652	17,453,007,415	2,610,838,261
Unit holders contribution		14,498,498,967	17,774,270,150	399,261,251	1,332,529,394
Undistributed income/(loss)		2,954,508,448	(5,242,246,498)	17,053,746,164	1,278,308,867
LIABILITIES		42,969,266	31,381,084	42,969,266	6,537,726
Accounts payables	6	42,969,266	31,381,084	42,969,266	6,537,726
TOTAL EQUITY AND LIABILITIES		17,495,976,681	12,563,404,736	17,495,976,681	2,617,375,987

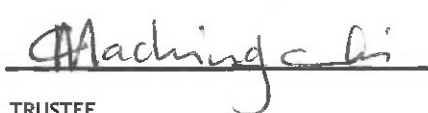
Signed on behalf of the fund by:



ASSET MANAGER

25/03/2024

DATE



TRUSTEE

25/03/2024

DATE

MORGAN & CO
MULTI-SECTOR EXCHANGE TRADED FUND
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Inflation Adjusted		Historical	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Income		8,308,615,690	1,018,012,408	15,824,176,568	1,317,359,584
Dividend Income		427,452,684	560,920,223	163,149,879	62,720,782
Fair value Gain/ (loss) on shares	4.1	6,903,924,037	(333,214,728)	15,288,034,716	1,166,237,581
Interest Income		14,930,411	-	5,698,630	-
Gain on sale of shares	4.2	962,308,558	790,306,913	367,293,343	88,401,221
Operating Expenses		(231,063,335)	(193,157,682)	(88,192,113)	(21,606,005)
Portfolio Management Fees		91,603,296	108,271,127	34,963,090	12,110,864
Trustee Fees		18,320,659	21,654,225	6,992,618	2,422,173
Publication Expenses		6,175,304	-	2,356,986	-
Custodial Fees		9,160,330	10,827,113	3,496,309	1,211,086
Register Maintenance Fees		12,917,773	-	4,930,448	-
Transfer Secretary Fees		1,832,066	16,650,077	699,262	1,862,425
Bank Charges		2,234,620	695,186	852,908	77,761
Audit fees		87,343,008	35,059,953	33,337,026	3,921,695
Interest Expense		1,476,280	-	563,466	-
Net Income before exchange gain or loss		8,077,552,355	824,854,726	15,735,984,456	1,295,753,579
Net Monetary gain/ (loss)		15,836,145	(5,983,366,604)	-	-
Realised Exchange gain		103,366,446	-	39,452,842	-
Net Income/ (loss) for the year		8,196,754,946	(5,158,511,878)	15,775,437,298	1,295,753,579

MORGAN & CO
MULTI-SECTOR EXCHANGE TRADED FUND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

		INFLATION ADJUSTED		
		Units in issue	Undistributed Income	Total
		ZWL	ZWL	ZWL
Balance as at 1 January 2022		-	-	-
Unit holders contribution:	Shares	16,042,093,144	-	16,042,093,144
	Cash	1,732,177,005	-	1,732,177,005
Net loss for the year		-	(5,158,511,878)	(5,158,511,878)
Dividend paid		-	(83,734,620)	(83,734,620)
Balance as at 31 December 2022		<u>17,774,270,150</u>	<u>(5,242,246,498)</u>	<u>12,532,023,652</u>
Redemption of Units		(3,275,771,183)		(3,275,771,183)
Net income for the year		-	8,196,754,946.17	8,196,754,946.17
Balance as at 31 December 2023		<u>14,498,498,967</u>	<u>2,954,508,448</u>	<u>17,453,007,415</u>

		HISTORICAL		
		Units in issue	Undistributed Income	Total
		ZWL	ZWL	ZWL
Balance as at 1 January 2022		-	-	-
Unit holders contribution:	Shares	971,659,185	-	971,659,185
	Cash	360,870,209	-	360,870,209
Net income for the year		-	1,295,753,579	1,295,753,579
Dividend paid		-	(17,444,713)	(17,444,713)
Balance as at 31 December 2022		<u>1,332,529,394</u>	<u>1,278,308,867</u>	<u>2,610,838,261</u>
Redemption of Units		(933,268,143)	-	(933,268,143)
Net income for the year		-	15,775,437,298	15,775,437,297.61
Balance as at 31 December 2023		<u>399,261,251</u>	<u>17,053,746,164</u>	<u>17,453,007,415</u>

MORGAN & CO
MULTI-SECTOR EXCHANGE TRADED FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Inflation Adjusted		Historical	
		2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income / (loss)		8,196,754,946	(5,158,511,878)	15,775,437,298	1,295,753,579
Adjustments for: Non-cash movements					
Fair value gain/ loss on shares	4.1	(6,903,924,037)	333,214,728	(15,288,034,716)	(1,166,237,581)
Gain on sale of shares	4.2	(962,308,558)	(790,306,913)	(367,293,343)	(88,401,221)
Net Monetary gain/ loss		(15,836,145)	5,983,366,604	-	-
Operating surplus before working capital changes		314,686,206	367,762,541	120,109,239	41,114,777
Working capital changes					
Increase in trade and other receivables		(407,118)	-	(407,118)	-
Increase in trade and other payables		11,588,181	31,381,084	36,431,540	6,537,726
Net Cashflow from operating activities		325,867,269	399,143,625	156,133,661	47,652,503
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of equity and money market	4.1	(3,047,264,152)	(4,757,111,274)	(1,163,077,921)	(532,115,355)
Proceeds from sale of investments	4.2	2,633,497,786	1,426,194,595	1,005,151,827	159,529,597
Net cash outflow from investing activities		(413,766,366)	(3,330,916,679)	(157,926,094)	(372,585,758)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash inflow from purchase of units by holders		-	3,226,179,672	-	360,870,209,43
Dividend paid		-	(83,734,620)	-	(17,444,713)
Net cash flow from financing activities		-	3,142,445,052	-	343,425,497
Net (Decrease)/ Increase In Cash and Cash Equivalents		(87,899,097)	210,671,998	(1,792,434)	18,492,242
Effect of IAS 29		15,836,147	(121,909,240)	-	-
Cash and cash equivalents at the beginning of the year		88,762,758	-	18,492,242	-
Cash and cash equivalents at the end of the year	5	16,699,808	88,762,758	16,699,808	18,492,242

1 GENERAL INFORMATION

1.1 Reporting entity

The Morgan & Co Multi-sector Exchange Traded Fund is registered and domiciled in Zimbabwe. The Fund commenced trading on 3 January 2022. The investment objective of the Fund is to provide a type of pooled investment vehicle that is actively managed.

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 TN Asset Management.

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, and the outlook.

1.5 Fund administration

Collective investment schemes invest in financial assets. The Fund is exposed to a mix of financial risks resulting from the listed counters on the Zimbabwe Stock Exchange. Financial risk is limited by the regulatory environment. The Collective Investment Schemes 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 Trust Deed's investment objective is further refined into an investment mandate which requires the Fund Manager to manage the Fund in accordance with the specified mandate. As far as possible, compliance limits are built into the daily pricing systems and processes of the Fund Manager and are checked and reported on daily.

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 Dollar (ZWL). 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.

IAS 29 requires that the 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 restated in the same terms.

The restatement of the historical cost numbers is based on the conversion factors derived from the Total Consumption Poverty Lines (TCPL) issued by the Zimbabwe Statistical Office (ZIMSTATS). The Fund Manager believes the TCPL best represents average price movements in the economy during 2023 and have 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 2023 are given below:

Date	Indices	Conversion factor
1/01/23	29,499.89	4.75
31/12/23	140,252.60	1
Average		2.62

2.2 Revenue

The Fund has adopted International Financial Reporting Standard 15 - Revenue from Contracts with Customers (IFRS 15). The core principle of the standard is that revenue recognised reflects the consideration which the Fund expects to receive in exchange for the transfer of promised services to the customer. It incorporates a five-step model to determine the amount and timing of revenue recognition. Revenue comprises dividend income, realised and unrealised gains on investments.

2.3 Management fees

Management fees are calculated using a rate of 0.5% per annum based on fund value under management, with the accrual being done on a daily 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 daily and payment effected on a monthly basis.

2.5 Custodial's fees

Custodial's fees are calculated using a rate of 0.05% per annum based on fund value under management, with the accrual being done daily and payment effected on a monthly basis.

2.6 Transfer Secretary

Transfer secretary fees are calculated using a rate on 0.01% per annum based on portfolio value under management, with the accrual being don daily and payment effected on a monthly basis.

2.7 Investments

The investments are measured at fair value at the end of the year.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash deposits with financial institutions (custodian).

2.9 Net Assets attributable to unit holders

Net assets attributable to unit holders consist of contribution by unit holders and undistributed income. Units in issue are initially and subsequently measured at cost. Undistributed income accumulates yearly from net income.

3 FINANCIAL RISK MANAGEMENT

3.1 Market risk

Market risk is the risk that changes in market prices such as equity prices will affect the Fund income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

3.2 Equity price risk

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities. The Fund Manager closely monitors the prices on the Zimbabwe Stock Exchange to manage the risk associated with price fluctuations.

3.3 Fair values of financial assets and liabilities

Determination of fair value

Fair values are determined according to the following hierarchy based on the requirements in IFRS 13 'Financial Instruments: Disclosures'.

Level 1 - quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2 - valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

Level 3 - valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

MORGAN & CO MULTI-SECTOR EXCHANGE TRADED FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Fair value hierarchy
 Analysis of instruments at fair value.

	Level 1	Level 2	Level 3
Historical			
As at 31 December 2022	ZWL		
Equity instruments measured at fair value	2, 598, 936, 994		
Total Financial assets measured at fair value	2,598,936,994		
As at 31 December 2023			
Equity instruments measured at fair value	17, 478, 869, 755		
Total Financial assets measured at fair value	17, 478, 869, 755		

	Inflation Adjusted		Historical	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
4 EQUITY INSTRUMENTS				
Equity value as at 31 December	Market Value	Market Value	Market Value	Market Value
Old Mutual Zimbabwe Limited	1,060,708,785	5,341,630,944	1,060,708,785	1,112,839,780
NMB Bank Limited	1,157,686,400	2,944,971,361	1,157,686,400	613,535,700
First Mutual Holdings Limited	10,029,797,116	1,157,055,160	10,029,797,116	241,053,158
Zimre Holdings Limited	1,844,500,000	730,167,682	1,844,500,000	152,118,267
First Capital Bank Ltd	-	1,829,977,153	-	381,245,240
CBZ bank	-	52,488	-	10,935
ZB Financial Holdings Limited	373,590,960	148,497,624	373,590,960	30,937,005
Delta Corporation Limited	674,493,226	322,289,565	674,493,226	67,143,659
Morgan & CO Multi- Sector ETF	1,318,213,638	-	1,318,213,638	-
Nampack Zimbabwe Limited	527,316,925	-	527,316,925	-
Seed CO Limited	387,500,000	-	387,500,000	-
Unifreight Africa	550,000	-	550,000	-
Morgan & Co made in Zimbabwe ETF	468,900	-	468,900	-
Old Mutual ZSE top 10 ETF	2,135,600	-	2,135,600	-
Cass Saddle Agriculture ETF	1,888,430	-	1,888,430	-
Money Market Investments	100,019,775	-	100,019,775	-
Total Equity & Money Market Investments	17,478,869,755	12,474,641,978	17,478,869,755	2,598,883,745
4.1 Equity Instruments Reconciliations				
Opening value of shares	12,474,641,976	-	2,598,883,745	-
Shares purchased during the year	2,806,619,328	13,443,744,388	1,071,228,751	1,503,774,540
Money Market Placements	240,644,824	-	91,849,170	-
Redemption of shares at Cost	(3,275,771,183)	-	(933,268,143)	-
Shares disposed at cost	(1,671,189,228)	(635,887,681)	(637,858,484)	(71,128,376)
	10,574,945,717	12,807,856,706	2,190,835,038	1,432,646,164
Fair value Gain/ (loss) on shares	6,903,924,037	(333,214,728)	15,288,034,716	1,166,237,581
Closing balance	17,478,869,755	12,474,641,978	17,478,869,755	2,598,883,745
4.2 Gain on sale of shares	962,308,558	790,306,913	367,293,343	88,401,221
Proceeds from sale of shares	2,633,497,786	1,426,194,595	1,005,151,827	159,529,597
Cost of Investments sold	(1,671,189,228)	(635,887,681)	(637,858,484)	(71,128,376)
5 CASH AND CASH EQUIVALENTS	16,699,808	88,762,758	16,699,808	18,492,241
Bank Balances	16,699,808	88,762,758	16,699,808	18,492,241
6 ACCOUNTS PAYABLES	42,969,266	31,381,084	42,969,266	6,537,726
Audit fees	30,523,613	16,424,136	30,523,613	3,421,695
Portfolio Management Fees	7,200,747	14,451,332	7,200,747	3,010,694
Portfolio Custodial Fees	3,706,983	505,616	3,706,983	105,337
Register Maintenance Fees	917,604	-	917,604	-
Copsolve Fees	620,318	-	620,318	-

7 GOING CONCERN

The Trustees have assessed that the fund is to continue to operate as a going concern.

8 EVENTS AFTER THE REPORTING DATE

Subsequent to 31 December 2023, on the 30th of January 2024, TN Asset Management (Pvt) as the Portfolio Manager in conjunction with CABS Custodial Service who are the trustees of the Morgan & Co Multi- Sector ETF declared a dividend of 0.0437 USD cents per unit paid in respect of the qualifying ETF units. The dividend was paid out of the USD dividend received in the ETF counter components in the year 2023. The dividend was paid on or about 22nd of February 2024. The dividend was paid by direct transfers or other approved forms as per the following time table

Date of announcement	30 January, 2024
Last Date to Trade- cum dividend	19 February, 2024
Share Trade Ex Dividend	20 February, 2024
Last Record Date	23 February, 2024
Payment Date	29 February, 2024
Dividend Per Share	0.0437 USD cents
Dividend Amount	USD18,000.00

9 EVENTS AFTER THE REPORTING DATE

ZIMSTATS stopped publishing Consumer Price Index (CPI) therefore Total Consumption Poverty Lines per person per month (TCPL) prescribes a new method of measurement of inflation rate. The (TCPL) will be used to inflate Zimbabwean Dollar (ZWL). The new TCPL will use a method of averaging yearly inflation figures based on the 2 main currencies in circulation namely the United States Dollar (USD) and the Zimbabwe Dollar (ZWL). The TCPL will result in challenges in applying IAS29: Financial Reporting in Hyperinflationary environment leading possibly to adverse opinions for entities that have the ZWL as the functional currency going into the unforeseeable future.