

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 31 March 2025 and are signed on their behalf by:



Fund Manager
31 March 2025

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 of 1997 (Chapter 24:19) and the Trust Deed, and the Prospectus.

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 31 March 2025 and are signed on their behalf by:

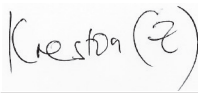


The Trustee
31 March 2025

Independent Auditor’s Statement

These abridged financial statements (Inflation adjusted and Historic) should be read in conjunction with the complete set of the financial statements of Morgan & Co. Multi- Sector Exchange Traded Fund as at the end and for the year ended 31 December 2024. The financial statements have been audited by Kreston Zimbabwe Chartered Accountants who have issued an unqualified opinion.

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



Kreston Zimbabwe Chartered Accountants
Registered Public Auditors

31 March 2025
Date

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Inflation Adjusted		Historical Cost	
		2024	2023	2024	2023
Notes		ZWG	ZWG	ZWG	ZWG
ASSETS		65,667,431	81,386,627	65,667,431	45,722,824
Equity invest- ments	3	62,152,343	81,307,050	62,152,343	45,678,118
Cash and cash equivalents		3,515,088	77,683	3,515,088	43,642
Accounts receivables		-	1,894	-	1,064
TOTAL ASSETS		65,667,431	81,386,627	65,667,431	45,722,824
EQUITY		65,438,123	81,186,746	65,438,123	45,610,531
Unit holders contribution		1,857,257	1,857,257	1,043,403	1,043,403
Undistributed income		63,580,866	79,329,489	64,394,721	44,567,128
LIABILITIES		229,307	199,882	229,307	112,293
Accounts payables	5	229,307	199,882	229,307	112,293
TOTAL EQUITY AND LIABILITIES		65,667,431	81,386,627	65,667,431	45,722,824

Signed on behalf of the Fund by:



ASSET MANAGER

31.03.2025

DATE



TRUSTEE

31.03.2025

DATE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		Inflation Adjusted		Historical Cost	
		2024	2023	2024	2023
Notes		ZWG	ZWG	ZWG	ZWG
Income		(13,424,294)	38,649,469	20,009,869	21,713,185
Dividend Income		1,131,819	1,988,396	698,653	1,117,076
Fair value (Loss)/Gain on shares	3.1	(21,224,463)	32,115,217	15,196,598	18,042,257
Gain on sale of shares	3.2	6,663,069	4,476,403	4,113,005	2,514,833
Interest Income - Local Money Market		5,281	69,452	1,612	39,018
Operating Expenses		(698,831)	(1,074,845)	(503,625)	(603,846)
Portfolio Management Fees		276,314	426,114	208,837	239,390
Trustee Fees		76,678	85,223	45,535	47,878
Custodial Fees		38,339	42,611	22,768	23,939
Register Maintenance Fees		25,879	60,090	19,840	33,758
Transfer Secretary Fees		7,810	8,522	3,888	4,788
Audit fees		116,884	406,296	106,732	228,256
Other Expenses	4	156,927	45,988	96,025	25,836
Net (Loss)/Income before exchange gain or loss		(14,123,125)	37,574,624	19,506,244	21,109,339
Net Monetary (Loss)/Gain		(1,930,293)	41,134,580	124,564	23,109,314
Exchange gain		578,282	480,833	350,428	270,131
Net Income for the year		(15,475,136)	79,190,037	19,981,236	44,488,785
Weighted average units in issue		41,156,692	41,156,692	41,156,692	41,156,692
Earnings per Unit holders (Cents)		(38)	192	49	108

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Inflation Adjusted		
	Units in issue	Undistributed Income	Total
	ZWG	ZWG	ZWG
Balance as at 1 January 2023	6,198,572	139,452	6,338,024
Redemption of Units	(4,341,315)	-	(4,341,315)
Net income for the year	-	79,190,037	79,190,036.83
Balance as at 31 December 2023	1,857,257.09	79,329,488.69	81,186,745.78
Net income for the year	-	(15,475,136)	(15,475,136)
Dividend Reversal	-	(45,855)	(45,855)
Dividends Paid	-	(227,631)	(227,631)
Balance as at 31 December 2024	1,857,257	63,580,866	65,438,123

	Units in Issue	Historical Undistributed Income	Total
	ZWG	ZWG	ZWG
Balance as at 1 January 2023	3,482,344	78,344	3,560,688
Redemption of Units	(2,438,941)	-	(2,438,941)
Net income for the year	-	44,488,785	44,488,785
Balance as at 31 December 2023	1,043,403	44,567,128	45,610,531
Net income for the year	-	19,981,236	19,981,236
Dividend Reversal	-	(25,761)	(25,761)
Dividends Paid	-	(127,883)	(127,883)
Balance as at 31 December 2024	1,043,403	64,394,721	65,438,123

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)/ income	(15,475,136)	79,190,037	19,981,236	44,488,785
Adjustments for: Non-cash movements				
Fair value loss/ (gain) on shares	21,224,463	(32,115,217)	(15,196,598)	(18,042,257)
Gain on sale of shares	(6,663,069)	(4,476,403)	(4,113,005)	(2,514,833)
Net Monetary Loss/(gain)	1,930,293	(41,134,580)	(124,564)	(23,109,314)
Operating surplus before working capital changes	1,016,551	1,463,836	547,069	822,380
Working capital changes				
Decrease/ (Increase) in trade and other receivables	1,064	(1,894)	1,064	(1,064)
Increase in trade and other payables	117,014	53,905	117,014	30,284
Net Cashflow from operating activities	1,134,629	1,515,848	665,147	851,600
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equity and money market	(16,107,724)	(14,175,062)	(9,943,040)	(7,963,518)
Dividend reversal	(45,855)	-	(25,761)	-
Proceeds from sale of investments	20,701,037	12,250,331	12,778,418	6,882,208
Net cash outflow from investing activities	4,547,458	(1,924,731)	2,809,617	(1,081,310)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(227,631)	-	(127,883)	-
Net Increase In Cash and Cash Equivalents	5,454,456	(408,883)	3,346,882	(229,710)
Effects of change of currency	(2,077,644)	73,666	124,564	41,385
Cash and cash equivalents at the beginning of the year	138,276	412,901	43,642	231,967
Cash and cash equivalents at the end of the year	3,515,088	77,683	3,515,088	43,642

MORGAN&CO

OUR WORD IS OUR BOND

Abridged Audited Financial Statements

For the Year Ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1.GENERAL INFORMATION

1.1 Incorporation and activities

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.

2.ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements of the Morgan & Co Multi-Sector ETF, which are set out below, in all material respects, conform to IFRS Accounting Standards.

2.1 BASIS OF PREPARATION

The Morgan & Co Multi- Sector ETF's financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). In addition, these financial statements have also been prepared in the manner required by the Securities and Exchange Act (Chapter 24:25), Asset Management Act (Chapter 24:06) and Collective Investments Schemes Act (Chapter 24:19). The financial statements are restated to take account inflation in accordance with IAS 29, Financial Reporting in Hyperinflationary Economies up to 31 March 2024, and converted to ZWG at the prevailing rate and thereafter prepared on a historical cost basis.

The Fund Manager prepares financial statements to comply with International Financial Reporting Standards (IFRS), which comprise standards issued by the International Accounting Standards Board (IASB) and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). Compliance with IFRS is intended to achieve consistency and comparability of financial statements.

2.1.1 Determination of the functional currency

Over the past few years, there have been notable changes in monetary policy and exchange control measures that have had a positive impact on Morgan & Co Multi-Sector ETF's operations. In June 2022, SI 118A of 2022 "Presidential Powers (Temporary Measures) (Amendment of Exchange Control Act) Regulations, 2022" was entrenched into law, allowing the multicurrency regime to continue till December 2025. In addition, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, providing much-needed policy clarity on the continuation of the multi-currency regime.

As a result of the above monetary and fiscal measures, the economy witnessed a substantial increase in foreign currency transactions. Management assessed as required by International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates whether use of the Zimbabwean Dollar as the functional remained appropriate. In assessing the functional currency, the management considered the parameters set in IAS 21 as follows:

- The currency that mainly influences the sales prices for goods and services
- The currency of the competitive forces and regulations that mainly determines the sales prices of goods and services.
- The currency that mainly influences labour, material, and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
- The currency in which funds from financing activities are generated;
- and the currency in which receipts from operating activities are usually retained

In light of the developments summarised above and guidance from IAS 21, the Fund Manager concluded that Morgan & Co Multi-Sector ETF's functional currency remains the Zimbabwe dollar (ZWG\$), and values are rounded to the nearest ZWG\$ except when otherwise indicated.

2.1.2 Application of International Accounting Standards 29, Financial Reporting in Hyperinflationary Economies ("IAS 29")

These financial results have been prepared in accordance with IAS 29 up to 31 March 2024 and requires that the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for the previous period also be restated in terms of the same measuring unit.

Following the pronouncement of SI 27 of 2023, Census and Statistics (General) Notice, 2023 which introduced blended inflation rates replacing the ZWG\$ inflation rates and Consumer Price Index (CPI) effective February 2023, Morgan & Co Multi-Sector ETF used a combination of the Zimbabwe consumer price index (CPI) compiled by Zimbabwe National Statistics for the first quarter of 2024.

Agency (ZIMSTAT) up to January 2024 and an internal estimation based on the published Total Consumption Poverty Line (TCPL) from February to December 2024 to determine the Consumer Price Index (CPI). The indices and conversion factors used to restate these financials are given below.

Date	Currency	Closing Indices	Conversion Factors
31-Dec-23	ZWL	65 703.45	6.532682
31-Mar-24	ZWL	429 291.70	1.000000
30- Apr-24	ZWG	650.30	1.77872
31- Dec-24	ZWG	1,156.70	1.000000

2.2.1 Fair value measurement

Morgan & Co Multi-Sector ETF measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.
Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or deal price quotations.

2.3 REVENUE

Morgan & Co Multi-Sector ETF is in the business of asset and exchange-traded funds management services. Morgan & Co Multi-Sector ETF recognises revenue from dividends and fair value measurements of the underlying counters in the Exchange traded fund.

2.9.1 Dividend Income

Dividend Income is recognised in profit or loss on the date on which the right to receive payment is established.

2.9.2 Fair Value Gains/loss

Fair Value gains or losses on securities are also recognised in the profit and loss as revenue.

2.9.3 Gain on Disposal

Profits on disposal of securities are also recognised in the profit and loss as revenue on the date of disposal.

2.4 EXPENSES

Following expenses were calculated as per Morgan & Co Multi- Sector ETF Prospectus

- Management fees- 0.5% per annum of the market value of the assets of the scheme, with the accrual being done on a daily basis.
- Trustee Fees - is 0.1% per annum of the market value of the fund, with accrual being done on daily basis.
- Custodial Fees - 0.05% per annum based on fund value under management, with the accrual being done daily and payment effected monthly.

2.5 UNIT HOLDER'S FUNDS

The Fund classifies units issued as financial liabilities in accordance with the substance of the contractual terms of the instrument. The fund provides investors with the right to require the redemption of underlying assets at a value proportionate to the investors' share in the Fund's Net Assets.

The units entitle the holder to a pro rata share of the Fund's Net Assets in the event of the Fund's liquidation.

Where the Fund Manager accepts a redemption Application from an authorised participant, the following happens

- Effect the redemption and cancellation of the relevant Units and reduce the total Unit Holders Funds from the Statement of Financial Position
- The Trustee transfers to the applicant underlying securities and/or cash in accordance with the Trust Deed.

The Authorised Participant will then transfer the Securities and/or cash to the relevant client if the redemption application was submitted by the authorised participant for the account of its client.

The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss and the change in the fair value of the recognised and unrecognised net assets of the Fund over its life.

The fund may declare a dividend to its Unit Holders, and these are classified as finance costs in the Statement of Cash Flows.

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

IAS 8.30 IAS 8.31(d) Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the fund's financial statements.

2.6 COMPLIANCE WITH IFRS SUSTAINABILITY DISCLOSURE STANDARDS

The Fund Manager's financial statements and those of the counters traded within the Morgan & Co Multi-Sector Exchange Traded Fund on ZSE have been prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB).
The fund does not issue a sustainability report as it does not conduct operations as a legal persona but tracks the activities of the counters within its basket. Therefore, the Fund Manager and trustees endeavour to ensure that the basket is comprised of counters with the best sustainability practices.

3. EXCHANGE TRADE FUND'S INVESTMENTS

EQUITY INSTRUMENTS Equity value as at 31 December	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
	Market Value	Market Value	Market Value	Market Value
Old Mutual Zimbabwe Limited	5,055,629	4,934,135	5,055,629	2,771,986
NMB Bank Limited	64,126	5,385,249	64,126	3,025,421
First Mutual Holdings Limited	45,524,809	46,655,947	45,524,809	26,211,206
Zimre Holdings Limited	1,386,857	8,580,123	1,386,857	4,820,294
ZB Financial Holding Limited	-	1,737,846	-	976,318
Delta Corporation Limited	876,406	3,137,563	876,406	1,762,676
Morgan & Co Multi-Sector ETF	-	6,131,979	-	3,444,932
Econet Wireless Zimbabwe	5,578,250	-	5,578,250	-
Nampack Zimbabwe Limited	2,484,300	2,452,938	2,484,300	1,378,055
Seed CO Limited	210	1,802,547	210	1,012,667
Unifreight Africa	-	2,558	-	1,437
Morgan & Co made in Zimbabwe ETF	100	2,181	100	1,225
Old Mutual ZSE top 10 ETF	4,698	9,934	4,698	5,581
Cass Saddle Agriculture ETF	-	8,784	-	4,935
Money Market Investments	-	465,265	-	261,385
First Mutual Properties Limited	1,176,959	-	1,176,959	-
Total quoted equity & Money Market investments	62,152,343	81,307,050	62,152,343	45,678,118

	Inflation Adjusted		Historical	
	2024	2023	2024	2023
	ZWG	ZWG	ZWG	ZWG
Quoted Investments Reconciliations				
Opening value of shares	81,307,050	58,028,715	45,678,118	32,600,401
Shares purchased during the year	16,107,724	13,055,646	9,943,040	7,334,633
Money Market Placements	-	1,119,416	-	628,885
Redemption of shares at Cost	-	(15,238,016)	-	(8,560,683)
Shares disposed at cost	(14,037,969)	(7,773,928)	(8,665,413)	(4,367,375)
	83,376,806	49,191,833	46,955,745	27,635,861
Fair value Gain/loss on shares	(21,224,463)	32,115,217	15,196,598	18,042,257
Closing balance	62,152,343	81,307,050	62,152,343	45,678,118
Gain on sale of shares				
Proceeds from sale of shares	20,701,037	12,250,331	12,778,418	6,882,208
Cost of Investments sold	(14,037,969)	(7,773,928)	(8,665,413)	(4,367,375)
	6,663,069	4,476,403	4,113,005	2,514,833
OTHER EXPENSES				
Publication Expenses	126,235	28,726	77,923	16,138
Bank Charges	20,439	10,395	11,773	5,840
Interest Expense	10,252	6,867	6,329	3,858
	156,927	45,988	96,025	25,836
ACCOUNTS PAYABLES				
Audit provision	96,744	141,988	96,744	79,768
Portfolio management fees	41,462	33,496	41,462	18,818
Portiofolio trustee fees	3,889	17,244	3,889	9,688
Register maintenance fees	20,207	4,268	20,207	2,398
Transfer secretary fees	2,886	2,886	2,886	1,621
	165,189	199,882	165,189	112,293
Other Payables				
TN Asset management	51,312	-	51,312	-
Morgan & Co	12,807	-	12,807	-
	64,119	-	64,119	-
DIVIDEND DECLARATION				
After careful consideration and review of the fund current financial performance, as well as our strategic investment needs, the Board of trustees has decided not to declare a dividend for this financial period. This decision is based on the fund to focus on reinvesting in key growth areas and strengthening the financial position to ensure sustainable long-term success for the fund and its unitholders.				
GOING CONCERN				
The Trustees have assessed that the fund is to continue to operate as a going concern.				
EVENTS AFTER REPORTING DATE				
Subsequent events are events that occur after fund's year-end period but before the release of the financial statements. Subsequent events can be adjusting or non-adjusting. Adjusting events are those that provide evidence of conditions existing at the end of the reporting period whereas non adjusting events are indicative of conditions arising after the reporting period. No adjusting events or material non adjusting events were noted for the fund.				