Cloud Atlas S&P African Sovereign Bond ETF
Financial Statements

Unit portfolio of the

CLOUD ATLAS SCHEME

For the year ended 31 December 2022

Contents

The reports and statements set out below comprise the annual financial statements presented to the participatory interest holders:

General information

REGISTRATION NUMBER
2013/078096/07

DATE OF INCORPORATION
9 September 2016

REGISTERED ADDRESS
Cloud Atlas (RF) Proprietary Limited
1st floor Victoria Gate West
Hyde Park Lane
Hyde Park
2169
South Africa

DOMICILE
Republic of South Africa

MANAGER
Cloud Atlas (RF) Proprietary Limited
1st floor Victoria Gate West
Hyde Park Lane
Hyde Park
2169
South Africa

ADMINISTRATOR
Apex Fund Services South Africa Limited
(previously named "Maitland Group South Africa Limited")
Apex House 1
River Park
Gloucester Road
Mowbray
Cape Town
7700
South Africa

POSTAL ADDRESS
Cloud Atlas (RF) Proprietary Limited
1st floor Victoria Gate West
Hyde Park Lane
Hyde Park
2169
South Africa

AUDITORS
BDO South Africa Incorporated
6th Floor
119 – 123 Hertzog Boulevard
Foreshore
8001
South Africa

TRUSTEES
FirstRand Bank Limited Acting through its RMB Trustee Services Division
4 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton
2196
South Africa

Directors' responsibility statement and approval

The directors of Cloud Atlas (RF) Proprietary Limited (the "Management Company") are responsible for the integrity, reliability and presentation of the financial statements of the Cloud Atlas Scheme comprising various exchange traded fund ("ETF") unit portfolios (collectively referred as "The scheme"), which it manages. The scheme's financial statements comprise the statement of financial position at 31 December 2022, the statements of comprehensive income, changes in net assets attributable to unit holders and the cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards("IFRS") and the requirements of the Trust deed and the Collective Investment Schemes Control Act of South Africa.

The directors are of the view that adequate accounting records and a system of risk management have been maintained to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error in the manner required and has maintained such internal control as deemed necessary.

The auditor is responsible for reporting whether the scheme's financial statements are fairly prepared in accordance with the appropriate reporting framework. The directors' have satisfied themselves that the external auditor was independent of the Management Company and the scheme during the period under review.

The directors are of the opinion, based on the information and explanations given by the Management Company and the administrator that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. The directors are satisfied that the financial statements fairly present the financial position, the result of operations and the cash flows in accordance with IFRS and are free from material misstatement, whether due to fraud or error in the manner required by the Trust Deed and the Collective Investment Schemes Control Act of South Africa and is supported by reasonable and prudent judgements applied consistently.

The directors of Cloud Atlas resolved to wind-up the Cloud Atlas S&P African Sovereign Bond portfolio as the size of the portfolio did not make it feasible to continue operating. Cloud Atlas applied to the FSCA to give effect to the wind-up without a ballot, as well as an exemption on the applicable fee. As at signature date these approvals were still outstanding. The Fund is therefore not a going concern.

Approval of the financial statements

Each of the Funds financial statements as identified in the first paragraph were approved by the board of directors on the 15 August 2023 and signed on their behalf:

Nicola Comninos
Director
15 August 2023

04 August 2023

Cloud Atlas (RF) Proprietary Limited
1st floor Victoria Gate West
Hyde Park Lane
Hyde Park
2169

Dear Sir/Madam

TRUSTEE REPORT ON THE CLOUD ATLAS S&P AFRICAN SOVEREIGN BOND ETF

As Trustees to the Cloud Atlas S&P African Sovereign Bond ETF, previously Cloud Atlas AMI Real Estate Ex-SA ETF, a Fund of the Cloud Atlas Scheme ("the Scheme"), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) ("the Act") to report to participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise in the 2021 accounting period the manager and trustee, after obtaining the consent of the investors and the Financial Sector Conduct Authority, have agreed to amend the investment policy as well and the name of the Cloud Atlas AMI Real Estate Ex-SA ETF to the Cloud Atlas S&P African Sovereign Bond ETF.

The scale necessary to achieve the amendments in the investment objective was not reached within the accounting period 1 January 2022 to 31 December 2022. Therefore, in the interest of investors, the Manager of the Scheme had resolved to wind-up the fund and subsequently trading on the exchange was suspended 20 September 2022.

We confirm that according to the records available to us there were instances of compliance contraventions however no consequent losses incurred by the portfolio in the year.

Yours faithfully

Anton Rijntjes
Head Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited

Ruan van Dyk
Fiduciary Portfolio Oversight Manager
Rand Merchant Bank
A division of FirstRand Bank Limited

Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Independent auditor's report

To the Directors of Cloud Atlas (RF) Proprietary Limited

Cloud Atlas S&P Sovereign Bond Exchange Traded Fund

Opinion

We have audited the financial statements of Cloud Atlas S&P Sovereign Bond Exchange Traded Fund ("the Portfolio"), which forms part of the Cloud Atlas Scheme ("the Scheme") managed by Cloud Atlas (RF) (Pty) Ltd ("the Management Company"), as set out on pages 7 to 22, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in net equity attributable to participatory unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cloud Atlas S&P Sovereign Bond Exchange Traded Fund as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Portfolio in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards)*. 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 financial statements of the current period. 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.

Key audit matter	How our audit addressed the key audit matter
<u>Existence and valuation of financial assets at fair value through profit or loss</u> The Portfolio invests in listed instruments which are held at fair value through profit and loss in terms of IFRS *9 Financial Instruments* and which represent the most significant asset in the statement of financial position. The carrying value of these instruments is a key measure in determining the net asset value and performance of the Portfolio and have a pervasive impact on the financial statements as a whole. Given the magnitude of the balance in the financial statements, the existence and valuation of all investments held at fair value through profit or loss has been identified as a matter of most significance to our audit of the current year financial statements.	Our procedures included: — We have evaluated the design, implementation and operating effectiveness of relevant controls in place at the administrator, by assessing the independent assurance report provided by the third party administrator; — We tested the ownership of instruments held by the Portfolio at year end by obtaining a confirmation of all holdings from the independent custodian; — We tested the valuation of all instruments held by the Portfolio at year end, by agreeing closing prices to an independent third-party source; — We tested the accuracy of the translation of all foreign currency instruments held by the Portfolio at year end by agreeing closing spot rates to an independent third-party source; and

Key audit matter	How our audit addressed the key audit matter
The following inherent risks are generally associated with financial instruments: – Satisfactory title to the instrument(s); – Correct Valuation in terms of IFRS 13 Fair Value Measurement; and – Translation of instruments at the correct foreign exchange rate in terms of International Accounting Standard (IAS) 21 *The Effects of Changes in Foreign Exchange Rates*, where applicable. Refer to note 3(a) and 3(e) respectively to the financial statements for the accounting policy relating to financial instruments. Additional disclosure relating to financial assets at fair value through profit or loss is made in note 9 to the financial statements.	— We assessed the adequacy of the disclosures relating to financial assets at fair value through profit or loss against the requirements of IFRS.

Other information

The Directors of the Manager are responsible for the other information. The other information comprises the information included in the document titled "Cloud Atlas S&P Sovereign Bond Exchange Traded Fund (Cloud Atlas Scheme) Financial Statements for the year ended 31 December 2022". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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, 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 of the Manager for the Portfolio's financial statements

The Directors of the Manager are responsible for the preparation and fair presentation of the Portfolio's financial statements in accordance with International Financial Report Standards and the requirements of the Collective Investment Schemes Control Act, and for such internal control as the Directors determine is necessary to enable the preparation of each Portfolio's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Portfolio's financial statements, the Directors are responsible for assessing the ability of the Portfolio 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 Portfolio or to cease operations, or have 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 the Portfolio'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 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 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 Portfolio'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, 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 Portfolio and Scheme'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' of the 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 a Portfolio'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 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 Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Portfolio's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the 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 Directors of the 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the 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.

BDO South Africa Incorporated
Registered Auditors

BDO South Africa Inc.
BDO South Africa Inc. (Aug 16, 2023 10:35 GMT+2)

JL Mitri
Director
Registered Auditor

16 August 2023

Wanderers Office Park
52 Corlett Drive
Illovo
2196

Statement of comprehensive income
for the year ended 31 December 2022

	Notes	2022 R	2021 R
NET INVESTMENT INCOME		**87,494**	**108,459**
Dividend income	8	-	26,527
Interest income	8	7,625	5,773
Net fair value gains on financial instruments through profit or loss		-	75,225
Net foreign currency gains on cash and cash equivalents		79,869	934
OPERATING EXPENSES		**(126,179)**	**(320,332)**
Audit fee		(27,863)	(34,092)
Bank charges		(3,986)	(2,228)
Custody fees		(75,119)	(82,846)
Interest expense		(6,660)	(6,057)
Listing fees		(8,967)	(179,900)
Service fees	7	(3,584)	(5,012)
Transaction costs		-	(10,197)
LOSS ATTRIBUTABLE TO PARTICIPATORY UNITHOLDERS		**(38,685)**	**(211,873)**

The accompanying notes form part of these Financial Statements.

Statement of financial position
at 31 December 2022

	Notes	2022 R	2021 R
ASSETS			
Financial assets at fair value through profit or loss	9	-	39,164
Accrued income and other receivables		-	2,640
Cash and cash equivalents		724,998	1,344,925
TOTAL ASSETS		**724,998**	**1,386,729**
LIABILITIES			
Accrued expenses and other payables		251,873	219,471
TOTAL LIABILITIES		251,873	219,471
NET ASSETS ATTRIBUTABLE TO PARTICIPATORY UNITHOLDERS		**473,125**	**1,167,258**

The accompanying notes form part of these Financial Statements.

Statement of changes in net assets attributable to participatory unitholders
for the year ended 31 December 2022

	Notes	2022 R	2021 R
Balance at the beginning of the year		1,167,258	1,154,755
Cancellation of participatory units	12	(2,518,680)	(3,669,388)
Creation of participatory units	12	1,863,232	3,893,764
Net loss attributable to participatory unitholders		(38,685)	(211,873)
BALANCE AT END OF THE YEAR		**473,125**	**1,167,258**

The accompanying notes form part of these Financial Statements.

Statement of cash flows
for the year ended 31 December 2022

	2022 R	2021 R
Cash flows from operating activities		
Net loss attributable to participatory unitholders	(38,685)	(211,873)
Adjusted for:		
Dividend income	-	(26,527)
Interest income	(7,625)	(5,773)
Realised losses on financial assets at fair value through profit or loss	-	298,065
Unrealised gains on financial assets at fair value through profit or loss	-	(373,290)
Cash used in operations before working capital changes	(46,310)	(319,398)
Working capital changes:	35,042	228,929
Increase in other payables	32,402	24,529
Decrease in other receivables	2,640	204,400
Dividends received, net of withholding tax	-	26,527
Interest received	7,625	5,773
Purchases of financial assets at fair value through profit or loss	-	(47,526)
Sale of financial assets at fair value through profit or loss	39,164	1,099,579
NET CASH INFLOW FROM OPERATING ACTIVITIES	**35,521**	**993,884**
Cash flows from financing activities		
Creation of participatory units	1,863,232	3,893,764
Redemption of participatory units	(2,518,680)	(3,669,388)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES	**(655,448)**	**224,376**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(619,927)**	**1,218,260**
Cash and cash equivalents at the beginning of the year	1,344,925	126,665
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**724,998**	**1,344,925**

The accompanying notes form part of these Annual Financial Statements.

1. Reporting Entity

The Cloud Atlas S&P African Sovereign Bond ETF (previously Cloud Atlas AMI Real Estate Ex-SA ETF) (the "Fund") is a unit portfolio of the Cloud Atlas Scheme (the "Scheme") which was registered as a Scheme by the Financial Sector Conduct Authority ("FSCA") on 9 September 2016 in terms of the Collective Investment Scheme Control Act, No 45 of 2002 ("CISCA").

Cloud Atlas (RF) Proprietary Limited serves as the Management Company for the Scheme and is incorporated in South Africa with effect 9 September 2016. The Fund's investments are managed by Cloud Atlas (RF) Proprietary Limited (the "Manager"). The Scheme's custody and trustee services are managed by FirstRand Bank Limited (the "Trustee").

The Fund's capital was seeded on 1 June 2018. The portfolio is classified as an African Sovereign Bond portfolio. The objective of the Fund is to track performance of the S&P Africa Hard Currency Sovereign Bond Select Index, by investing in the shares of the companies represented by the index. Investors are exposed to many African markets, as the Fund solely invests in these markets to achieve its objectives. The Fund's functional currency is ZAR.

2. Basis for preparation

a) Statement of compliance

The financial statements are prepared in accordance with and contain the information required by International Financial Reporting Standards ("IFRS "), its interpretations adopted by the International Accounting Standards Board, the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange (the "JSE") listings requirements, the requirements of the Scheme Deed and CISCA. The financial statements provide information about the financial position, results of operations, changes in financial position and cash flows of the Fund. Refer to note 15 which details management's intention to deregister the Fund and therefore the Fund is not a going concern. Management has changed the basis of preparation for the Fund to the wind down basis of accounting.

b) Basis of measurement

The financial statements are presented in ZAR, being the functional currency. The financial statements are prepared on a historical basis except for financial instruments held at fair value through profit or loss. Other financial assets and financial liabilities are stated at amortised cost or the redemption amount (redeemable participatory interests). The Fund's participatory interests are marketed in South Africa. The primary economic trading environment is deemed to be in Africa.

3. Significant accounting policies

a) Financial instruments

i. Recognition and derecognition of financial instruments

The Funds initially recognise financial assets and financial liabilities at value fair through profit or loss on trade date, which is the date on which the Funds becomes party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

The Funds derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Funds neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Funds is recognised as a separate asset or liability.

The Funds derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3. Significant accounting policies (continued)

a) Financial instruments (continued)

ii. Classification

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss ("FVPL"):

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Funds are measured at FVPL.

Financial liabilities at amortised cost:

- This includes accrued expenses and other payables, administration fees payable, redemption payable, related party payable, audit fees payable, service fees payable, listing fees payable, distribution payable and bank overdraft.

Business model assessment
In making an assessment of the objective of the business model in which a financial asset is held, the Fund considers all of the relevant information about how the business is managed, including:

- The documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of assets;
- How the performance of the portfolio is evaluated and reported to the Fund's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Funds' continuing recognition of the assets.

The Funds have determined that they have two business models.

- Held-to-collect business model: this includes cash and cash equivalents and other receivables.
- Other business model: this includes equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI
For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Funds' claim to cash flows from specified assets;
- Features that modify consideration of the time value of money.

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

3. Significant accounting policies (continued)

a) Financial instruments (continued)

iii. Measurement and fair value principles

Financial instruments at FVPL are initially recognised at fair value. Costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised in the statement of comprehensive income. Financial instruments measured at amortised cost are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Subsequent to initial recognition, these instruments are measured as set out below.

Amortised cost measurement
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principle repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount and, for financial assets, adjusted for any loss allowance.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis. If a market for financial instruments is not active, then the Fund establishes fair value using a valuation technique. These include using recent arm's length transactions, reference to the fair value of similar instruments, an analysis of cash flows and pricing models where applicable.

All changes in fair value, other than interest and dividend income and expense, are recognised in profit or loss and disclosed within the statement of comprehensive income as part of net changes in fair value of financial assets at fair value through profit or loss.

Fair value gains and losses are taken to the statement of comprehensive income but are not distributed to participatory interest holders. Fair value gains and losses that do not qualify for distribution, including related transaction costs are transferred from undistributed income to the participatory interest holder's capital account.

iv. Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 13 *Fair Value Measurement* disclosures:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – Unobservable inputs for the asset or liability.

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

3. Significant accounting policies (continued)

a) Financial instruments (continued)

v. Cash and cash equivalents

Cash and cash equivalents are short-term highly liquid instruments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and that are not held for investing purposes. Cash and cash equivalents are measured at amortised cost which approximates fair value, due to the short-term nature of these instruments.

vi. Impairment of financial assets

The Fund recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) had not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held) ; or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have a low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of investment grade. The Fund considers this to be BBB or higher per Standard and Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Funds expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3. Significant accounting policies (continued)

a) Financial instruments (continued)

vii. Offsetting

Financial assets and financial liabilities are offset when the right to set-off is not contingent on a future event and is legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency and bankruptcy then the net amount is reported in the statement of financial position when the Fund has the intention and ability either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

c) Interest income

Interest income is recognised in the statement of comprehensive income, using the effective interest method taking into account the expected timing and amount of cash flows. Interest income comprise of interest earned on cash and cash equivalents and interest earned on debt securities designated at fair value through profit or loss at inception.

d) Dividend income

Dividends are credited to the statement of comprehensive income on the dates on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income and net of any tax credits.

e) Net changes in fair value of financial assets at fair value through profit or loss

Gains and losses arising from a change in the fair value of investments, including any foreign gains and losses, are included in the statement of comprehensive income in the year in which they arise.

f) Taxation

Any taxable income realised during the period will be distributed to the Fund’s participatory interest holders. As a result the income and capital gains are taxed in the hands of the participatory interest holders. The Funds are exempt from tax on condition income and capital gains are distributed to participatory interest holders within the prescribed time frame.

g) Participatory interests

The participatory interests are issued and redeemed at the holder's option at prices based on the Fund’s net asset value per participatory interest at the time of issue or redemption. The Fund’s net asset value per participatory interest is calculated by dividing the net assets attributable to the holders of each class of participatory interest with the total number of outstanding participatory interests for each respective class, in accordance with the provisions of the Fund’s Supplemental Trust Deeds.

The Management Company may from time to time determine a minimum required amount for the sale or subscription of participatory interests. The Management Company reserves the right to determine the frequency of subscriptions and the discretion to refuse a subscription of participatory interests. All participatory interests issued by the Funds provide participatory interest holders with the right to require redemption for cash at the value proportionate to the participatory interest holder share in the Funds’ net assets at redemption date.

3. Significant accounting policies (continued)

g) Participatory interests (continued)

Classification of participatory interest

Participatory interests are classified as equity instruments when:

- The participatory interests entitle the holder to a pro rata share of the Funds' net assets in the event of the Fund's liquidation;
- The participatory interests are in the class of instruments that is subordinate to all other classes of instruments;
- All participatory interests in the class of instruments that is subordinate to all other classes of instruments have identical features;
- The participatory interests do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets;
- The total expected cash flows attributable to the participatory interests over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

The Fund continuously assesses the classification of the participatory interests. If the participatory interests cease to have all the features, or meet all the conditions set out, to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the participatory interests subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of participatory interests are accounted for as equity transactions.

Upon the issuance of interests, the consideration received is included in equity. Transaction costs incurred by the Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments that are reacquired (treasury shares) are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs. The Fund's policies are not to keep shares in treasury, but, rather, to cancel them once repurchased.

No gain or loss is recognised in the statement of comprehensive income on the purchase, issuance or cancellation of the Fund's own equity instruments.

h) Distributions

Distributions payable on redeemable participatory interests are recognised in the statement of changes in equity attributable to participatory interest holders.

Distributions paid represent net income paid to unit holders at each distribution date, which is determined in accordance with the Fund's Supplemental Trust Deeds.

Distributable profits are determined by deducting operating expenses incurred from the income earned by the Fund since the last distribution. Any undistributed income is intended to be distributed at the next distribution date.

i) Trade and other payables

Trade and other payables resulting from the purchase of assets as well as accrued expenses are classified as other financial liabilities at amortised cost. No interest is charged on amounts due beyond normal credit terms. Subsequent to initial recognition, trade and other payables are carried at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when trade and other payables are derecognised as well as through the amortisation process.

3. Significant accounting policies (continued)

j) Accrued income

Accrued income is classified as financial assets at amortised cost. No interest is charged on amounts beyond normal credit terms. Subsequent to initial recognition, accrued income and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when accrued income and receivables are derecognised or impaired, as well as through the amortisation process.

k) Creations and cancellations

Participatory interest holders can acquire the Fund's securities by trading on the JSE. These purchases will be made at the current market price of the securities plus a brokerage fee that is negotiable with the broker and any additional transaction costs applicable to such a trade.

Participatory unitholders can also acquire the Fund's securities by subscribing for them directly from the Fund. The cash subscription price and number of the Fund's securities to be issued to a participatory unitholder for cash will be determined by the amount which the participatory unitholder invests (net of transaction costs) and will be a function of the pro-rata cost to the portfolio of acquiring the underlying basket of securities.

Participatory unitholders may sell securities by trading on the JSE, at the current market price quoted on the JSE. Participatory unitholders may also redeem securities directly with the Fund. Securities prices are determined by reference to the net assets of the Fund divided by the number of securities in issue.

For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market price quoted on the JSE.

4. Structured entities

The Fund’s Supplemental Trust Deeds permits the Funds to invest in other Collective Investment Schemes ("CIS"). A CIS has a narrow and well-defined objective to provide investment opportunities for participatory interest holders by passing on risks and rewards associated with the assets of the CIS's to participatory interest holders and is therefore classified as a structured entity. At period end the Fund had no participatory interest in other collective investment schemes.

5. Accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis by the directors of the Manager.

Revisions to estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision, and future periods, if the revision affects both current and future periods. these estimates which may be material to the financial statements.

6. Published standards, amendments and interpretations

(a) Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Fund.

(b) New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

The financial statements have been prepared consistently based on the following principal accounting policies which are consistent with those applied in the previous period.

7. Related parties

The Manager is the investment manager of the Fund. The Manager is to implement the investment strategy as specified in the Fund's Supplemental Trust Deeds and to provide administrative services.

The Manager is entitled to receive a monthly service fee, calculated based on the closing net asset value of the Fund, and will be payable on the last day of each month of 0.50% (excluding VAT).

	2022 R	2021 R
Related party balances		
Accrued expenses owed to related parties		
Service fees – Cloud Atlas (RF) Proprietary Limited	-	1,377
Related party transactions		
Service fees – Cloud Atlas (RF) Proprietary Limited	3,584	5,012

8. Investment income

	2022 R	2021 R
Interest income		
Cash and cash equivalents	7,625	5,773
Total interest income	7,625	5,773
Dividend income		
Financial assets at fair value through profit or loss		
Equity instruments	-	26,527
Total dividend income	-	26,527

9. Financial assets at fair value through profit or loss

	2022 R	2021 R
Equity instruments	-	39,164
	-	39,164

There are no financial assets at fair value through profit or loss are Level 1 within the valuation hierarchy as at 31 December 2022 (2021: Level 1: 100%). There were no transfers between fair value hierarchy levels during the year and period ended 31 December 2022 (2021: nil).

The Manager considers the carrying value of the Funds' other financial assets and financial liabilities to be a reasonable approximation of fair value due to their short term nature.

10. Distributions

For the year ended 31 December 2022, the Fund made no distributions to its participatory interest holders (2021: nil)

11. Unit prices

The value of the unit price is largely based on closing market prices of the underlying securities and will fluctuate with any changes in those prices**.** Below are the minimum, maximum unit prices, for the period 1 January 2022 until 31 December 2022 and last price of the Fund in the primary market as at 31 December 2022.

	Unit price (cents per unit)	
	2022	**2021**
Class A – Minimum	5,098.00	972.15
Class A – Maximum	11,009.07	12,571.23
Class A – Last price	6,979.49	5,637.84

12. Subscription and redemption of units

	Units 2022	**Units 2021**
Balance as at 1 January	20,704	82,960
Creation of participatory units	8,532	5,000,000
Cancellation of participatory units	(2,482)	(5,062,256)
Balance as at 31 December	26,754	20,704

13. Financial instruments

13.1 Financial risks

The Fund is exposed to financial risk through their financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from the redemption of units. The most significant components of financial risk are market risk (including interest rate risk, foreign exchange risk and price risk), liquidity risk and credit risk.

The financial risks in the Fund are as follows:

13.1.1 Market risks

Market risk is the potential for both losses and gains to the investor resulting from changes in the unit price of the respective unit portfolios. The principal cause of a fluctuation in unit price would be volatility in the value of the underlying investments as a result of movements in the price of a listed security, changes in credit risk or prevailing interest rates and currency fluctuations relative to the functional currency.

In the normal course of its business the Fund's trade financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (e.g. market risk). The Fund's equity securities are susceptible to market price risk arising from uncertainties about future prices of the particular instruments.

Management monitors market positions on a daily basis with reference to the Fund's investment mandate. The Fund's overall market positions are monitored on a quarterly basis by the Manager and are reviewed on a monthly basis by the Management Company. No market hedges are entered into by the Fund.

13. Financial instruments (continued)

13.1 Financial risks (continued)

13.1.1 Market risks (continued)

The analysis inserted below sets out the asset allocation of the Fund's exposure to investments and securities at year end (excluding indirect exposure):

		Equities and Specialist Securities										
Fund	**Period**	Financials	Resources	Industrials	Property	Information technology	Telecommunications	Food & beverage	Healthcare	Other	**Cash***	**Total**
Cloud Atlas S&P African Sovereign Bond ETF	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**100%**	**100%**
	2021	-	3%	-	-	-	-	-		-	97%	100%

* Cash includes bank-, call- and fixed deposits, and net receivables or payables.

a) Price risk

Price risk is the risk that the fair value or future cash flows of the instrument will fluctuate as a result of changes in market prices other than those caused by interest rate risk and currency risk, whether caused by factors specific to an individual investment, its issuer or all factors affecting all similar instruments traded in the market.

The Fund's policy is predominantly concentrated on investments in listed equity securities where management believes the Fund can maximise the returns derived for the level of risk to which the Fund is exposed. Price risk is mitigated primarily by diversification through asset and sector allocation which is prescribed in the investment mandate of the Fund.

A price sensitivity analysis is prepared with all other variables held constant, and is based on the balances at year end taking into account the reasonable possible changes in the next 12 months. It follows that the actual results may differ from the sensitivity analysis.

Management has historically considered a cash benchmark to be a reasonable potential fluctuation for the purposes of this disclosure given the investment mandate. However, amid the COVID-19 outbreak globally and domestically and the impact on markets and volatility thereof, management has assessed a 10%-20% decrease in the value of the Fund's equity exposures in the Fund would result in a 3%-5% decrease in the unit price/net asset value attributed to unitholders. The converse also holds true.

b) Currency risk

A Fund is exposed to currency risk on its investments (including cash and cash equivalents) and related transactions where denominated in a currency other than its functional currency. The following table summarises the percentage of total investments exposed to fluctuations in exchange rates as at 31 December as well as the impact of a 5% weakening in exchange rates, expressed as a percentage of the Fund's net assets attributable to unit holders. A 5% strengthening of the Rand would have an equal but opposite effect.

13. Financial instruments (continued)

13.1 Financial risks (continued)

13.1.1 Market risks (continued)

b) Currency risk (continued)

Fund		**Cloud Atlas S&P African Sovereign Bond ETF**		
Currency	Period	ZAR Exposure	% of Net Assets	5% Weakening in ZAR
Nigerian Naira	**2022**	48,154	10.18	2,408
	2021	1,292	0.12	2,023
United States Dollar	**2022**	682,057	144.16	34,103
	2021	1,144,504	109.14	51,367
Namibian dollar	**2022**	-	-	-
	2021	1,688	0.16	2,939
UK Pound Sterling	**2022**	23,132	4.89	1,157
	2021	-	-	-
TOTAL	**2022**	**753,343**	**159.23**	**37,668**
	2021	1,147,485	109.42	59,332

The net impact of a 5% increase or decrease in exchange rates on the net asset value of the Fund would be 8.28% (2021: 5.47%).

c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund is exposed to the risk that the fair value of future cash flows of its financial instruments will fluctuate as a result of change in market interest rates.

The Fund's policy is to transact in financial instruments that mature or re-price in the short term. Further, Fund only has exposure to interest rate risk on its cash and cash equivalents. Accordingly, the Fund would be subject to limited exposure to fair value cash flow interest rate risk due to fluctuations in prevailing levels of market interest rates.

Management have determined that fluctuations in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Fund operates and the exposure at year end.

If interest rates increase or decrease by 50 basis points, with all other variables held constant, net assets attributable to participatory interest holders would increase or decrease by R3,625 (2021: R6,724).

13.1.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. CISCA has strict guidelines ensuring that a high proportion of instruments held are of high credit quality. CISCA assigns a maximum exposure per issuer and per rating band with stricter requirements for foreign issuers.

The Fund's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

There are no significant concentrations of credit risk to any individual issuer or group of issuers at year end nor were any financial assets carried at amortised cost past due or impaired.

13. Financial instruments (continued)

13.1 Financial risks (continued)

13.1.2 Credit risk (continued)

Credit risk relating to unsettled transactions (clearing and depositary operations of the Fund's security transactions) is considered small due to the short settlement period involved and the high credit quality of the brokers used.

All cash deposits are held with Rand Merchant Bank with a credit rating of B at period end (2021: B) per (Standard & Poors or equivalent).

13.1.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in settling a liability, including a redemption request, or selling a financial asset quickly at close to its fair value. Liquidity risk can also occur if any participatory interest holder redeems a significant proportion of the Fund.

The Fund's Supplemental Trust Deed provides for the daily subscription and redemption of units and the Fund is therefore exposed to the liquidity risk of meeting participatory interest holders' redemptions at any time. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realisable, as they are listed on a recognised and liquid stock exchange.

Although the Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid, nevertheless the underlying securities/indices of these derivatives contracts are themselves liquid and therefore capable of allowing their writers to liquidate such contracts at or near the fair value. In accordance with the Fund's policy, that the Manager monitors the Fund's liquidity position on a daily basis.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Fund		**Cloud Atlas S&P African Sovereign Bond ETF**		
	Period	Less than 1 month	1 to 3 months	Greater than 3 months
Accrued expenses and other payables	**2022**	**251,873**	-	-
	2021	219,471	-	-
TOTAL	**2022**	**251,873**	**-**	**-**
	2021	219,471	**-**	**-**

14. Events after the reporting period

On 31 January 2023, the Manager received the approval from the FSCA, whereby First World Trader (Pty) Ltd t/a EasyEquities ("EasyEquities"), which is a subsidiary of Purple Group Limited, will acquire a 100% ownership interest in the Company. The transaction was concluded on 7 February 2023.

The Manager is not aware of any matters or circumstances arising since the end of the financial period that has a material impact on the annual financial statements.

15. Going concern

The directors are not aware of any other new material changes that may adversely impact the scheme. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the scheme.

16. Approval of financial statements

The financial statements were approved for issue by the directors of the Management Company on 15 August 2023.