

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)**

**FINANCIAL STATEMENTS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
FINANCIAL STATEMENTS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

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(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
FINANCIAL STATEMENTS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

**DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING AND APPROVAL OF FINANCIAL STATEMENTS**

The directors of CoreShares Index Tracker Managers (RF) Proprietary Limited (the "Manager") are responsible for the preparation and presentation of the financial statements of the CoreShares Index Tracker Collective Investment Scheme (the "Scheme"), which comprises the CoreShares Total World Stock Feeder Exchange Traded Fund (hereinafter referred to as the "Portfolio"), which they manage. The Portfolio's financial statements comprise the statement of financial position at 31 December 2021, and the statements of comprehensive income, net assets attributable to participatory interest holders and cash flows for the period 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"), the Johannesburg Stock Exchange listing requirements and in the manner required by the Supplemental Trust Deed and Collective Investment Schemes Control Act of South Africa, No. 45 of 2002 (the "Act").


The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have considered all factors which contribute to the Scheme's and the Portfolio's ability to continue as going concerns and have no reason to believe that the Scheme or the Portfolio will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether each of the financial statements are prepared in accordance with IFRS and in the manner required by the Supplemental Trust Deed and the Act.

**Approval of the financial statements**

The financial statements, as identified in the first paragraph, were approved by the directors of the Manager on 30 March 2022 and are signed on their behalf by:

DocuSigned by:  
  
88601B9AB248485...

Gareth Stobie  
Director of CoreShares Index Tracker Managers (RF) Proprietary Limited

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
MANAGER'S REPORT**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

**1. Nature of the business**

The CoreShares Total World Stock Feeder Exchange Traded Fund (the "Portfolio") is registered in terms of the Collective Investment Schemes Control Act of South Africa, No. 45 of 2002, as set out in the Supplemental Trust Deed number 26 of the CoreShares Index Tracker Collective Investment Scheme (the "Scheme") Deed. The Portfolio was established in 2021. The investment objective of the Portfolio is to replicate, as far as reasonably possible, the price and yield performance of the FTSE Global All Cap Index (the "Index").

The underlying portfolio is held by the Portfolio and holders of the Portfolio's securities will have rights against the Portfolio. This includes rights to the income earned from those assets.

The Portfolio's securities are Exchange Traded Fund securities listed and traded on the Johannesburg Stock Exchange in much the same way as any listed share.

**2. Trustee**

The trustee at the date of this report is Nedbank Limited.

**3. Manager**

The Manager at the date of this report is CoreShares Index Tracker Managers (RF) Proprietary Limited.

**4. Beneficiaries**

Vested income beneficiaries include all holders of the Portfolio securities.

**5. Units in issue**

21,191,194 units were created during the period.  
1 unit was liquidated during the period.

**6. Registered and postal address**

4th Floor, Grindrod Tower,  
8A Protea Place,  
Sandton, Johannesburg  
2194

**7. Auditors**

BDO South Africa Inc.

**8. Preparer of the financial statements**

IQ EQ South Africa Proprietary Limited, under the supervision of Emelia Maharaj CA(SA), Head of Finance and Operations at the Manager.



24 March 2022

**TRUSTEE'S REPORT ON THE ADMINISTRATION OF THE COLLECTIVE INVESTMENT SCHEME  
MANAGED BY: CORESHARES INDEX TRACKER MANAGERS PROPRIETARY LIMITED (as the Manager)  
IN RESPECT OF THE CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME  
FINANCIAL YEAR ENDED: 31 December 2021**

**Report in terms of Section 70(1) (f) of the Collective Investment Schemes Control Act 2002 (Act No 45 of 2002)**

As trustee of the above-mentioned Collective Investment Scheme, we are required to report to the participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise for the accounting period 02 August 2021 to 31 December 2021, that we reasonably believe that the Manager has administered the Scheme in accordance with:

- i. The limitations imposed on the investment and borrowing powers of the Manager by the Act; and
- ii. The provision of the Act and the Trust Deed.

We further confirm that there were no material instances of compliance contraventions and therefore no consequent losses incurred by the Portfolio.

Yours truly

A handwritten signature in black ink, appearing to read 'Shonese Hassim'.

**Shonese Hassim**

Manager CIS Trustee  
**NEDBANK INVESTOR SERVICES**

A handwritten signature in black ink, appearing to read 'Renee Theron'.

**Renee Theron**

Senior Manager



**Corporate and Investment Banking**  
Investor Services

2nd Floor  
North Towers  
160 Jan Smuts Avenue  
Rosebank, 2196  
PO Box 6872  
Johannesburg, 2000  
South Africa

Swift address: ABSAZAJJ  
absa.co.za/cib

## REPORT OF TRUSTEE

28 March 2022

Report in terms of section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002 for period 1 January 2021 to 1 August 2021 in respect of Coreshares Index Tracker Managers (Rf) Proprietary Limited ("the Manager").

Absa Bank Limited ("Absa"), in its capacity as trustee of Coreshares Index Tracker Collective Investments Scheme (the "Scheme"), confirms that it has controls in place which provide reasonable assurance that Coreshares has administered the Scheme for the period from 1 January 2021 to 1 August 2021 ("the reporting period") in accordance with the following:

- (i) the limitations imposed on the investment and borrowing powers of the manager by CISCA; and
- (ii) the provisions of CISCA and the trust deed.

There are no exceptions to report for the reporting period.

Should any investor require any information pertaining to the above-mentioned subject matter, kindly contact Coreshares or Absa

Yours faithfully

A handwritten signature in black ink that reads "Sabir Ballim".

Sabir Ballim  
28/03/2022 08:58:15(UTC+02:00)

Mohammed Sabir Ballim

**Head: Absa Investor Services**

A handwritten signature in black ink that reads "Deon Lottering".

Deon Arnoldus Lottering  
28/03/2022 06:47:31(UTC+02:00)

Deon Lottering

**Head: Trustee Services**

**Absa Investor Services**

## Independent auditor's report

To the Directors of CoreShares Index Tracker Managers (RF) Proprietary Limited  
**CoreShares Total World Stock Feeder Exchange Traded Fund**

### Opinion

We have audited the financial statements of CoreShares Total World Stock Feeder Exchange Traded Fund (the Portfolio), which forms part of the CoreShares Index Tracker Collective Investment Scheme (the Scheme) managed by Coeshares Index Tracker Managers (RF) (Pty) Ltd (the Manager), as set out on pages 8 to 22, which comprise the statement of financial position as at 31 December 2021, 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 CoreShares Total World Stock Feeder Exchange Traded Fund as at 31 December 2021, 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
<p><u>Existence and valuation of financial assets at fair value through profit or loss</u></p> <p>The Portfolio invests in listed instruments which are held at fair value through profit and loss in terms of IFRS 9 <i>Financial Instruments</i> and 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.</p> <p>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.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— 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;</li> <li>— We tested ownership of instruments held by the Portfolio at year end by obtaining a confirmation of all holdings from the independent custodian;</li> <li>— We tested the valuation of all instruments held by the Portfolio at year end, by agreeing closing prices to an independent third-party source;</li> <li>— 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</li> </ul>

BDO South Africa Incorporated  
 Registration number: 1995/002310/21 Practice number: 905526  
 VAT number: 4910148685

Chief Executive Officer: ME Stewart

A full list of all company directors is available on [www.bdo.co.za](http://www.bdo.co.za)

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms

Key audit matter	How our audit addressed the key audit matter
<p>The following inherent risks are generally associated with financial instruments:</p> <ul style="list-style-type: none"> <li>– Satisfactory title to the instrument(s);</li> <li>– Correct Valuation in terms of IFRS 13 Fair Value Measurement; and</li> <li>– 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.</li> </ul> <p>Refer to notes 3(a) and 3(e) 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.</p>	<p>— We assessed the adequacy of the financial assets at fair value through profit or loss disclosures, in terms of the requirements of IFRS.</p>

#### Other information

The directors of the Manager are responsible for the other information. The other information comprises the information included in the document titled “CoreShares Total World Stock Feeder Exchange Traded Fund Financial Statements for the year ended 31 December 2021”. 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. (Mar 31, 2022 10:40 GMT+2)

JL Mitri  
Director  
Registered Auditor

31 March 2022

Wanderers Office Park  
52 Corlett Drive  
Illovo  
2196

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
STATEMENT OF COMPREHENSIVE INCOME  
For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

	Notes	<u>2021*</u> <u>R</u>
<b>NET INVESTMENT INCOME</b>		
Dividend income		2,972,426
Interest income		15,140
Income adjustments on creation and cancellation of participatory interest		309,648
Net fair value gains on financial instruments		32,500,324
		<u>35,797,538</u>
<b>OPERATING EXPENSES BEFORE FINANCE COSTS</b>		
Bank charges, trustee and custody fees	4	(28,548)
Management fees	4	(225,960)
Transaction costs		(9,321)
		<u>(263,829)</u>
<b>NET INCOME BEFORE FINANCE COSTS</b>		<u><b>35,533,709</b></u>
Distributions to participatory interest holders	6	(1,029,422)
Withholdings tax on dividends		(891,893)
<b>CHANGE IN NET ASSETS ATTRIBUTABLE TO PARTICIPATORY INTEREST HOLDERS</b>		<u><u><b>33,612,394</b></u></u>

\* For the period from 17 May 2021 to 31 December 2021.

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
STATEMENT OF FINANCIAL POSITION  
As at 31 December 2021**

	<u>2021</u> <u>R</u>
<b>ASSETS</b>	
Investments held at fair value	
Foreign exchange traded fund	245,943,345
Investment income receivable	1,368
Cash and cash equivalents	<u>1,403,079</u>
<b>TOTAL ASSETS</b>	<b><u>247,347,792</u></b>
<b>LIABILITIES</b>	
Operating expense payables	<u>43,121</u>
<b>TOTAL LIABILITIES, EXCLUDING NET ASSETS ATTRIBUTABLE TO PARTICIPATORY INTEREST HOLDERS</b>	<b><u>43,121</u></b>
<b>NET ASSETS ATTRIBUTABLE TO PARTICIPATORY INTEREST HOLDERS</b>	<b><u>247,304,671</u></b>

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPATORY INTEREST HOLDERS  
For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

	Notes	Capital attributable to participatory interest holders <u>R</u>	Net income attributable to participatory interest holders <u>R</u>	Net assets attributable to participatory interest holders <u>R</u>
<b>Balance at inception</b>		-	-	-
Participatory interest created	5	213,692,277	-	213,692,277
Change in net assets attributable to participatory interest holders		-	33,612,394	33,612,394
Transfer of net fair value gains not distributable, net of transaction costs		32,491,003	(32,491,003)	-
<b>Balance at 31 December 2021</b>		<b>246,183,280</b>	<b>1,121,391</b>	<b>247,304,671</b>

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
STATEMENT OF CASH FLOWS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

	<b><u>2021*</u></b>
	<b><u>R</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets attributable to participatory interest holders	33,612,394
Adjusted for:	
- Dividend income	(2,972,426)
- Interest income	(15,140)
- Withholding tax	891,893
- Distributions	1,029,422
- Purchases of investments	(213,038,377)
- Sales of investments	9,321
- Net fair value gains on investments	(32,914,289)
- Income adjustments on creation and cancellation of units	(309,648)
Changes in other assets and liabilities	
- Increase in operating expense payables	43,121
<b>Cash utilised in operations</b>	<b><u>(213,663,729)</u></b>
Dividend received	2,080,533
Interest received	13,772
Distributions paid	(1,029,422)
<b>Net cash outflow from operating activities</b>	<b><u>(212,598,846)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Creation of participatory interest	214,001,925
<b>Net cash inflow from financing activities</b>	<b><u>214,001,925</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,403,079</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	-
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>1,403,079</u></b>

\* For the period from 17 May 2021 to 31 December 2021.

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

**1. GENERAL INFORMATION**

The CoreShares Index Tracker Collective Investment Scheme (the “Scheme”) encompasses a number of open-ended investment portfolios, incorporated as trusts, in South Africa, under Collective Investment Schemes Control Act of South Africa, No. 45 of 2002 (the “Act”).

The investment objective of the Portfolio is to replicate, as far as reasonably possible, the price and yield performance of the FTSE Global All Cap Index (the “Index”). CoreShares Index Tracker Managers (RF) Proprietary Limited (the “Manager”) acts as the manager of the Portfolio.

The administration of the investment activities of the Portfolio is delegated to the Manager, whose registered office is 4<sup>th</sup> Floor, Grindrod Tower, 8A Protea Place, Sandton, Johannesburg, 2196. Asset administration is outsourced to Prescient Fund Services Proprietary Limited.

The trustee and custodian of the Portfolio is Nedbank Limited.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation and 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 (“IASB”), 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 (“JSE”) listings requirements, the requirements of the Scheme Deed and the Act.

The financial statements provide information about the financial position, results of operations, changes in financial position and cash flows of the Portfolio. They have been prepared under historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

*Functional and presentation currency*

The financial statements are presented in South African Rand (“R”), which is the functional currency of the Scheme.

*New standards and amendments*

*(a) Standards and amendments to existing standards effective 17 May 2021*

There are no standards or amendments to standards or interpretations that are effective for periods beginning on 17 May 2021 that have a material effect on the financial statements of the Portfolio.

*(b) New standards, amendments and interpretations effective after 17 May 2021 and have not been early adopted*

A number of new standards and amendments to standards and interpretations are effective for periods beginning after 17 May 2021, 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 Portfolio.

The financial statements have been prepared consistently based on the following principal accounting policies.

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.2 Significant judgements and sources of estimation uncertainty**

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 judgement 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 executive management committee 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.

Given the nature of the Portfolio's investments, which are generally listed on recognised exchanges on which valuations are readily available, no significant estimates or judgements were used in the preparation of these financial statements.

**2.3 Financial instruments**

*a) Recognition and derecognition*

Financial assets and liabilities at fair value through profit or loss ("FVTPL") are recognised initially on the trade date, which is the date that the Portfolio becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

The Portfolio derecognises a financial asset when and only when:

- the contractual rights to the cash flows arising from the financial asset have expired or been forfeited; or
- it transfers the financial asset including substantially all the risks and rewards of ownership of the asset; or
- it transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. All purchases and sales of financial assets carried at FVTPL that require delivery within the time frame established by regulation or market convention, ("regular way" purchases and sales) are recognised at trade date, which is the date that the Portfolio commits to purchase or sell the instrument. Otherwise, such transactions are treated as derivatives until settlement occurs.

*b) Classification*

The classification of financial instruments at initial recognition depends on the contractual cash flow characteristics of the financial instrument and the Portfolio's business model for managing them.

The management and performance of the Portfolio's investments are evaluated on a fair value basis. As such, the Portfolio designates all its investment-related financial instruments at fair value upon initial recognition. The Portfolio has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

All other financial instruments are classified as financial assets and liabilities at amortised cost. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**CORESHARES TOTAL WORLD STOCK FEEDER EXCHANGE TRADED FUND  
(CORESHARES INDEX TRACKER COLLECTIVE INVESTMENT SCHEME)  
NOTES TO THE FINANCIAL STATEMENTS**

**For the period from 17 May 2021 (date of commencement of operations) to 31 December 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.3 Financial instruments (continued)**

*b) Classification (continued)*

*Cash and cash equivalents*

Cash includes current operating bank accounts, deposits held at call with banks and bank overdrafts, if any. 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 are not held for investing purposes.

*Redeemable interest in Portfolio*

Redeemable interest in the Portfolio provides investors with the right to require redemption for cash at the value proportionate to the investors share in the Portfolio's net asset value at each daily redemption date. Redeemable interest in the Portfolio is classified as a financial liability and is measured at the fair value of net assets attributable to the Portfolio, being the exit price on redemption date, as specified in the Supplemental Trust Deed. All units issued by the Portfolio provide investors with the right to request redemption for cash at the value proportionate to the investors share in the Portfolio's net assets at redemption date. The Portfolio issued a single series of redeemable units which are redeemable at the participatory interest holder's option. Therefore, the redeemable units are classified as financial liabilities.

An income adjustment arises on the creation and cancellation of units since the price of a unit includes income and expenses accrued and not yet distributed. The adjustments on creations and cancellations of the units are included in the statement of comprehensive income as "Income adjustments on creation and cancellation of participatory interests".

*c) Measurement*

Financial instruments at FVTPL are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not recognised at FVTPL, are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Financial instruments at amortised cost are subsequently measured using the effective interest method and are subject to impairment testing. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial instruments at FVTPL are subsequently measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at FVTPL category are presented in the statement of comprehensive income within "Net fair value gains/(losses) on financial instruments" in the period in which they arise.

Fair value is the price that would be received or paid to transfer a liability or asset in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

When quoted prices are not available, fair values are determined by using valuation techniques that refer as far as possible, to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.



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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.3 Financial instruments (continued)**

*d) Impairment of financial assets at amortised cost*

The Portfolio assesses at each reporting date whether there is any objective evidence that a financial asset carried at amortised cost or a group of financial assets, excluding investments at fair value, is impaired. All financial assets at amortised cost are held for collection. At each reporting date, the Portfolio measures the loss allowance on financial assets at amortised cost at an amount equal to the lifetime expected credit loss (“ECL”) if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Portfolio shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

*e) Offsetting*

Financial assets and financial liabilities are offset when the right to offset 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. The net amount is then reported in the statement of financial position when the Portfolio has the intention and ability either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*f) Investment income*

Interest income includes the amortisation of any discount or premium or any other difference between an interest-bearing instrument’s initial carrying amount and its maturity value, calculated on an effective interest basis.

Dividends are recognised in the statement of comprehensive income on the dates on which the relevant securities were listed as “ex-dividend”. In the case of investment in other collective investment schemes, this is distribution date. 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.

*Unconsolidated structured entities*

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Portfolio considers its investment in another exchange traded fund to be an investment in an unconsolidated structured entity.

**2.4 Creations and cancellations of units**

Participatory interest holders can acquire the Portfolio'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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.4 Creations and cancellations of units (continued)**

Participatory interest holders can also acquire the Portfolio's securities by subscribing for them directly from the Portfolio. The cash subscription price and number of the Portfolio's securities to be issued to a participatory interest holder for cash will be determined by the amount which the participatory interest holder 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 interest holders may sell securities by trading on the JSE, at the current market price quoted on the JSE. Participatory interest holders may also redeem securities directly with the Portfolio. Securities prices are determined by reference to the net assets of the Portfolio 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.

**2.5 Foreign currency translation**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the reporting currency at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the exchange rates ruling at the dates that the values are determined. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated at exchange rates ruling at the dates of the transactions.

**2.6 Distributions**

*Taxation*

Dividend and interest income received by the Portfolio are subject to withholdings tax imposed in accordance with the South African Income Tax Act, No 58 of 1962, and by foreign jurisdictions. Income that is subject to such tax is recognised gross of the taxes, which are in turn included as part of distributions payable. Withholding taxes are shown as a separate item in the statement of comprehensive income. Any taxable income realised during the period will be distributed to the Portfolio's participatory interest holders. As a result, the income and capital gains are taxed in the hands of the participatory interest holders. Under the current system of taxation in South Africa, the Portfolio is exempt from paying taxes on income or capital gains.

*Distributions*

In accordance with the Trust Deed, the Portfolio distributes its distributable income, and any other amounts determined by the Manager, to investors who hold units as at the commencement of business immediately preceding distribution date, pro rata to the participatory interest held by said investors.

**2.7 Expenses**

All expenses incurred by the Portfolio are recognised on an accrual basis. Where the expenses of the Portfolio exceed the income for a particular class of units, and in the event that the Manager considers it unlikely that the expenses will be recovered from future income earned, this shortfall is funded from the capital account, as provided for in the Supplemental Trust Deed.

**3. FINANCIAL INSTRUMENTS**

**3.1 Financial objectives**

The Portfolio maintains a position in a non-derivative financial instrument in accordance with the investment strategy. Coreshares Asset Management Proprietary Limited (the "Investment Manager") has been given discretionary authority to manage the assets in line with the Portfolio's investment objectives as set out in the Supplemental Trust Deed. The Supplemental Trust Deed's investment objectives are further refined through the Investment Mandate.

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**3. FINANCIAL INSTRUMENTS (CONTINUED)**

**3.1 Financial objectives (continued)**

The investment objective of the Portfolio is to track the Index, which covers both well-established and still-developing markets.

To achieve its investment objective, the Portfolio will, apart from assets in liquid form, consist solely of participatory interests in the Vanguard Total World Stock ETF.

The Portfolio is categorised as follows:

<b>Geographic classification</b>	<b>Sector</b>	<b>Asset allocation classification</b>	<b>Benchmark</b>
Global	General	Equity	FTSE Global All Cap Index

**3.2 Financial risk management**

The Portfolio is exposed to financial risk through its financial instruments including:

- Market risk (price, interest rate and currency)
- Credit risk
- Liquidity risk
- Secondary trading risk
- Index risk
- Regulatory, economic and political risk

Exposure to the risks arise in the normal course of investment activities in listed index securities. The Portfolio's acceptance of risk is directly attributable to the risks associated with any investment in equities. The objectives for managing the risks associated with financial instruments held for investment purposes as well as a brief description of the relevant risks and methods adopted, if any, to mitigate these risks are outlined in more detail below.

The Portfolio is regulated by the Act. In terms of the Act the Manager must appoint a trustee. The assets comprising the portfolio of the Portfolio are held under control of the trustee as the custodian thereof. The Manager monitors compliance in terms of the Act, the Scheme Deed and the Portfolio Supplemental Trust Deed requirements and reports are submitted to the Financial Sector Conduct Authority on a monthly basis. Capital adequacy requirements required by the Act are maintained by the Manager of the Portfolio.

Daily pricing of the Portfolio is publicly available.

**Market risk**

Market risk is the potential for both loss and gain to the participatory interest holder resulting from decreases and increases in the unit price of the Portfolio. The main causes of unit price changes are the result of price changes in the underlying instruments caused by movements in securities prices, changes in credit rating of instrument issuers, changes in the prevailing level of interest rates and currency movement relative to the Rand.

Return is the desired reward for assuming market risk. Market risk is managed daily by the Manager with reference to each Portfolio's investment mandate, the objective being to produce the highest possible return for a given level of risk. Management monitors market positions on a daily basis with reference to the Portfolio's investment mandate.

The Portfolio's only investment held at 31 December 2021 is the investment into the Vanguard Total World Stock ETF.

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**3. FINANCIAL INSTRUMENTS (CONTINUED)**

**3.2 Financial risk management (continued)**

**Market risk (continued)**

*Price risk*

Price risk is the risk that the value of the Portfolio fluctuates as a result of changes in market prices of instruments held, whether caused by factors specific to the underlying investments of the Portfolio, its issuer or all factors affecting all instruments trading in the market. Price risk is mitigated primarily by diversification. Diversification is achieved through asset allocation, sector diversification and market diversification. Where the Portfolio invests primarily in a specific industry will have an increased exposure to market risk factors specific to that industry sector.

The price of the Portfolio is to a certain extent correlated to the movement in the indices noted below. Any movement in the index or the underlying constituents of the index will, to some extent, have an impact on the price of the security. The Manager considers the risk variable as a reasonable possible change in the market based on the current market economic environment. The Portfolio is required to replicate, as far as reasonably possible, the price and yield performance of the relevant index.

The following analysis reflects the sensitivity of the fair value of the Portfolio's investments to fluctuations in the relevant index based on market values as at 31 December 2021. The analysis is based on the assumption that if the relevant index will increase by the percentage disclosed below, which is the actual volatility experienced by the Portfolio over the last 12 months (or since inception if less than 12 months), the net assets attributable to participatory interest holders will increase by the amounts shown below. A decrease of the relevant index would have an equal but opposite effect.

	Movement in index	Impact on net assets
	2021 %	2021 R
Sensitivity analysis	15.51	38,145,813

*Interest rate risk*

There is a risk that fluctuating interest rates will unfavourably affect the Portfolio's earnings (cash flow interest risk) or the value of its assets and liabilities (cash flow valuation risk). The risk solely relates to interest earned from cash held at the Portfolio's bank account.

Management has determined that fluctuations in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Portfolio operates and the exposure at period end. A change in interest rates to this effect, would not have a material impact on the Portfolio. Accordingly, a sensitivity analysis of the impact of a change in interest rates has not been disclosed.

*Currency risk*

The Portfolio is exposed to currency risk on its investments 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 (based on the actual observed long term currency volatility) in weakening in exchange rates. A strengthening of the Rand would have an equal but opposite effect. The table is expressed as a percentage of the Portfolio's net assets attributable to participatory interest holders.

**31 December 2021**

Currency	Currency exposure %	Percentage movement %	Impact on net assets %
USD	99.96	17.46	17.46

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**3. FINANCIAL INSTRUMENTS (CONTINUED)**

**3.2 Financial risk management (continued)**

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Portfolio.

The Act has strict guidelines ensuring that a high proportion of instruments held are of high credit quality. Any unrated instruments held must be issued by a listed issuer who guarantees liquidity. The Act assigns a maximum exposure per issuer and per rating band with stricter requirements for foreign issuers. Credit risk arising on debt instruments are mitigated by investing in rated instruments or instruments issued by rated counterparties. Credit risk arising on non-rated investments is monitored through regular analysis of financial statements of their respective issuers.

The Investment Manager employed in the management of the investments of the Portfolio have credit policies in place, which are at least as stringent as the Act requirements, and the exposure to credit risk is monitored on an ongoing basis. In terms of the Act, the Manager may, subject to the requirements of Section 85, lend or offer to lend assets included in a portfolio within the limits or on the conditions determined by the Portfolio's Supplemental Trust Deed. No security lending activities took place during the current period.

The Portfolio is exposed to credit risk through investments held at FVTPL, cash and cash equivalents and investment income receivable. At 31 December, the Portfolio's maximum credit exposure amounted to R247,347,792.

Cash and cash equivalents consist of deposits with reputable banks. No other receivables are past due or impaired. Accordingly, ECL exposure is negligible.

The credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the fact that the majority of financial instrument transactions are exchange traded, with settlement guaranteed by the exchanges.

**Liquidity risk**

Liquidity risk is the risk that the Portfolio will not be able to meet its financial obligations towards participatory interest holders and creditors when they fall due.

The approach to managing liquidity risk is to ensure that the Portfolio would be able to pay suitable distributions to participatory interest holders on a bi-annually basis.

The participatory interests can be sold to the Manager, who is obliged by the Portfolio's Supplemental Trust Deed to buy them from the participatory interest holder.

Liquidity risk is managed through the market making process, during which the Manager is obliged to buy units from the participatory interest holder should there be no willing buyers in the market.

The Portfolio's listed security is considered readily realisable as it is listed on a reputable stock exchange.

Market makers will attempt to maintain a high degree of liquidity through continuously offering to buy and sell at prices around the net asset value of the participatory interest, thereby ensuring tight buy and sell spreads. Under normal circumstances and conditions, the participatory interest holder will be able to buy or sell the Portfolio's securities from the market makers.

The contractual maturities of all operating expense payables and net assets attributable to participatory interest holders are less than 90 days.

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**3. FINANCIAL INSTRUMENTS (CONTINUED)**

**3.2 Financial risk management (continued)**

**Liquidity risk (continued)**

As the Portfolio tracks an index, it is not exposed, other than the inherent concentration in that index itself, to any and does not actively manage investment concentration risk. The Portfolio keeps its cash balances at one institution for operating simplicity reasons but these balances are never high and therefore concentration risk is not actively managed. The Portfolio does not have any participatory interest holders that own more than 5% of its units and has a sufficiently large number of participatory interest holders that no concentration risk exists.

**Secondary trading risk**

There is no guarantee that a liquid secondary market in the Portfolio's participatory interests will develop. The Portfolio's participatory interests may trade at a discount or premium to their underlying securities. There is no guarantee that the Portfolio's participatory interests will remain listed on the JSE. Any termination of listing would be subject to the JSE listings requirements.

**Index risk**

There is no guarantee that the Index will continue to be calculated in the manner in which it is currently calculated. Neither the Index licensor, nor the Manager or the trustee:

- Guarantee the accuracy/or completeness of the Index or any data included in the Index;
- Will bear any liability for any errors, omissions or interruptions in the Index;
- Warrant or make any representations as to the results to be obtained by the Portfolio's portfolio or any participatory interest holder in the Portfolio from the use of the Index or any data included in the Index; or
- Warrant the ability of any portfolio to track any applicable Index.

Given that the Index was created as a measure of market performance and not for the purpose of trading in the Portfolio's participatory interests, the Index may be adjusted by the Index licensor without regard to the interest of holders of participatory interests, but solely with a view to the original purpose of the Index.

The past performance of the Index is not necessarily an indication of the future performance.

**Regulatory, economic and political risk**

The performance of the Portfolio may be affected by changes in economic and market conditions, political developments, changes in government policies, or changes in legal, exchange control, regulatory and tax requirements.

**3.3 Fair value hierarchy**

The Portfolio measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: quoted prices (unadjusted) in an active market for identified assets and liabilities.

Level 2: inputs other than quoted prices in level 1 that are observable for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are based on observable market data (unobservable inputs).

The only investment held by the Portfolio at 31 December 2021 is considered Level 1 as per the above fair value hierarchy.

There were no transfers between the levels during the financial period.

The Manager considers the carrying value of the Portfolio's financial assets and liabilities at amortised cost to be a reasonable approximation of fair value.

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**3. FINANCIAL INSTRUMENTS (CONTINUED)**

**3.4 Involvement with unconsolidated structured entities**

The Portfolio invests in another exchange traded fund (“Other Fund”) whose objective ranges from achieving medium to long term capital growth and whose investment strategy does not include the use of leverage. This Other Fund is managed by an asset manager and applies various investment strategies to accomplish its investment objective. This Other Fund finances its operations by issuing redeemable units which are puttable at the holder’s option and entitles the holder to a proportional stake in the Other Fund’s net assets. The Portfolio holds redeemable units in the Other Fund.

The Portfolio’s investment in the Other Fund is subject to the terms and conditions of the Other Fund’s offering documentation and is susceptible to market price risk arising from uncertainties about future values of the Other Fund. The Investment Manager makes investment decisions after extensive due diligence of the underlying fund, its strategy and the overall quality of the underlying fund’s manager. The Other Fund is managed by a portfolio manager who is compensated by the Other Fund for its services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee and is reflected in the valuation of the Portfolio’s investment in the Other Fund.

The right of the Portfolio to request redemption of its investment in the Other Fund is daily.

The Portfolio’s holding in a third party Other Fund, as a percentage of the Other Fund’s total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Other Fund level. It is possible that the Portfolio may, at any point in time, hold a majority of an Other Fund’s total units in issue, if it is in line with the index which the Portfolio is tracking.

During the period, the Portfolio did not provide financial support to unconsolidated structured entities and has no intention of providing financial support. The Portfolio can redeem units in the Other Fund as and when required, in line with the specific index rules. The Portfolio’s maximum exposure to loss from its interest in the Other Fund is equal to the total fair value of its investment in the Other Fund.

**4. RELATED PARTY TRANSACTIONS**

The Manager of the Portfolio, Nedbank Limited, the trustee and custodian, are considered to be related parties.

	<b><u>2021</u></b>
	<b><u>R</u></b>
The following related party transactions occurred during the period:	
Manager - Management fees	225,960
Trustee - bank charges, trustee and custodian fees	28,548
The following related party balances existed at the period end:	
Manager - Operating expense payables	43,121

Outstanding balances will be settled in the ordinary course of business.

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**5. CREATION AND LIQUIDATION OF INCOME GENERATING UNITS**

	<b><u>2021</u></b>
Opening balance	-
Units created during the period	21,191,194
Unit liquidated during the period	(1)
Closing balance	<u><u>21,191,193</u></u>

**6. DISTRIBUTIONS**

Distributions are made bi-annually out of income. During the period the following distributions were paid:

			<b><u>2021</u></b>
			<b><u>R</u></b>
<b><u>Payment date</u></b>	<b><u>Cents per unit</u></b>	<b><u>Units in issue</u></b>	
13 October 2021	6	17,871,913	1,029,422
			<u><u>1,029,422</u></u>

**7. UNIT PRICES**

The value of units is based on current market value of the underlying securities and will fluctuate in accordance with any changes in those prices.

The fluctuations in the prices of the Portfolio and the repurchase prices at the reporting date were as follows:

	<b>Repurchase price (cents)</b>		
	<b>2021 Maximum</b>	<b>2021 Minimum</b>	<b>2021 Last price</b>
Class A	1,229.41	987.33	1,224.77

**8. SUBSEQUENT EVENTS**

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

**9. GOING CONCERN**

The directors of the Manager are not aware of any material changes that may adversely impact the Portfolio. The directors of the Manager 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 Portfolio. The directors of the Manager have considered all factors which contribute to the Portfolio's ability to continue as a going concern, as a result of the information provided by management and the impact of COVID-19, and do not believe that the Portfolio will not continue to operate as a going concern for the foreseeable future, given projected market levels.