



# Independent Reasonable Assurance Report

To the Directors of Perpetual Trustee Company Limited

## Opinion

We have undertaken a reasonable assurance engagement on the internal controls and other procedures relating to the preparation of the annual *investor statements* and *quarterly reports* of Perpetual Trustee Company Limited (the *MDA Operator*) as operator of Perpetual's Managed Discretionary Service (the *Managed Discretionary Account (MDA) Services*), and any other relevant person acting on behalf of the MDA Operator as documented in the attached 'Management Report on Internal Controls' dated 24 August 2020 (the *Documented Controls*). The Investor Statements comprise of the:

- Annual Investor Statements given under subparagraph 912 AEF (4)(a) of *ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968* (the *Instrument*); and
- Quarterly Investor Statements for each quarter during the year ended June 2020 that have been given under subparagraph 912 AEF (2)(a) of the Instrument for the period from 1 July 2019 to 30 June 2020 (the *Quarterly Reports*).

In our opinion, in relation to the provision of Perpetual's Managed Discretionary Service (as defined in the Instrument), by Perpetual Trustee Company Limited:

- the internal controls and other procedures of the MDA Operator and any other relevant person acting on behalf of the MDA Operator for the year ended 30 June 2020, as documented in the attached Management Report dated 24 August 2020 were suitably designed and operated effectively, in all material respects, to provide reasonable, but not absolute assurance that the following have not been materially misstated in accordance with the specified basis of preparation:
  - the Annual Investor Statements given under subparagraph 912 AEF (4)(a) of the Instrument for the year ended 30 June 2020; and
  - the quarterly reports for each quarter during the year ended 30 June 2020 that have been given under subparagraph 912 AEF (2)(a) of the Instrument; and
- the aggregate of assets, liabilities, revenue and expenses shown in the Annual Investor Statements provided by the MDA Operator for the year ended 30 June 2020 have been properly reconciled in all material respects, to the corresponding amounts shown in reports prepared by the holder of any retail client's portfolio assets (or if the holder is the retail client, by the MDA Operator) that have been independently audited.

We express no opinion as to whether the specified basis of preparation is appropriate to the needs of the Clients.



## Use of this Assurance Report

This report has been prepared for the Directors of the MDA Operator. This report is prepared for the MDA Operator to comply with the requirements in the Instrument and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of the MDA Operator and the Clients, or for any other purpose than that for which it was prepared. Our opinion is not modified in respect of this matter.

## Managements' responsibility for the Internal Controls

Management of the MDA Operator are responsible for:

- preparing the Documented Controls and the Investor Statements;
- establishing and maintaining an effective internal control structure, including the internal controls in relation to the preparation of Investor Statements given to the Clients;
- designing, implementing and operating the Internal Controls and other procedures to
  - ensure that the following have not been materially misstated:
    - the Annual Investor Statements given under subparagraph 912 AEF (4)(a) of the Instrument for the year ended 30 June 2020; and
    - the quarterly reports for each quarter during the year ended 30 June 2020 that have been given under subparagraph 912 AEF (2)(a) of the Instrument; and
  - ensure that the aggregates of assets, liabilities, revenue and expenses shown in the Annual Investor Statements provided by the MDA Operator for the year ended 30 June 2020 have been properly reconciled in all material respects, to the corresponding amounts shown in reports prepared by the holder of any retail client's portfolio assets (or if the holder is the retail client, by the MDA Operator) that have been independently audited;
- identifying the risks that threaten achievement of compliance with the Instrument; and
- the presentation, preparation and accuracy of the information included in the Annual Investor Statements for the year ended 30 June 2020 and quarters ended 30 June 2020.

The Directors of the MDA Operator are responsible for

- preparing the Directors' Declaration on the Directors' assertions about:
  - the design and operating effectiveness of the internal controls; and
  - relevant accounting procedures (basis of preparation) in relation to the accounting and reporting of assets, liabilities, revenue and expenses included in the Investor Statements; and
- determining the accounting policies used as described in the specified basis of preparation, including the basis of accounting that:
  - complies with the requirements of the Instrument; and
  - meets the requirements of the Instrument.



## Our responsibility

We conducted our reasonable assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*. We believe that the reasonable assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We express no opinion as to whether the specified basis of preparation is appropriate to the needs of the Clients.

In accordance with ASAE 3000 and ASAE 3150 we have:

- obtained an understanding of the Documented Controls relevant to the preparation of the Investor Statements;
- examined on a test basis, to obtain evidence to support the suitability of design and operating effectiveness of the internal controls used by the MDA Operator to prepare the Documented Controls and Investor Statements;
- tested the aggregates of assets (other than assets held by a Client), liabilities, revenue and expenses shown collectively in the Investor Statements were properly reconciled by the MDA Operator to the corresponding amounts shown in reports prepared by the holder of the relevant retail client's portfolio assets (or if the holder is the retail client, by the MDA Operator) that have been independently audited; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

## Independence and quality control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board.

We have also complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

## Limitations of controls

Even if the controls are suitably designed and operating effectively, the Internal Controls may not meet the reporting requirements in the Instrument so that fraud, error or non-compliance with laws and regulations may occur and not be detected because of the inherent limitations of any internal control structure. Further, the internal control structure, within which the Internal Controls we have assured are designed to operate, has not been assured and no conclusion is expressed as to its design or operating effectiveness.

Any projection of the evaluation of control procedures to future periods is also subject to the risk that they may become inadequate in the future because of changes in conditions, or that the degree of compliance with the Instrument may deteriorate.



A reasonable assurance engagement on the operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis.

KPMG

KPMG

Sydney  
1 September 2020