



Independent review report to the Board of Directors of Perpetual Trustee Company Limited

We have reviewed the summaries of transactions given as part of the MDA services provided by Perpetual Trustee Company Limited (the Operator) to its retail clients during the year ended 30 June 2016 (annual investor statements) under subparagraph 1.31 (a) of ASIC Class Order 04/194 *Managed discretionary accounts* (the Class Order). We have also reviewed the quarterly reports for each quarter during the year ended 30 June 2016 that have been given by the Operator under subparagraph 1.30(a) of the Class Order (quarterly reports).

Directors' responsibility

The directors and management of the Operator are responsible for the preparation, presentation and accuracy of the information included in the annual investor statements and quarterly reports as required under subparagraphs 1.31 (a) and 1.30 (a) of the Class Order. The directors' assertions about the controls over the annual investor statements and quarterly reports are included in the Director's Declaration. The directors of the Operator have determined that the accounting policies used and described in the specified basis of preparation, including the basis of accounting, are appropriate to meet the requirements of the Class Order.

Our responsibility

Our responsibility is to express a conclusion on the annual investor statements and quarterly reports which states whether, on the basis of the procedures described below, anything has come to our attention that would give us reason to believe that the annual investor statement or quarterly report have been materially misstated. We express no opinion as to whether the specified basis of preparation is appropriate to the needs of the clients.

We have performed our work in accordance with Standard on Assurance Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* and other auditing standards applicable to a review engagement. A review is limited primarily to enquiries of the Operator's personnel and analytical procedures. We have also performed an independent audit of internal controls and other procedures of the Operator, including those over its custodian(s) and any other relevant person acting on behalf of the Operator as they relate to the preparation of the annual investor statements and quarterly reports (the internal controls) and have issued a separate unqualified opinion to provide reasonable, but not absolute, assurance that the internal controls implemented by the Operator were suitably designed and operated effectively to ensure that there are no material misstatements in the clients' annual investor statements and quarterly reports for the year ended 30 June 2016.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the annual investor statements and the quarterly reports for the year ended 30 June 2016 given to the client have been materially misstated or have not been presented in accordance with the specified basis of preparation.

Basis of preparations and restriction on distribution and use

The annual investor statements and the quarterly reports have been prepared in accordance with the specified basis of preparation as described in the Class Order. The annual investor statements



and the quarterly reports have been prepared to assist the Operator to meet the requirements of the Class Order. As a result, the annual investor statements and the quarterly reports may not be suitable for another purpose. Our report is intended solely for the Operator, the clients and the Australian Securities and Investments Commission and should not be distributed to or used by parties other than the Operator, the clients and the Australian Securities and Investments Commissions. We disclaim any assumption of responsibility for any reliance on this report, or on the annual financial statements and the quarterly reports to which it relates, to any person other than the directors of the Operator, the clients and the Australian Securities and Investments Commission or for any other purpose than that for which it was prepared.

A handwritten signature of the KPMG firm, written in black ink.

KPMG

Sydney

8 September 2016



Independent audit report by the auditor to the Board of Directors of Perpetual Trustee Company Limited on the internal control procedures relating to MDA services

We have audited the internal control procedures relating to MDA Services (documented measures) of Perpetual Trustee Company Limited (the Operator) as operator of Perpetual's Discretionary Service in order to form an opinion on the Operator's compliance with its obligations relating to the provision of MDA services in accordance with ASIC Class Order 04/194 *Managed discretionary accounts* (the Class Order) and the Corporations Act 2001 (the Act) during the financial year ended 30 June 2016, as detailed in the attached "Management Report on Internal Control Procedures" (the Report) dated 8 September 2016.

Directors' responsibility for the annual investor statements

The directors and management of the Operator are responsible for establishing and maintaining the documented measures of the MDA service that it operates in accordance with the Class Order and the Act relating to the provision of MDA services and for the adequacy of the internal control procedures contained in the documented measures, including the internal control systems, policies and procedures, and compliance with them, during the financial year ended 30 June 2016. These responsibilities are set out in the Class Order. The directors' assertions regarding the design and operation of the documented measures have been acknowledged in the attached directors' declaration dated 8 September 2016.

Auditor's responsibility

Our responsibility is to express an opinion whether, in relation to the provision of MDA services (as defined in the Class Order) by the Operator that:

- the Operator has complied, in all material respects, with the documented measures detailed in the attached Report dated 8 September 2016 during the financial year ended 30 June 2016; and
- those documented measures met the conditions of the Class Order and the Act relating to the provision of MDA services at all times during that financial year ended 30 June 2016.

We have performed our work in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and other auditing standards applicable to internal controls engagements and accordingly included such tests and procedures as we considered necessary in the circumstances. We apply Australian Standard on Quality Control (ASQC) 1 and maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our procedures included obtaining an understanding of the documented measures and the compliance measures which it contains and examination, on a test basis, of evidence supporting whether the MDA Operator complied with the documented measures detailed in the attached Report during the financial year ended 30 June 2016 and that those documented measures met the conditions of the Class Order and the Act during the financial year.

Inherent limitations

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Our reasonable



assurance engagement is not designed to detect all non-compliance with the Class Order and the Act relating to the provision of MDA services at all times during the financial year ended 30 June 2016 as the engagement has not been performed continuously throughout the period and the procedures performed on the documented measures and its meeting the requirements of the Class Order and the Act were undertaken on a test basis.

Any projection of the evaluation of the documented measures to future periods is subject to the risk that the documented measures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion, in relation to the provision of MDA services (as defined in the Class Order) by the Operator:

- a) the Operator has complied, in all material respects, with the documented measures detailed in the attached Report dated 8 September 2016 during the financial year ended 30 June 2016; and
- b) those documented measures met the conditions of the Class Order and the Act relating to the provision of MDA services at all times during the financial year ended 30 June 2016.

Restriction on distribution and use

Our assurance report is intended solely for the Operator and the Australian Securities and Investments Commission and should not be distributed to or used by parties other than the Operator and the Australian Securities and Investments Commissions. We disclaim any assumption of responsibility for any reliance on our assurance report, or on the Report to which it relates, to any person other than the directors of the Operator and the Australian Securities and Investments Commission or for any other purpose than that for which it was prepared.

KPMG

Sydney

8 September 2016



Independent audit report by the auditor to the Board of Directors of Perpetual Trustee Company Limited on internal controls relating to investor statements

We have audited the internal controls and other procedures relating to the annual investor statements and quarterly reports of Perpetual Trustee Company Limited (the Operator) as operator of Perpetual's Discretionary Service, and any other relevant person acting on behalf of the Operator, for the year ended 30 June 2016 as documented in the attached 'Management Report on Internal Controls' dated 8 September 2016 (the Documented Controls).

Directors' responsibilities

The directors and management of the Operator are responsible for ensuring that:

- a) the Operator's internal controls and other procedures were suitably designed and operated effectively to ensure that the following have not been materially misstated:
 - i. annual investor statements or summaries, given under subparagraph 1.31 (a) of ASIC Class Order 04/194 *Managed discretionary accounts* (the Class Order) for the year ended 30 June 2016 (annual investor statements) and
 - ii. quarterly reports for each quarter during the year ended 30 June 2016 that have been given under subparagraph 1.30 (a) of the Class Order (quarterly reports); and
- b) the aggregate of assets, liabilities, revenue and expenses shown in the annual investor statements provided by the Operator for the year have been properly reconciled to the corresponding amounts shown in the reports prepared by the holder of any retail client's portfolio assets (or, if the holder is the retail client, by the Operator) that have been independently audited.

The directors and management of the Operator are responsible for establishing and maintaining an effective internal control structure, including the internal controls in relation to the preparation of annual investor statements and quarterly reports as well as the preparation, presentation and accuracy of the information included in the annual investor statements and quarterly reports. The directors' assertions about the design and operating effectiveness of the Documented Controls and other procedures in relation to the accounting and reporting of assets, liabilities, revenue and expenses are included in the attached Directors' Declaration dated 8 September 2016.

The directors of the Operator have determined that the accounting policies used and described in the specified basis of preparation, including the basis of accounting, are appropriate to meet the requirements of the Class Order.

Auditor's responsibility

Our responsibility is to express an opinion, whether, in relation to the provision of MDA services (as defined in the Class Order) by the Operator:

- the internal controls and other procedures of the Operator and any other relevant person acting on behalf of the MDA operator for the year ended 30 June 2016, as documented in the attached 'Management Report on Internal Controls' dated 8 September 2016 were suitably designed and operated effectively, in all material respects, to provide reasonable, but not absolute assurance that the annual investor statements and quarterly reports referred to in paragraph (a) above have not been materially misstated in accordance with the specified basis of preparation; and



- the aggregates of assets, liabilities, revenue and expenses shown in the annual investor statements provided by the Operator for the year ended 30 June 2016 have been properly reconciled in all material respects to the corresponding amounts shown in the reports prepared by the holder of any retail client's portfolio assets (or if the holder is the retail client, by the 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.

We have performed our work in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and other auditing standards applicable to internal controls engagements and accordingly included such tests and procedures as we considered necessary in the circumstances. We apply Australian Standard on Quality Control (ASQC) 1 and maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our procedures included obtaining an understanding of the documented controls relevant to the preparation of the annual investor statements and quarterly reports referred to in paragraph (a) above and an examination, on a test basis, of evidence supporting the suitability of design and operating effectiveness to enable the Operator to produce annual investor statements and quarterly reports which are not materially misstated. Our procedures also included testing that the aggregates of assets, liabilities, revenue and expenses shown in the annual investor statements provided by the Operator for the year ended 30 June 2016 were properly reconciled in all material respects 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 Operator) that have been independently audited.

Inherent limitations

Because of the inherent limitations in any internal control structure it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Our reasonable assurance engagement is not designed to detect all weaknesses, and errors in the internal control, and non-compliance with the Class Order and the Act relating to the provision of MDA services at all times during that financial year ended 30 June 2016 as the engagement has not been performed continuously throughout the period and the procedures performed on the Documented Controls and its meeting the requirements of the Class Order and the Act were undertaken on a test basis.

Further, the internal control structure, within which the Documented Controls operate, has not been audited and no opinion is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in the Documented Controls as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of the Documented Controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's opinion

In our opinion, in relation to the provision of MDA services (as defined in the Class Order) by the Operator:

- 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 2016, as documented in the attached 'Management Report on Internal Controls' dated 8 September 2016 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:
 - (i). the annual investor statements given under subparagraph 1.31(a) of the Class Order for the year ended 30 June 2016; and
 - (ii). the quarterly reports for each quarter during the year ended 30 June 2016 that have been given under subparagraph 1.30(a) of the Class Order; and
- the aggregates of assets, liabilities, revenue and expenses shown in the annual investor statements provided by the Operator for the year ended 30 June 2016 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.

Restriction on distribution and use

The Documented Controls have been prepared by the Operator in order to meet their reporting requirements of the Class Order. As a result, the Documented Controls may not be suitable for another purpose. Our report is intended solely for the Operator and the Australian Securities and Investments Commission and should not be distributed to or used by parties other than the Operator and the Australian Securities and Investments Commissions. We disclaim any assumption of responsibility for any reliance on this report, or on the Documented Controls to which it relates, to any person other than the directors of the Operator and the Australian Securities and Investments Commission or for any other purpose than that for which it was prepared.

KPMG

8 September 2016