



**Independent review report by the auditor to the Board of Directors of Perpetual Trustee Company Limited on the specified annual investor statements for the year ended 30 June 2016**

We have reviewed the annual investor statements prepared by Perpetual Trustee Company Limited (the Operator) in accordance with the requirements of Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services* (the Class Order) given to the clients of Perpetual Private Investment Wrap (the clients) for the year ended 30 June 2016.

*Directors' responsibility for the annual investor statements*

The directors and management of the Operator are responsible for the annual investor statements of the clients, which comprise for each client a statement of the quantity and value of assets and liabilities held through the Operator by the client as at 30 June 2016 and the corresponding revenue and expenses of the client for the year ended on that date. The directors' assertions about the controls over the annual investor statements are included in the attached Declaration. The directors of the Operator have determined that the accounting policies used and described in the basis of accounting are appropriate to meet the requirements of Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services*.

*Auditor's responsibility*

Our responsibility is to express a conclusion on the annual investor statements in order to state whether, on the basis of the procedures described below, anything has come to our attention that would indicate that any annual investor statement given to any client is materially misstated or is not presented in accordance with the specified basis of preparation. 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 relevant accounting 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 (the internal controls) and have issued a separate unqualified audit 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 for the year ended 30 June 2016 and that these annual investor statements are presented in accordance with the specified basis of preparation.

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 any annual investor statement for the year ended 30 June 2016 given to any client is materially misstated or is not presented in accordance with the specified basis of preparation.



*Basis of preparations and restriction on distribution and use*

The annual investor statements have been prepared in accordance with the specified basis of preparation as described in the Class Order. The annual investor statements have been prepared to assist the Operator to meet the requirements of the Class Order. As a result, the annual investor statements 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 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 in black ink, appearing to read 'KPMG'.

KPMG

Sydney

8 September 2016



**Independent reasonable assurance report by the auditor to the Board of Directors of Perpetual Trustee Company Limited on documented internal control procedures for the year ended 30 June 2016**

We have performed a reasonable assurance engagement on the documented internal control procedures described in the Management Report on Internal Controls (the Report) of Perpetual Private Investment Wrap which were established by Perpetual Trustee Company Limited (the Operator) for the year ended 30 June 2016 to meet the requirements of Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services* (the Class Order).

*Directors' responsibility for the internal control procedures*

The directors and management of the Operator are responsible for establishing and maintaining effective internal control procedures of the investor directed portfolio service that it operates in accordance with Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services* and for the adequacy of the internal control procedures contained in the documented internal control procedures, including the internal control systems, policies and procedures, and for compliance therewith. These responsibilities are set out in the Class Order.

*Auditor's responsibility*

Our responsibility is to express an opinion on the documented internal control procedures sets out in the Report dated 8 September 2016 to enable the Operator to meet the reporting requirements as set out in the Class Order. Our procedures included obtaining an understanding of the documented internal control procedures and the compliance measures which it contains and examination, on a test basis, of evidence supporting the operation of these compliance measures. These procedures have been undertaken to form an opinion whether, in all material respects, the documented internal control procedures have been adequately designed to meet the requirements of the Class Order at all times during the financial year and provide reasonable but not absolute assurance that the Operator has complied with the documented internal control procedures for the 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.

*Inherent Limitations*

Because of the inherent limitations in any system of internal control structure, it is possible that fraud, errors or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the internal controls which are the subject of our engagement operate, has not been audited and no opinion is expressed as to its effectiveness.

A reasonable assurance engagement is not designed to detect all weaknesses in the documented internal control procedures, 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 internal control procedures 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 reasonable assurance evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

*Auditor's opinion*

In our opinion, in all material respects:

- a) Perpetual Trustee Company Limited has complied with the documented internal control procedures for the year ended 30 June 2016; and
- b) the documented internal control procedures met the requirements of Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services*

*Basis of preparations and restriction on distribution and use*

The Report has been prepared in order to comply with the requirements as described in the Class Order. The Report has been prepared to assist the Operator to meet the requirements of the Class Order. As a result, the Report 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 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**

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Sydney

8 September 2016



**Independent reasonable assurance report by the auditor to the Board of Directors of Perpetual Trustee Company Limited on internal controls and other relevant accounting procedures as they relate to the specified annual investor statements for the year ended 30 June 2016**

We have performed a reasonable assurance engagement on the internal controls and other relevant accounting procedures of Perpetual Trustee Company Limited (the Operator), including those over its custodian(s) and any other relevant person acting on behalf of the Operator, relating to the preparation of annual investor statements given to the clients of Perpetual Private Investment Wrap (the clients) for the year ended 30 June 2016. These internal controls and accounting procedures are hereafter referred to as “the internal controls” and are set out in the attached Management Report on Internal Controls dated 8 September 2016 (the Report) as prepared by the Operator in order to meet the requirements of Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services* (the Class Order).

*Directors’ responsibility*

The directors and management of the Operator are responsible for ensuring compliance with the Corporations Act 2001 and the Class Order. This includes responsibility for establishing and maintaining an effective internal control structure, including the internal controls in relation to the preparation of annual investor statements given to the clients of Perpetual Private Investment Wrap, which comprise for each client a statement of the quantity and value of assets and liabilities held through the Operator by the client as at 30 June 2016 and the corresponding revenue and expenses of the client for the year ended on that date. The directors’ assertions about the design and operating effectiveness of the internal controls and other relevant accounting 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 basis of accounting, are appropriate to meet the requirements of Australian Securities and Investments Commission Class Order 13/763 *Investor directed portfolio services*.

*Auditor’s responsibility*

Our responsibility is to express an opinion on the design of the internal controls set out in the accompanying Report dated 8 September 2016 to enable the Operator to meet the reporting requirements as set out in the Class Order and the effectiveness of those specified controls in mitigating the risk of material misstatement in the annual investor statements. 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 performed procedures on the internal controls and other relevant accounting 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. These procedures



included testing that the aggregates of assets (other than assets held by a client), liabilities, revenue and expenses shown collectively in the annual investor statements were properly reconciled in all material respects by the Operator as at 30 June 2016 to the corresponding amounts shown in reports prepared by the custodian(s) which have been independently audited.

#### *Inherent limitations*

Because of the inherent limitations in any system of internal control structure it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the internal controls which are the subject of our engagement operate, has not been audited and no opinion is expressed as to its effectiveness.

A reasonable assurance engagement is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the evaluation of control procedures 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 may deteriorate.

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

#### *Auditor's opinion*

In our opinion:

the Operator established and maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including those over its custodian(s) and any other relevant person acting on behalf of the Operator, that were suitably designed and operated effectively, in all material respects, to provide reasonable but not absolute assurance that the annual investor statements for the year ended 30 June 2016 are or have been given to clients without material misstatements and that these annual investor statements are presented in accordance with the specified basis of preparation; and

the aggregates of assets (other than assets held by a client), liabilities, revenue and expenses shown in the clients' annual investor statements for the year ended 30 June 2016 have been properly reconciled in all material respects by the Operator as at 30 June 2016 to the corresponding amounts shown in reports prepared by the custodian(s) which have been independently audited.

#### *Basis of preparations and restriction on distribution and use*

The annual investor statements have been prepared in accordance with the specified basis of preparation as described in the Class Order. The annual investor statements have been prepared to assist the Operator to meet the requirements of the Class Order. As a result, the annual investor statements 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 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.

**KPMG**

KPMG

Sydney  
8 September 2016