



Independent audit report by the auditor to the Board of Directors of Macquarie Investment Management Limited on internal controls and other relevant accounting procedures as they relate to the specified annual investor statements for the period 1 July 2020 to 1 December 2020

Scope

We have audited the internal controls and other relevant accounting procedures of Macquarie Investment Management Limited (the Operator), including those of its custodians and any other relevant person acting on behalf of the Operator, relating to the preparation of annual investor statements given to the clients of Assante Custodial and Administration Service (the clients) for the period 1 July 2020 to 1 December 2020. These internal controls and accounting procedures are hereafter referred to as “the internal controls”. Our audit has been performed in order to express an opinion about the design of the controls to meet the criteria specified in Australian Securities & Investments Commission Class Order 13/763 “Investor directed portfolio services” (as amended) and the effectiveness of the internal controls in mitigating the risk of material misstatement in the clients’ annual investor statements.

The directors and management of the Operator are responsible for maintaining an effective internal control structure including the internal controls in relation to the preparation of 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 1 December 2020 and the corresponding revenue and expenses of the client for the period 1 July 2020 to 1 December 2020.

The directors of the Operator have determined that the accounting policies used and described in the Macquarie Investment Management Limited Platform Valuation Policy (“the specified basis of preparation”), including the basis of accounting, are appropriate to meet the requirements of Australian Securities & Investments Commission Class Order 13/763 “Investor directed portfolio services” (as amended). No opinion is expressed as to whether the specified basis of preparation is appropriate to the needs of the clients.

Our audit has been conducted in accordance with the 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* and accordingly included such tests and procedures as we considered necessary in the circumstances. 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 1 December 2020 to the corresponding amounts shown in reports prepared by the custodians which have been independently audited.

These procedures have been undertaken to express an opinion whether:

- the Operator maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including those of its custodians and any other relevant person acting on behalf of the Operator, that were suitably designed and operated effectively in all material respects to ensure that the annual investor statements for the period 1 July 2020 to 1 December 2020 are or have been given to clients without material misstatements; and

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- the aggregates of assets (other than assets held by a client), liabilities, revenue and expenses shown in the clients' annual investor statements for the period 1 July 2020 to 1 December 2020 have been properly reconciled in all material respects by the Operator as at 1 December 2020 to the corresponding amounts shown in the reports prepared by the custodians which have been independently audited.

This report has been prepared to meet the requirements of Australian Securities & Investments Commission Class Order 13/763 "Investor directed portfolio services" (as amended). No responsibility will be accepted for any reliance on this report for any other purpose.

Inherent limitations

Because of the inherent limitations in any 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 control procedures that we have audited operate, has not been audited and no opinion is expressed as to its effectiveness.

An audit 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 with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion:

- the Operator maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including those of its custodians and any other relevant person acting on behalf of the Operator, that were suitably designed and operated effectively, in all material respects, to ensure that the annual investor statements for the period 1 July 2020 to 1 December 2020 are or have been given to clients without material misstatements; 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 period 1 July 2020 to 1 December 2020 have been properly reconciled in all material respects by the Operator as at 1 December 2020 to the corresponding amounts shown in the reports prepared by the custodians which have been independently audited.

A handwritten signature in black ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in black ink that reads "BSS Tompsett".

BSS Tompsett
Partner

20 July 2021