

## Independent Assurance Practitioner's Reasonable Assurance Report on the Design and Operating Effectiveness of Controls to the Directors of Morgan Stanley Wealth Management Australia Pty Ltd

### *Opinion*

We have undertaken a reasonable assurance engagement on:

- (a) the design and operating effectiveness of the internal controls and other procedures of Morgan Stanley Wealth Management Australia Pty Ltd ("the Operator") and any other relevant person acting on behalf of the Operator for the year from 1 July 2022 to 30 June 2023 ("the year"), to ensure that the information:
  - i. included in the summaries given under paragraph 912AEF(4)(a) of the Australian Securities and Investments Commission ("ASIC") Corporations (Managed Discretionary Accounts) Instrument 2016/968 (the "Instrument") for the year ("the annual summaries") and quarterly reports for each quarter during the year that have been given under paragraph 912AEF(2)(a) of the Instrument ("the quarterly reports"); and
  - ii. made accessible electronically under paragraph 912AEF(2)(b) of the Instrument in respect of the year at each quarter's end in the year ("the electronic information")to the clients of the Discretionary Management Service program who have investments in unit trusts and/or managed funds ("the clients") ("the internal controls"), have not been materially misstated ("control objective"); and
- (b) the design and operating effectiveness of the controls over the reconciliation of the aggregate of assets (other than assets held by the clients), liabilities, revenue and expenses shown in the annual summaries provided by the Operator for the year to the corresponding amounts shown in reports prepared by the custodian that have been audited by the independent auditor of the custodian ("the custodian reports"),

to meet the reporting requirements under the Instrument.

In our opinion, in all material respects:

- (i) the internal controls were suitably designed to achieve the control objective and operated effectively as designed throughout the year; and
- (ii) the aggregate of assets (other than assets held by a client), liabilities, revenue and expenses shown in the annual summaries provided by the Operator have been properly reconciled, to the corresponding amounts shown in the custodian reports.

### *Basis of Opinion*

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls*, issued by the Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed and implemented to achieve the control objectives and the controls operated effectively throughout the year.

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

## *Responsibilities of Morgan Stanley Wealth Management Australia Pty Ltd's Directors*

The Directors are responsible for:

- ensuring compliance with the reporting requirements under the Instrument;
- identifying control objectives;
- identifying the risks that threaten the achievement of the control objectives;
- designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- operating those controls effectively as designed through the year.

## *Our Independence and Quality Control*

We have complied with the independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance s or Related Services Engagements* in undertaking this assurance engagement.

## *Assurance Practitioner's Responsibilities*

Our responsibility is to express an opinion on the suitability of the design to achieve the control objectives and the operating effectiveness of the internal controls in relation to the information included in the annual summaries, the quarterly reports and the electronic information and the reconciliation of aggregate of assets (other than assets held by a client), liabilities, revenue and expenses shown in the clients' annual summaries to the custodian reports, based on our procedures.

Our procedures included:

- obtaining evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the year. The procedures selected depend on our professional judgement, including the assessment of the risks that the controls are not suitably designed, or the controls did not operate effectively.
- performing tests of controls to ascertain whether the degree of compliance with controls is sufficient to provide reasonable assurance that the controls have achieved their objectives throughout the year. This includes making enquiries, inspecting documents, conducting walk throughs and re-performance of controls to ascertain whether the degree of compliance with controls is sufficient to achieve their control objectives throughout the year.

## *Inherent Limitations*

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of controls there is an unavoidable risk that some deficiencies in the design or deviations in the operating effectiveness of controls may not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

An 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 year and the tests are performed on a sample basis. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The system, within which the controls that we will test are designed to operate, will not be examined except to the extent the system is relevant to the achievement of the control objectives. Accordingly, no opinion will be expressed as to the design or effectiveness of the system of controls as a whole.

*Restricted Use*

This report has been prepared for use by the Directors of the Operator for the purpose of meeting their reporting requirements under the Instrument. We understand that a copy of the report may be provided to the clients of the Operator to meet the reporting requirements under the Instrument. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors of the Operator and the clients of the Operator, or for any purpose other than that for which it was prepared. We accept no duty, responsibility or liability to any party, other than the Directors and clients of the Operator, in connection with the report or this engagement.

*Deloitte Touche Tohmatsu*

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Sydney, 29 September 2023