

## **Independent Reasonable Assurance Report to the Directors of Morgan Stanley Wealth Management Australia Pty Ltd**

We have undertaken a reasonable assurance engagement relating to the internal controls and other relevant accounting procedures of Morgan Stanley Wealth Management Australia Pty Ltd (the "Advisor"), including those over any other relevant person acting on behalf of the Advisor, relating to the preparation of annual investor statements given to the clients of the Capital Plus Enhanced and Portfolio Wrap programs who make use of Authorised Cash Management Accounts and have investments in unit trusts and/or managed funds (the "Clients") for the year ended 30 June 2021. These internal controls and accounting procedures are hereafter referred to as the "Internal Controls". "Authorised Cash Management Accounts" refer to cash management accounts approved by the Advisor, being the Macquarie Bank Cash Management Account, the Citibank Cash Management Account, the Adelaide Bank Cash Management Trust and the ANZ V2 Cash Management Account, and for which the cash management transactions and balances appear in the annual investor statements.

### *The Directors Responsibility for the Annual Investor Statements*

The Directors of the Advisor are responsible for designing, establishing and maintaining an effective internal control structure including the internal controls in relation to the preparation of 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 Advisor by the client as at 30 June 2021 and the corresponding revenue and expenses of the client for the year ended on that date.

### *Assurance Practitioner's Independence and Quality Control*

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Assurance Practitioner's Responsibility*

Our responsibility is to express an opinion on the Internal Controls around the preparation of the investor statements based on the procedures we have performed and the evidence we have obtained.

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 ("ASAE 3000"), issued by the Australian Auditing and Assurance Standards Board in order to express an opinion whether the Advisor has maintained the Internal Controls and other relevant accounting procedures, including those over any other relevant person acting on behalf of the Advisor, that were suitably designed and operated effectively to ensure that the annual investor statements for the year ended 30 June 2021 are or have been given to the Clients without material misstatements. Our engagement provides reasonable assurance as defined in ASAE 3000.

A reasonable assurance engagement in accordance with ASAE 3000 involves performing procedures to obtain evidence about the Advisor's design, establishment and implementation of the Internal



Controls. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in the Investor Statements. In making those risk assessments, we considered the Internal Controls over the preparation of the investor statements relevant to the engagement. A reasonable assurance engagement also includes tests and procedures as we considered necessary in the circumstances to obtain evidence about the internal controls as they relate to the preparation of annual investor statements. These procedures included testing that the assets (other than assets held by a client), liabilities, revenue and expenses shown in a sample of annual investor statements were properly reconciled, in all material respects, by the Advisor as at 30 June 2021 to the corresponding amounts shown in reports prepared by the holder of any client's portfolio assets (or if the holder is a client, by the Advisor) which have been independently audited.

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

#### *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.

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 with them may deteriorate.

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

#### *Limitations of use*

This report is made solely to the Directors in accordance with our engagement letter dated 16 July 2021, for the purpose of assisting them in meeting their client reporting requirements. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Directors or for any purpose other than that for which it was prepared.

#### *Opinion*

In our opinion, in all material respects, the Advisor maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including those over any other relevant person acting on behalf of the Advisor, that were suitably designed and operated effectively to ensure that the annual investor statements for the year ended 30 June 2021 are or have been given to the Clients without material misstatements.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*R. Jones*

Rebecca Jones  
Partner  
Chartered Accountants  
Sydney, 30 September 2021