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Independent audit report by the auditor to the Board of Directors of JBWere Limited on internal controls and other relevant accounting procedures as they relate to the specified annual investor statements for the year ended 30 June 2022

We have audited the internal controls and other relevant accounting procedures of JBWere Limited (“the Operator”), including those over its custodian and any other relevant person acting on behalf of the Operator, relating to the preparation of annual investor statements given to the clients of JBWere Limited (“the clients”) for the year ended 30 June 2022. These internal controls and accounting procedures are hereafter referred to as “the internal controls”.

Directors’ and Management’s Responsibility

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 30 June 2022 and the corresponding revenue and expenses of the client for the year ended on that date. We have conducted an independent audit of these internal controls.

Auditor’s Responsibility

Our audit has been conducted in accordance with the Standard on Assurance Engagements 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 30 June 2022 to the corresponding amounts shown in reports prepared by the Operator which have been independently audited.

These procedures have been undertaken to express an opinion whether:

1. the Operator maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including 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 2022 are or have been given to clients without material misstatements; and
2. 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 2022 have been properly reconciled in all material respects by the Operator as at 30 June 2022 to the corresponding amounts shown in reports prepared by the Operator which 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. Further, the internal control structure, within which the internal controls 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 internal control and other accounting 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.

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:

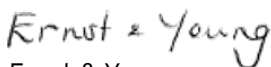
1. the Operator maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including any other relevant person acting on behalf of the Operator, that were suitably designed and operated effectively, in all material respects, to provide reasonable but not absolute assurance that the annual investor statements for the year ended 30 June 2022 are or have been given to clients without material misstatements; and
2. 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 2022 have been properly reconciled in all material respects by the Operator as at 30 June 2022 to the corresponding amounts shown in reports prepared by the Operator which have been independently audited.


Emphasis of matter - IT logical access controls

We draw attention to the fact that IT logical access controls "Logical privileged user access to databases is restricted to authorised individuals ensuring new access and disabling/removal of access requests are performed in accordance with the NAB Group Information Risk Policy" and "Logical user access rights are reviewed for appropriateness based upon their job roles every three months for privileged accounts and six months for standard accounts in accordance with the NAB Group Information Risk Policy" were not designed and/or operated effectively during the year ended 30 June 2022. Whilst appropriate evidence was obtained to confirm the five users did not access the underlying transactional data, the Operator did not have effective controls in place to prevent users from accessing the applications involved in the process of the preparation of annual investor statements. Our opinion is not modified in respect of this matter.

Intended Users and Purpose

This report has been prepared to meet the requirements of Australian Securities & Investments Commission (ASIC) Class Order 13/763 "Investor directed portfolio service". It is intended solely for the Directors of JBWere Limited, the current clients of JBWere Limited and ASIC (collectively "the Recipients"). A party other than the Recipients accessing this report does so at their own risk and Ernst & Young expressly disclaims all liability to a party other than the Recipients for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from their use of, or reliance on the report.


Ernst & Young



Maree Pallisco
Partner
Melbourne
13 September 2022