



Independent auditor's review report to the Board of Directors on Patersons Securities Limited Annual Investor Statements

We have reviewed the accompanying Annual Investor Statements of Patersons Securities Limited (the Operator) for the year ended 30 June 2018 (the Annual Investor Statements).

The Annual Investor Statements have been prepared for the retail clients in accordance with the Accolade Service Agreement.

Directors' and Management's responsibility for the Annual Investor Statements

The directors and management of the Operator are responsible for the preparation of the Annual Investor Statements and have determined that the accounting policies described in the Operator's policies and procedures (the specified basis of preparation) including the basis of accounting, are appropriate to meet the needs of the retail clients. Directors' and Management's responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Annual Investor Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the Annual Investor Statements based on our review. We have conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* (ASRE 2405) in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Annual Investor Statements are not prepared, in all material respects, in accordance with the specified basis of preparation. No opinion is expressed as to whether the specified basis of preparation is appropriate to the needs of each retail client.

We have not performed review procedures on any individual Annual Investor Statement, accordingly, we do not make any statement in relation to any individual Annual Investor Statement.

Any Non-Portfolio assets, included in the Annual Investor Statement, were out of scope of our review.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants*.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Annual Investor Statements are not prepared, in all material respects, in accordance with the specified basis of preparation.

Emphasis of matter - basis of preparation and restriction on distribution and use

We draw attention to the Accolade Service Agreement which describes the basis of preparation. The Annual Investor Statements have been prepared for the retail clients in accordance with the Accolade Service Agreement. As a result, the Annual Investor Statements may not be suitable for another purpose. Our report is intended solely for Patersons Securities Limited and should not be distributed to or used by parties other than Patersons Securities Limited. Our conclusion is not modified in respect of this matter.

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A handwritten signature in black ink, appearing to be 'W P R Meston'.

William P R Meston
Partner

27 September 2018