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Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## **Independent audit report to the Board of Directors of Canaccord Genuity Financial Limited on documented measures for the year ended 30 June 2023**

### **Scope**

We have undertaken a reasonable assurance engagement on the internal control structure relating to MDA services of the Canaccord Genuity Financial Limited Managed Discretionary Accounts Service (“MDA Service”) which was established by Canaccord Genuity Financial Limited (the “Operator”), as the operator of the Canaccord Genuity Financial Limited Managed Discretionary Accounts Service for the year ended 30 June 2023.

### **Directors’ and Management’s Responsibility**

The directors and management of the Operator are responsible for the design, documentation, operation, maintenance and monitoring of the documented measures of the Canaccord Genuity Financial Limited MDA Service that it operates in accordance with *ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968* (“the ASIC Instrument”) and for the adequacy of the internal controls contained in the documented measures, including the internal control systems, policies and procedures, and for compliance therewith. These responsibilities are set out in the ASIC Instrument. We have undertaken a reasonable assurance engagement of the documented measures in order to express an opinion on them to the Directors of the Operator in accordance with the ASIC Instrument.

### **Our Independence and Quality Management**

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

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Assurance Practitioners Responsibility**

Our responsibility is to express an opinion on the internal controls. We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* and other Australian Auditing Standards applicable to performance audits issued by the Auditing and Assurance Standards Board and accordingly included such tests and procedures as we considered necessary in the circumstances. That standard requires that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives, the description is fairly presented and the controls operated effectively throughout the period.

An assurance engagement to report on the design, description and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives, the completeness, accuracy and method of presentation of the description of the IRESS Portfolio system and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed, the description is not fairly presented or the controls did not operate effectively. Our procedures included obtaining an understanding of the documented measures and the compliance measures which they contain and examination, on a test basis, of evidence supporting the operation of these compliance measures.

These procedures have been undertaken to obtain reasonable assurance about whether:

1. Canaccord Genuity Financial Limited has complied with the documented measures of the Canaccord Genuity Financial Limited MDA Service during the year ended 30 June 2023, and
2. the documented measures met the conditions of the ASIC Instrument during the year ended 30 June 2023.

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

## Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured are designed to operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement 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.

## Opinion

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects:

- a) Canaccord Genuity Financial Limited has complied with the documented measures of the Canaccord Genuity Financial Limited Managed Discretionary Accounts Service during the year ended 30 June 2023; and
- b) the documented measures met the requirements of *ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968* during the year ended 30 June 2023.



## Intended Users and Purpose

This report has been prepared to meet the requirements of ASIC Corporations (*Managed Discretionary Account Services*) *Instrument 2016/968*. It is intended solely for the Directors of Canaccord Genuity Financial Limited, the current clients of Canaccord Genuity Financial Limited Managed Discretionary Accounts Service 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.

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Ernst & Young

A handwritten signature in black ink that reads 'Luke Slater' in a cursive style.

Luke Slater  
Partner  
Melbourne  
28 September 2023



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## **Independent review report by the auditor to the Board of Directors of Canaccord Genuity Financial Limited on the specified annual and quarterly investor statements for the year ended 30 June 2023**

We have reviewed the annual investor statements and information provided electronically at each quarter's end ("the annual and quarterly investor statements") given to the clients of Canaccord Genuity Financial Limited Managed Discretionary Accounts Service ("MDA" or "MDA service") ("the clients") for the year ended 30 June 2023 prepared by Canaccord Genuity Financial Limited ("the Operator").

### ***Director's and Management's Responsibility***

The directors and management of the Operator are responsible for the annual investor statements and information provided electronically at each quarter's end provided to the clients. The annual investor statements comprise for each client a summary of the transactions executed by or on behalf of the client through the MDA during the MDA financial year containing the particulars that the Operator considers a client may reasonably require in relation to the transactions. The quarterly statements comprise for each client all transactions executed by or on behalf of the client through the MDA during the quarter, a statement of the quantity and value of assets and liabilities held through the Operator by the client as at 30 September 2022, 31 December 2022, 31 March 2023 and 30 June 2023 and the corresponding revenue and expenses of the client for the periods ended on those dates ("the specified basis of preparation"). The directors and management of the Operator are also responsible for such internal controls as the directors and management of the Operator determines are necessary to enable the preparation of the annual investor statements and information provided electronically on an ongoing basis that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express a conclusion on the annual and quarterly investor statements based on our review. We have conducted a review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to state whether, on the basis of the procedures described, anything has come to our attention that would cause us to believe that the clients' annual and quarterly investor statements is not prepared, in all material respects, in accordance with the specified basis of preparation used. 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.

We have also separately performed an independent audit of internal controls and other relevant accounting procedures of the Operator, including those over any other relevant person acting on behalf of the Operator as they relate to the preparation of the annual and quarterly investor statements (the internal controls) and have issued a separate unqualified audit opinion to provide reasonable, but not absolute, assurance that the internal controls implemented by the Operator were suitably designed and operated effectively to ensure that there are no material misstatements in the clients' annual and quarterly investor statements for the year ended 30 June 2023.



### ***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 reviewed operate, has not been reviewed and no view is expressed as to its effectiveness.

A review 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. Also, a review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit of any individual annual and quarterly investor statement and, accordingly, we do not express an audit opinion in relation to any client's individual annual or quarterly investor statement.

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 provided below has been prepared on the above basis.

### ***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 statement for the year ended 30 June 2023 or quarterly investor statement for the periods ended 30 September 2022, 31 December 2022, 31 March 2023 or 30 June 2023 which has been given to any client is not prepared, in all material respects, in accordance the specified basis of preparation.

### ***Intended Users and Purpose***

This report has been prepared to meet the requirements of *ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968*. It is intended solely for the Directors of Canaccord Genuity Financial Limited, the current clients of Canaccord Genuity Financial Limited Managed Discretionary Accounts Service 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.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Luke Slater'.

Luke Slater

Partner

Melbourne

28 September 2023



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## **Independent audit report to the Board of Directors of Canaccord Genuity Financial Limited on internal controls and other relevant accounting procedures as they relate to the specified annual investor statements and quarterly reports for the year ended 30 June 2023**

### **Scope**

We have undertaken a reasonable assurance engagement on the internal controls and other relevant accounting procedures of Canaccord Genuity Financial Limited (“the Operator”) including those over any other relevant person acting on behalf of the Operator, relating to the preparation of the annual investor statements and quarterly reports given to the clients of Canaccord Genuity Financial Limited Managed Discretionary Accounts Service (managed discretionary accounts or “MDA”) (“the clients”) for the year ended 30 June 2023. These internal controls and accounting procedures are hereafter referred to as “the internal controls”.

### **Director’s 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 and quarterly investor statements provided to the clients. The annual investor statements for each client comprise a summary of the transactions executed by or on behalf of the client through the MDA during the MDA financial year containing the particulars that the Operator considers a client may reasonably require in relation to the transactions. The annual investor statement includes the aggregate of assets, liabilities, revenue and expenses of the client for the year ended on 30 June 2023. The quarterly statements comprise for each client all transactions executed by or on behalf of the client through the MDA during the quarter, a statement of the quantity and value of assets and liabilities held through the Operator by the client as at 30 September 2022, 31 December 2022, 31 March 2023 and 30 June 2023. We have undertaken a reasonable assurance engagement of these internal controls.

### **Our Independence and Quality Management**

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

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Assurance Practitioners Responsibility**

Our responsibility is to express an opinion on the suitability of the design to achieve the reporting requirements as set out in the Class Order (the control objectives) and operating effectiveness of the internal controls, based on our procedures. 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 comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design, description and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives, the completeness, accuracy and method of presentation of the description of the IRESS Portfolio system and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed, the description is not fairly presented or the controls did not operate effectively. Our procedures included the assessment of the risks that the controls are not suitably designed, or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

We also tested 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 2023 to the corresponding amounts shown in reports prepared by the Operator which have been independently audited.

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

### ***Limitation of Controls***

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured are designed to operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the evaluation of controls 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.

### ***Opinion***

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects:

1. the Operator maintained internal controls and other relevant procedures in relation to the preparation of annual investor statements and quarterly investor statements for the periods ended 30 September 2022, 31 December 2022, 31 March 2023 and 30 June 2023, including those over 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 2023 and the quarterly investor statements for the periods ended 30 September 2022, 31 December 2022, 31 March 2023 and 30 June 2023 for the year ended 30 June 2023 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 2023 have been properly reconciled in all material respects by the Operator as at 30 June 2023 to the corresponding amounts shown in reports prepared by the Operator which have been independently audited.



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***Restriction on use of report***

This report has been prepared to meet the requirements of *ASIC Corporations (Managed Discretionary Account Services) Instrument 2016/968*. It is intended solely for the Directors of Canaccord Genuity Financial Limited, the current clients of Canaccord Genuity Financial Limited Managed Discretionary Accounts Service 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*

Ernst & Young

*Luke Slater*

Luke Slater

Partner

Melbourne

28 September 2023