



Independent Reasonable Assurance Report

To the Board of Directors of Responsible Entity Partners Limited

Opinion

We have undertaken a reasonable assurance engagement on the internal controls and other relevant accounting procedures (the **Internal Controls**) of Responsible Entity Partners Limited (the **Responsible Entity**) for the Members of Linear Managed Accounts (the **Members**).

In our opinion, the Responsible Entity Partners Limited:

- has established and maintained internal controls and other relevant accounting procedures including those internal controls at its custodian(s) and any other relevant person acting on behalf of the Responsible Entity. The Internal Controls are in relation to the preparation of the Annual Investor Statements for the year ended 30 June 2019 (the **Investor Statements**) given to the Members of Linear Managed Accounts. The Internal Controls were suitably designed and operated effectively, in all material respects, to provide reasonable but not absolute assurance that the Investor Statements are not materially misstated and are presented in accordance with the specified basis of preparation; and
- has in all material respects:
 - reconciled the aggregates of assets (other than assets held by a member) and liabilities as at 30 June 2019; and
 - reconciled the revenue and expenses for the year ended 30 June 2019 as shown in the Members' Investor Statements, to the corresponding amounts shown in reports prepared by the custodians which have been independently audited.

The Internal Controls are set out in the GS007 Internal Controls Report dated 30 June 2019 (the Report) as prepared by the Responsible Entity to meet the requirements of the Class Order.

The Investor Statements comprise for each member:

- a statement of the quantity and value of assets and liabilities held by the member through Linear Managed Accounts as at 30 June 2019; and
- the corresponding revenue and expenses of the member.

Use of this Assurance Report

This report has been prepared for the Directors of the Responsible Entity, the Members and the Australian Securities and Investments Commission. This report is prepared for the Responsible Entity to comply with the requirements in the **Australian Securities and Investments Commission Class Order 13/762 Investor Directed Portfolio Services** (the **Class Order**) and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of the Responsible Entity, the Members and the Australian



Securities and Investments Commission, or for any other purpose than that for which it was prepared. Our opinion is not modified in respect of this matter.

Managements' responsibility for the Internal Controls

Management of the Responsible Entity are responsible for:

- preparing the GS007 Internal Controls Report dated 30 June 2019
- establishing and maintaining an effective internal control structure, including the internal controls in relation to the preparation of Investor Statements given to the Members
- designing, implementing and operating the Internal Controls throughout the period ended 30 June 2019
- identifying the risks that threaten achievement of compliance with the Class Order; and
- the presentation and preparation of the Investor Statements for the year ended 30 June 2019 of the Members in accordance with the specified basis of preparation that comply with the requirements of the Class Order.

The Directors of the Responsible Entity are responsible for

- preparing the Directors' declaration on the Directors' assertions regarding:
 - the design and operating effectiveness of the internal controls; and
 - other relevant accounting procedures in relation to the accounting and reporting of assets, liabilities, revenue and expenses included in the Investor Statements
- determining the accounting policies used as described in the specified basis of preparation, including the basis of accounting that :
 - complies with the requirements of the Class Order; and
 - meets the needs of the Members.

Our responsibility

We conducted our audit in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. We express no opinion as to whether the specified basis of preparation is appropriate to the needs of the Members.

In accordance with ASAE 3000 and ASAE 3150 we have:

- used our professional judgement to plan our procedures and assess the risk of:
 - material deficiencies in the suitability of the design of Internal Controls to meet the reporting requirements as set out in the Class Order; and
 - deviations in the operating effectiveness of Internal Controls as designed;
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies;



- evaluated the suitability of the control objectives;
- tested the design of the controls to achieve the control objectives;
- tested the operating effectiveness of the controls that we consider necessary to achieve the control objectives; and
- tested the aggregates of assets (other than assets held by a Member), liabilities, revenue and expenses shown collectively in the Investor Statements were properly reconciled by the Responsible Entity as at 30 June 2019 to the corresponding amounts shown in reports prepared by the custodians which have been independently audited.

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement when it exists.

Material misstatements or deviations in controls may relate to:

- deficiencies in the suitability of the design of Internal Controls including missing controls to meet the reporting requirements in the Class Order; and
- deviations in the operating effectiveness of controls as designed.

Misstatements or deviations are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of the Responsible Entity, the Members and the Australian Securities and Investments Commission.

Independence and quality control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board.

We have also complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.



Limitations of controls

Even if the controls are suitably designed and operating effectively, the Internal Controls may not meet the reporting requirements in the Class Order so that fraud, error or non-compliance with laws and regulations may occur and not be detected because of the inherent limitations of any internal control structure. Further, the internal control structure, within which the Internal Controls we have assured are designed to operate, has not been assured and no conclusion is expressed as to its design or operating effectiveness.

Any projection of the evaluation of control procedures to future periods is also subject to the risk that they may become inadequate in the future because of changes in conditions, or that the degree of compliance with Class Order may deteriorate.

A reasonable 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 period and the tests performed are on a sample basis.

KPMG

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Dean Waters
Partner
Melbourne
30 September 2019

Independent review report

To the Board of Directors of Responsible Entity Partners Limited

Conclusion

We have reviewed the **Annual Investor Statements** prepared by Responsible Entity Partners Limited (the **Responsible Entity**) for the Members of Linear Managed Accounts (the **Members**).

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** for the year ended 30 June 2019 (the **Investor Statements**) given to the Members of Linear Managed Accounts as presented or prepared by Responsible Entity Partners Limited are materially misstated or are not presented in accordance with the specified basis of preparation.

The **Investor Statements**, which comprise for each member:

- a statement of the quantity and value of assets and liabilities held by the member through the Linear Managed Accounts as at 30 June 2019;
- the corresponding revenue and expenses of the member for the year ended on that date; and
- the Directors' assertions about the controls over the Annual Investor Statements are included in the Directors' Declaration.

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

We draw attention to the specified basis of preparation in the Investor Statements.

The Investor Statements have been prepared by the Responsible Entity to comply with the requirements of the **Australian Securities and Investments Commission Class Order 13/762 Investor Directed Portfolio Services provided through a registered managed investment scheme**, (the **Class Order**). As a result, the Investor Statements may not be suitable for another purpose.

Our report is intended solely for the Directors of the Responsible Entity, the Members and the Australian Securities and Investments Commission and should not be used by or distributed to any other parties. We disclaim any assumption of responsibility for any reliance on this Auditor's Report, or on the Investor Statements to which it relates, to any person other than the Directors of the Responsible Entity, the Members and the Australian Securities and Investments Commission. Our conclusion is not modified in respect of this matter.

Managements' responsibility for the Annual Investor Statements

Management of the Responsible Entity are responsible for:

- the presentation and preparation of the Annual Investor Statements for the year ended 30 June 2019 of the Members in accordance with the specified basis of preparation that comply with the requirements of the Class Order; and
- for such internal control as management determine is necessary to enable the preparation of the Annual Investor Statements that are free from material misstatement and non-compliance with the Class Order, whether due to fraud or error.



The Directors of the Responsible Entity are responsible for:

- preparing the Directors' Declaration on the Directors' assertions about the controls over the Annual Investor Statements; and
- determining the accounting policies used as described in the specified basis of preparation. The specified basis of preparation including the basis of accounting comply with the requirements of the Class Order and meet the needs of the Members.

Auditor's responsibility for the review of the Annual Investor Statements

Our responsibility is to express a conclusion on the Annual Investor Statements in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Annual Investor Statements are materially misstated and do not comply with the Class Order, or are not presented nor prepared, in accordance with the specified basis of preparation that comply with the requirements of the Class Order. We express no opinion as to whether the specified basis of preparation is appropriate to the needs of the Members.

We conducted our review in accordance with the *Standard on Review Engagements ASRE 2405 Review of Historical Financial Information Other than a Financial Report* and other auditing standards applicable to a review engagement. A review of the Annual Investor Statements consists of making enquiries, primarily of the Responsible Entity's personnel responsible for the Annual Investor Statements, 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 performed an independent audit of internal controls and other relevant accounting procedures of the Responsible Entity, including those over its custodian(s) and any other relevant person acting on behalf of the Responsible Entity as they relate to the preparation of the Annual Investor Statements (the internal controls). We have issued a separate unqualified audit opinion to provide reasonable, but not absolute, assurance that the internal controls implemented by the Responsible Entity were suitably designed and operated effectively to ensure that there are no material misstatements or deviations in controls as they relate to the preparation of the Members' Annual Investor Statements for the year ended 30 June 2019 and that these Annual Investor Statements are presented in accordance with the specified basis of preparation that complies with the requirements of the Class Order.

ASRE 2405 requires us to comply with the independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board.

KPMG

Dean Waters

Partner

Melbourne

30 September 2019