



Independent Reasonable Assurance Report

To the Board of Directors of Colonial First State Investments Limited

Opinion

We have undertaken a reasonable assurance engagement on the Investor Directed Portfolio Services – Internal Control (the **Report**) of CFS Edge Investments (the **IDPS**) established by Colonial First State Investments Limited (the **Operator**).

In our opinion, in all material respects:

- Colonial First State Investments Limited has complied with the documented internal control procedures for the year ended 30 June 2024 as described in the Report; and
- the documented internal control procedures met the requirements of **Australian Securities and Investments Commission (ASIC) Class Order 13/763 Investor Directed Portfolio Services** (the **Class Order**) which has been replaced by **ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669** (the **Instrument**) on 30 November 2023.

The Report comprises the documented internal control procedures that comply with the requirements in the Class Order and subsequently the Instrument for the IDPS.

Use of this Assurance Report

This report has been prepared for the Directors of the Operator and the Australian Securities and Investments Commission. This report is prepared for the Operator to comply with the requirements in the Class Order and the Instrument 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 Operator 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 Report

Management of the Operator are responsible for:

- preparing the Report;
- establishing, maintaining and ensuring adequacy of the effective internal control procedures for the IDPS as documented in the Report;
- ensuring that the internal control procedures include the internal controls systems, policies and procedures that comply with the Class Order and the Instrument; and
- identifying the risks that threaten achievement of compliance with the Class Order/the Instrument.

The Directors of the Operator are responsible for preparing the Directors' Declaration on the Directors' assertions about:

- the Operator's compliance with the documented internal control procedures; and
- the Report, which comprises the documented internal control procedures that operate in accordance with the Class Order/the Instrument for the IDPS.

Our responsibility

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* and ASAE 3100 *Compliance Engagements*. We believe that the reasonable assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 and ASAE 3100 we have:

- used our professional judgement to assess the risk of material misstatement and plan and perform the engagement to obtain reasonable assurance that the Report:
 - is free from material misstatement, whether due to fraud or error; and
 - complies with the requirements of the Class Order/the Instrument.
- obtained an understanding of the documented internal control procedures and the compliance measures in the Report;
- examined on a test basis, evidence supporting the operation of these compliance measures;
- considered relevant internal controls implemented on the compliance activity to meet the requirements of the Class Order/the Instrument when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills, and professional competencies.

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

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of the Operator and the Australian Securities and Investments Commission in relation to the Report.

Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

Limitations of controls

Even if the controls are suitably designed and operating effectively, the Report may not meet the reporting requirements in the Class Order/the Instrument 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 Report 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 the documented internal 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.

A reasonable assurance engagement is not designed to detect all weaknesses in the documented internal control procedures, as it is not performed continuously throughout the period and the tests performed are on a sample basis.



KPMG
Sydney
17 September 2024



Independent Reasonable Assurance Report

To the Board of Directors of Colonial First State Investments Limited

Opinion

We have undertaken a reasonable assurance engagement on the internal controls and other relevant accounting procedures relating to the preparation of Annual Investor Statements (the **Internal Controls**) of Colonial First State Investments Limited (the **Operator**) for the Clients of CFS Edge Investments (the **Clients**).

In our opinion, the Colonial First State Investments Limited:

- has established and maintained internal controls and other relevant accounting procedures including those internal controls at its custodian and any other relevant person acting on behalf of the Operator. The Internal Controls are in relation to the preparation and presentation of the Annual Investor Statements for the year ended 30 June 2024 (the **Investor Statements**) given to the Clients of CFS Edge Investments. 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 aggregate of assets (other than assets held by a client) and liabilities as at 30 June 2024; and
 - reconciled the revenue and expenses for the year ended 30 June 2024.

as shown in the Clients' Investor Statements to the corresponding amounts shown in reports prepared by the custodian that have been subject to audit/review procedures.

The Internal Controls are set out in the Investor Directed Portfolio Services – Internal Controls (the **Report**) as prepared by the Operator to meet the requirements of **Australian Securities and Investments Commission (ASIC) Class Order 13/763 Investor Directed Portfolio Services** (the **Class Order**). The Internal Controls document has been revised to meet the requirements of **ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669** (the **Instrument**) on 30 November 2023.

The **specified basis of preparation** is in relation to the accounting policies used and described in Investor Directed Portfolio Services – Accounting Policies, including the basis of accounting.

The Investor Statements comprise for each Client:

- a statement of the quantity and value of assets and liabilities held through the Operator by the Client; and
- the corresponding revenue and expenses of the Client.

Use of this Assurance Report

This report has been prepared for the Directors of the Operator, the Clients and the Australian Securities and Investments Commission. This report is prepared for the Operator to comply with the requirements in the Class Order/the Instrument 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 Operator, the Clients 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 Operator are responsible for:

- preparing the Investor Directed Portfolio Services – Internal Controls;
- establishing and maintaining an effective internal control structure, including the internal controls in relation to the preparation of Investor Statements given to the Clients;
- designing, implementing and operating the Internal Controls throughout the period ended 30 June 2024;
- identifying the risks that threaten achievement of compliance with the Class Order/the Instrument; and
- the presentation and preparation of the Investor Statements for the year ended 30 June 2024 of the Clients in accordance with the specified basis of preparation that comply with the requirements of the Class Order/the Instrument.

The Directors of the Operator are responsible for:

- preparing the Directors' Declaration on the Directors' assertions about:
 - 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/the Instrument; and
 - meets the needs of the Clients.

Our responsibility

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* and ASAE 3150 *Assurance Engagements on Controls*. We believe that the reasonable assurance 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 Clients.

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/the Instrument; 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 Client), liabilities, revenue and expenses shown collectively in the Investor Statements were properly reconciled by the Operator as at 30 June 2024 to the corresponding amounts shown in reports prepared by the custodian 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/the Instrument; 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 Operator, the Clients and the Australian Securities and Investments Commission in relation to the Internal Controls.

Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

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/the Instrument 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/the Instrument 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
Sydney
17 September 2024



Independent review report

To the Board of Directors of Colonial First State Investments Limited

Conclusion

We have reviewed the **Annual Investor Statements** prepared by Colonial First State Investments Limited (the **Operator**) for the Clients of CFS Edge Investments (the **Clients**).

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 2024 (the **Investor Statements**) given to the Clients of CFS Edge Investments as presented or prepared by Colonial First State Investments Limited, are materially misstated or are not presented in accordance with the specified basis of preparation.

The **specified basis of preparation** is in relation to the accounting policies used and described in Investor Directed Portfolio Services Statements – Accounting Policies, including the basis of accounting.

The **Investor Statements**, 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 2024;
- the corresponding revenue and expenses of the Client for the year ended 30 June 2024; 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 Operator to comply with the requirements of the **Australian Securities and Investments Commission (ASIC) Class Order 13/763 Investor Directed Portfolio Services** (the **Class Order**) which has been replaced by **ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669** (the **Instrument**) on 30 November 2023. As a result, the Investor Statements may not be suitable for another purpose.

Our report is intended solely for the Directors of the Operator, the Clients 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 Operator, the Clients 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 Operator are responsible for:

- the presentation and preparation of the Annual Investor Statements for the year ended 30 June 2024 of the Clients in accordance with the specified basis of preparation that comply with the requirements of the Class Order/the Instrument; 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/the Instrument, whether due to fraud or error.

The Directors of the Operator 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 complies with the requirements of the Class Order/the Instrument and meets the needs of the Clients.

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/the Instrument, or are not presented nor prepared in accordance with the specified basis of preparation that complies with the requirements of the Class Order/the Instrument. We express no opinion as to whether the specified basis of preparation is appropriate to the needs of the Clients.

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 Operator'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 Operator, including those over its custodian and any other relevant person acting on behalf of the Operator 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 Operator 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 Clients' Annual Investor Statements for the year ended 30 June 2024 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/the Instrument.



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

KPMG

KPMG
Sydney
17 September 2024