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Independent audit report by the auditor to the Board of Directors of Navigator Australia Limited on internal controls and other relevant accounting procedures as they relate to the specified annual investor statements for the year ended 30 June 2021

We have audited the internal controls and other relevant accounting procedures of Navigator Australia 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 Navigator Australia Directed Portfolio Service (“the clients”) for the year ended 30 June 2021. 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 2021 and the corresponding revenue and expenses of the client for the year ended on that date. The Operator’s assertions about the effectiveness of the internal controls and other relevant accounting procedures in relation to the accounting and reporting of assets, liabilities, revenue and expenses are included in the Operator’s Declaration included in the attached Report. 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 2021 to the corresponding amounts shown in reports prepared by the custodian 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 those over its custodian and 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 2021 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 2021 have been properly reconciled in all material respects by the Operator as at 30 June 2021 to the corresponding amounts shown in reports prepared by the custodian.

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 those over its custodian and 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 2021 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 2021 have been properly reconciled in all material respects by the Operator as at 30 June 2021 to the corresponding amounts shown in reports prepared by the custodian which have been independently audited.

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 services". It is intended solely for the Directors of Navigator Australia Limited, the current clients of Navigator Investor Directed Portfolio 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 & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'David Jewell'.

David Jewell
Partner
Sydney
29 July 2021