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Independent audit report by the auditor to the Board of Directors of MLC Investments Limited

We have audited the internal control procedures of MLC Masterkey Investment Service that were established by MLC Investments Limited (the "Operator") as set out in the Investor Directed Portfolio Services ("IDPS") Internal Controls Document as they relate to the requirements set out in ASIC Class Order CO 13/763 (the "Class Order") for the year ended 30 September 2017.

Director's and Management's Responsibility

The directors and management of the Operator you are responsible for the design, documentation, operation, maintenance and monitoring of the documented internal controls of the IDPS that operates in accordance with the Australian Securities & Investments Commission Class Order 13/763 "Investor directed portfolio services" (the "Class Order") and for the adequacy of the internal controls contained in the documented internal controls, including the internal controls systems, policies and procedures, and for compliance therewith. These responsibilities are set out in the Class Order. We have conducted an independent audit of the documented internal controls in order to express an opinion on them to the directors of the Operator in accordance with the Class Order.

Auditor's Responsibility

Our audit has been conducted in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* and other Australian Auditing Standards applicable to performance audits and accordingly included such tests and procedures as we considered necessary in the circumstances.

These procedures included obtaining an understanding of the documented internal controls 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 form an opinion whether, in all material respects, the documented internal controls have been adequately designed to meet the requirements of the Class Order at all times during the financial year and provide reasonable but not absolute assurance that the Operator has complied with the documented internal controls for the year ended 30 September 2017.

This report has been prepared to meet the requirements of the Class Order. No responsibility will be accepted for any reliance on this report for any other purpose.

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.



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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:

- (a) the Operator has complied with the documented internal controls of the IDPS for the year ended 30 September 2017; and
- (b) the documented internal controls met the requirements of Australian Securities & Investments Commission Class Order 13/763 "Investor directed portfolio services" at all times during the financial year.

A handwritten signature in black ink, appearing to read 'Darren Handley-Greaves'.

Darren Handley-Greaves
Partner
Ernst & Young
Sydney
6 December 2017