



## Independent Limited Assurance Report to the Directors of Australian Ethical Investment Limited

### Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Information Subject to Assurance, which has been prepared by Australian Ethical Investment Limited in accordance with management's criteria as at 31 December 2017.

### Information Subject to Assurance

The Information Subject to Assurance is the claim that the Total Emissions of Low Carbon Funds are 58% lower than the Total Emission of a Mainstream Fund per \$ invested as at 31 December 2017.

### Criteria Used as the Basis of Reporting

The Criteria, developed by Australian Ethical Investment Limited (*"the criteria"*), describes the key definitions, assumptions and the calculation methodology and is included in the Assumptions Information provided on the website at <https://www.australianethical.com.au/>.

### Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in Information Subject to Assurance, whether due to fraud or error;
- considered relevant internal controls 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.

### Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Australian Ethical Investment Limited personnel to understand the internal controls, governance structure and reporting process relating to the calculation of the carbon foot prints of low-carbon and mainstream funds;
- reviews of relevant documentation;
- analytical procedures over the decrease percentage per amount invested;
- recalculation, on a sample basis, of key calculations;
- evaluating the appropriateness of the criteria with respect to the carbon footprint; and



- reviewed the disclosures relating to the Information Subject to Assurance to ensure it is consistent with our overall knowledge of assurance engagement.

## How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users of the Information Subject to Assurance.

## Use of this Assurance Report

This report has been prepared for the Directors of Australian Ethical Investment Limited for the purpose of providing an assurance conclusion on the Information Subject to Assurance 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 Australian Ethical Investment Limited, or for any other purpose than that for which it was prepared.

## Management's responsibility

Management are responsible for:

- determining that the criteria is appropriate to meet their needs of the intended users;
- preparing and presenting the carbon footprint of low carbon and mainstream funds accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the carbon footprint of low carbon and mainstream funds that is free from material misstatement, whether due to fraud or error.

## Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance, and to issue an assurance report that includes our conclusion.

## Our 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 Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG  
Sydney

21 March 2019