

OPEN LETTER TO GOVERNING BOARD OF PWC GLOBAL

ATTN: Mohamed Kande, Global Chairman
Petra Justenhoven, Chair, PWC Europe
Lisa Sawicki, Chair, Global Governance Board
Marie-Elisa Roussel, PWC Luxembourg
Chris Burns, PWC UK
Pierre-Alain Sur, PWC Office of the Global Chair

REF : UNANSWERED COMPLAINTS & COMPENSATION CLAIM AGAINST
PWC LUXEMBOURG, REGARDING 4 UNDETECTED PONZI SCHEMES
IN LFP1 SICAV FUND GROUP, WITH MULTIPLE FRAUD & MONEY
LAUNDERING, ALL HIDDEN DUE TO MAJOR PWC AUDIT FAILINGS

Dear PWC,

This open letter to the PWC leadership seeks to draw global attention to the failings of the fund audit process of LFP I SICAV in Luxembourg, 2013-2017, under the audit supervision of John Ravoisin, Partner of Fund Audits at PWC Luxembourg. One year ago via your complaint portal, followed by direct emails to the above, we have sought a dialogue, and been ignored.

4 investment funds in the LFP I fund group were identified as Ponzi schemes, with fraud, loan defaults and money laundering a common theme. The investigating director who exposed all these activities alleges that PWC's lack of audit rigour was tantamount to criminal negligence, and the misstated "audited" accounts were in part used to market the various funds at full value to new investors, for several years, despite the catastrophic concealed losses within.

In due course 3 of these funds collapsed from full value to zero in a matter of a month, from October 2016 to May 2017. PWC continued to perform audits with reckless abandon, with a 4th fund in Belgian real estate also collapsing 2 years later. 7 out of 12 real estate investments were not even owned by this fund, with no "look through" accounting and audit verification whatsoever.

PWC's audit work was beyond negligent in many cases however - misstating 5 year loans as short-term 1 year assets to support fund liquidity assertions, failing to report known conflict of interest between the Investment Manager and the co-shareholder Fund Administrator, despite claims to investors of independence of NAV accounting.

For the record, the responsibility of the auditor is stated in all annual audited accounts as follows :

*An audit involves performing procedures to **obtain audit evidence about the amounts and disclosures in the financial statements**. The procedures selected depend on the judgement of the "Reviseur d'entreprises agree", including the **assessment of the risks of material misstatement of the financial statements, whether due to fraud or error**. In making those risk assessments, the "Reviseur d'entreprises agree" considers **internal control** relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes **evaluating the appropriateness of accounting policies used** and the reasonableness of accounting estimates made by the Board of Directors of the Fund, as well as evaluating the overall presentation of the financial statements.*

We, the undersigned and on behalf of the over 300 defrauded investors in these 4 investment funds, urge PWC Global to immediately set up an investigating committee to work with us in assessing the failings and culpability of PWC Luxembourg in its LFP I audit mandate, ahead of assessing appropriate compensation for the investors losses.

/s/ Signed

Nige Robinson, defrauded shareholder in LFP I SICAV - Columna Commodities Fund
Clive Evans, pp defrauded shareholders in LFP I SICAV - Aventor Fund
Hano Schablitz, pp defrauded shareholders in LFP I SICAV - Blackstar Commodities Fund
27 October 2024