

**Compliance Committee Minutes
Valuestream Investment Management Ltd
Theta Asset Management Ltd**

Meeting details: 12.00pm (WST) Wednesday 16 July 2014

Members present: s [redacted] (Chair), s [redacted] [redacted]

Apologies: Nil

Guests: Robert Marie
s 47F [redacted] (by phone)

VIML FUNDS: s 22 [redacted] s 22 [redacted]
TAML FUNDS: [redacted] Rental Management Investment Trust (RMIT)

Previous minutes: Sharepoint: Item 1		At the meeting held on the 16th of July 2014, the minutes of meetings previous Compliance Committee meeting held on 23 rd of April 2014 in Perth were confirmed. Minutes will be signed by s 47F [redacted] as the Chairman of the Compliance Committee.
Board Papers NTA & cash-flow VIML & TAML: Sharepoint: Item 2	RE 2Ai 2Di 2Dii 5Ci 19Ei	Board minutes and copies of the NTA calculations for April, May and June 2014 are available on Sharepoint. A copy of the 12 months forward cash flow for both VIML and TAML are also included as an excel file. No issues have been identified with either the NTA or forward cash flows.
ASIC meetings and correspondence:		ASIC Perth office, request for assistance: The committee noted the issuance of an s19 to Robert Marie by Anne Turner from ASIC's Perth office. ASIC review meeting scheduled for 30 April 2014: s 22 [redacted] ASIC issued Theta with an amended AFSL on 18 June 2014 following the variation which was undertaken to facilitate prospective new wholesale business for VCLP's. The AFSL authorisations were amended from a 'kind of schemes' to a 'named scheme' authorisation. No further external matters were noted at this meeting of the committee.

Registers: Complaints Sharepoint: Item 3	RE 16Bi	<p>Updated registers for Complaints, Breaches, Conflicts and related party matters are in Sharepoint under Item 3.</p> <p>The one complaint lodged with FOS, Case 332227 - S remains open on the FOS register but no further communication has been made since submission of the additional response containing a statement from S on 13 May 2014.</p> <p>A copy of all material relating to this complaint has previously been circulated.</p>
Breaches	Fund 20Ai 20Aii	<p>No new breaches have been added to the register for the reporting period to 30 June 2014, however one outstanding breach remains open which relates to non-completion of the interim audit for the RMIT.</p> <p>Closed Breaches:</p> <ul style="list-style-type: none"> RMIT FY2013 audit has been finalised and lodged with ASIC. <p>Open breaches:</p> <ul style="list-style-type: none"> Work on the RMIT half year has commenced. It is anticipated that the audit will be completed shortly as the audit is now well underway. s 22
Conflicts & Related Parties	RE 8Ai Fund 8Ci 8Di	<p>The new format of the Conflicts and related party registers to early June, which is being maintained in the CompliSpace Assurance module, will be circulated following the meeting and will be added into Sharepoint.</p> <p>No new conflicts or related party matters relating to the registered schemes have been identified by the Board. s 22</p>
FATCA		<p>All schemes, both wholesale and retail, for both RE's have been registered for FATCA compliance. Under the IGA between Australia and the US, FATCA reporting to the IRS will be undertaken by the ATO, although the exact process and requirements are still unclear.</p> <p>Changes will be required to applications and current account holders will need to re-state their residential status for tax purposes and provide clarity around, citizenship and place of birth.</p>
Scheme update		<p>An updated ESP register is available on Sharepoint.</p> <p>s 22</p>

		<p><i>Rental Management schemes:</i></p> <ul style="list-style-type: none"> Following completion of the FY2013 and interim audit of RMIT with no advancement of the ASX listing process Stirling First the asset manager of RMIT is considering revoking the ASX application and the feasibility of offering a limited liquidity event. Distributions continue to be paid. s 22 RMIT on-going discussions are being held with the ASX.
Termination and Wind-up		s 22
Mandate Compliance and Offer documents	Fund 8Bi 13Bi 15Bi 17Ai 17Bi 19Ci	<p>All schemes are invested within their specific mandates, as stated in the offer document for each scheme and class.</p> <p>No issues have arisen over the reporting period.</p>
Quarterly custodial reporting	RE 1Ai 1Bi 1Bii	s 22
Quarterly KPI review of ESP's	RE 7Bii 7Biii Fund 12Ai 13Ai 13Aii 13Bi 14Ai 14Aii 14Bi 15Ai 15Aii	<p>Quarterly KPI reviews for ESP's providing custody, registry and fund accounting for the period ending 30 June 2014 have been completed based on the above information received and email communication over the period. The KPI reviews are based on the following criteria:</p> <ul style="list-style-type: none"> Fees and expenses Unit Pricing and valuation Income and distributions Applications and redemptions for unit registry services Custodial Investment Management <p>s 22 the COO of FundBPO, has taken a new position with One Investment Group. s 22 former COO currently operating from Singapore will increase his involvement with the Sydney business until a suitable replacement can be located.</p> <p>No issues were noted with the unit pricing for any scheme during the reporting period.</p> <p>All other ESP's performed as expected.</p>

Semi Annual reviews of ESPs		The semi-annual review of all external service providers has been undertaken following meetings being held with Custodians and Administrator during May, the reports are available for review by the CC – key focus has been on electronic access being requested.
30 June 14 distributions:		<p>s 22</p> <p>[Redacted]</p> <p>No other issues identified in relation to income collection.</p>
30 June 2014 Audits		Planning meetings for the full year audits were held late in May and in early June 2014 with Moore Stephens and KPMG. Timetables for the field work have been agreed with all parties.
Annual CP and Policy document reviews		<p>An internal review schedule of Policy document has been developed, and can be circulated to committee members on request. Policy reviews for FY 2014 are being finalised, prior to commencement of the FY2014 audit work. Revised policy documents are available for review by the Committee.</p> <p>Work continues on the integration of a risk management program into the CompliSpace software in preparation for the release by ASIC of a new regulatory guide.</p>
Promotional material:	11Ai 11Aii 19Ai 19Bi 19Di	<p>All new promotional material is on Sharepoint. This has not been circulated to the committee members via email.</p> <p>This quarter has seen a lower volume of promotional material to be reviewed by the RE.</p> <p>s 22</p> <p>[Redacted]</p> <p>RMIT:</p> <ul style="list-style-type: none"> • Distribution and other ASX announcements have been reviewed. <p>s 22</p> <p>[Redacted]</p> <p><i>Outstanding material:</i></p> <p>There is no outstanding promotional material.</p>

General business: Sharepoint: Items 6 & 9	RE 3Ai 3Aii 4Dii 4Diii 7Bi 9Bi Fund 5Ci RE 19Ei	<p><i>Other matters:</i></p> <p>The CC noted the following matters:</p> <ul style="list-style-type: none"> Anne Turner of the Perth office of ASIC sent an s19 for Robert Marie. Liberty were notified and s 47F of DLA Piper attended the meeting with Mr Marie. <p><i>Additional reporting:</i></p> <ul style="list-style-type: none"> s 22 FOS invoices resulting from completion of the annual FOS questionnaire and survey were downloaded for payment by the end of July. A certificate of currency will then be issued on-line for the upcoming membership period covering FY2015. <p><i>New business:</i></p> <p>s 22. The retail ACBC bond fund to be listed on the mFund under Theta has been delayed due to discussions with ASIC.</p> <p>No other new business matters to be discussed.</p>
External compliance issues:		<p>s 22</p> <p>No further external matters noted at this meeting of the committee.</p>
Next meeting:		<p>Proposed date of next meeting: Wednesday 22nd October 2014 - to be confirmed via email following today's meeting.</p>

Signed as a true and correct record:


Chairman
Dated: 22/10/14