

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

Meeting details: 12.00pm (WST) Wednesday 22 October 2014  
Members present: s 22 (Chair), s 22 and s 22  
Apologies: s 22  
Guests: Robert Marie and s 47F (by phone)

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

Previous minutes: Sharepoint: Item 1	At the meeting held on the 22 <sup>nd</sup> October 2014, the minutes of meetings previous Compliance Committee meeting held on 16 <sup>th</sup> of July 2014 in Perth were confirmed. Minutes will be signed by s 22 as the Chairman of the Compliance Committee.
Board Papers NTA & cash-flow VIML & TAML: Sharepoint: Item 2	RE 2AI 2DI 2DI 5CI 19EI Board minutes and copies of the NTA calculations for July, August and September 2014 are available on Sharepoint. Excess capacity is roughly \$250k to \$300k respectively per entity. A copy of the 12 months forward cash flow for both VIML and TAML are also included as an excel file. Projections for FY2015-2016 have been added to the excel file. No issues have been identified with either the NTA or forward cash flows.
Registers: Sharepoint: Item 3	RE 16BI Updated registers for Complaints, Breaches, Conflicts and related party matters are in Sharepoint under Item 3. Registers and other material has been circulated via email prior to the meeting.

		Further communication has been undertaken over the reporting period between FOS and Theta around the complaint lodged with FOS, Case 332227 by s 22. FOS has made a final Recommendation in the case noting Theta was not at fault in any of the areas noted by the complainant. The case will remain open with FOS until 12 November 2014. A copy of all material relating to this complaint has previously been circulated.
Breaches	Fund 20AI 20AII	Four new breaches have been added to the register for the reporting period 1 July 2014 to the end of 30 September 2014. Closed Breaches, from the prior reporting period: • RMIT Interim audit has been finalised and lodged with ASIC. Open breaches: • Work on the RMIT FY2014 audit has commenced and is now well underway. It is anticipated that the audit will be completed shortly.
Conflicts & Related Parties	RE 8AI Fund 8CI 8DI	No new conflicts or related party matters relating to the registered schemes have been identified by the Board. Attestation have been received from all staff and the committee members noting their compliance with the conflict and related party policies and Compliance Framework. GFS as yet has no live clients.
Scheme update		An updated ESP register is available on Sharepoint under the registers folder number 3. Reports have been received from all external service providers. Stirling First reports have been delayed post year end. This has been due to a change in the staff member being allocated with reporting responsibility – considerable assistance has been provided by the Sydney based Compliance teams to assist during the transition.

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		s 22 Rental Management schemes: • Stirling First the asset manager of RMIT has proposed a restructuring of the group to provide a limited liquidity event to those invested in the RMIT. • The ASX listing application has been withdrawn by the manager for the RMIT. Fees have been reimbursed by the ASX. • RMIT distributions continue to be paid. • Out of use and in use notices lodged for RMIT.
Termination and Wind-up		s 22
Mandate Compliance and Offer documents	Fund 8BI 13BI 15BI 17AI 17BI 19CI	All schemes are invested within their specific mandates, as stated in the offer document for each scheme and class. No issues have arisen over the reporting period.
Quarterly custodial reporting	RE 1AI 1BI 19BI	s 22
Quarterly KPI review of ESP's	RE 7BI 7BI Fund 12AI 13AI 13AI 13BI 14AI 14BI	Quarterly KPI reviews for ESP's providing custody, registry and fund accounting for the period ending 30 September 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: • Fees and expenses • Unit Pricing and valuation • Income and distributions • Applications and redemptions for unit registry services • Custodial • Investment Management No issues were noted with the unit pricing for any scheme during the reporting period. All other ESP's performed as expected.

	15AI 15AII	
Semi Annual reviews of ESP's		The semi-annual review of all external service providers has been undertaken, by referencing the annual GSO07 reports that have been received as well as the meetings which were held with Custodians and Administrator during May, the reports are available for review by the CC. No issues were noted.
30 September 14 distributions:		s 22 Stirling First has accrued for the September quarterly distribution for RMIT. Income will be distributed as required, with the notice added to the website for CD obligations. No other issues identified in relation to income collection.
30 June 2014 Audits		s 22 The statutory financial statements for both Valuestream and Theta have been prepared and are currently being audited by Moore Stephens and Hughes Pettit respectively. It is anticipated that the audits will be completed in time for lodgement with ASIC by the end of October.
Annual CP and Policy document reviews		An internal review schedule of Policy document has been developed, and can be circulated to committee members on request. Policy reviews for FY 2015 have commenced and will run over the next few months during the quieter period leading up to the holiday season. The first policy currently under review is the BC & DR Planning Policy. The revised policy documents will be available for review by the Committee in February 2015. Three new sample reports generated by the CompliSpace software from the risk management program are available in Sharepoint and are to be circulated to the committee following the meeting. 1) An 11 page report covering 1 October 2013 to 30 September 2014 with the task results for monitoring the AFSL compliance of each entity. 2) Risk status report, a 4 page report on the risk categorisation and residual risks. This is currently broken down into four main risk categories, being internal, AFSL compliance, MIS Compliance plan risks and key stakeholders. The report indicates the control in place and the control effectiveness – as outlined in the software by the GCM, as well as the initial assessment date and next review date. Noted risks are reviewed for re-assessment on a quarterly basis. 3) The last sample report is the Risk Review Events Report, of p5 pages covering the last quarter, which feeds further into the risk monitoring program with result notes. A copy of the reports will be circulated to the CC members following the meeting today. ASIC have yet to release the new regulatory guide on risk management.
Promotional material:	11AI 11AI 19AI 19BI 19DI	All new promotional material is on Sharepoint. This has not been circulated to the committee members via email. This quarter has seen a higher volume of promotional material to be reviewed by the RE's. In July the Board considered and resolved to approve the proposal to delegate responsibility for reviewing and signing off on all marketing material to the Sydney compliance team. Material is to be added into the CompliSpace system to enable reporting to the Board. The change was to be implemented from 1 August 2014, however, this has been temporarily delayed due to issues setting the mechanism up in the CompliSpace system.



		s 22	
General business: Sharepoint: Items 6 & 9	RE	Other matters:	
	3AI 3AII 4DII 4DIII 7BI 9BI	The CC noted the following matters: <ul style="list-style-type: none"> <li>A certificate of currency has been issued by FOS on-line for the upcoming membership period covering FY2015 for both entities.</li> <li>PI Insurance renewal has been completed, with a new IMI Policy and COC being issued. Insurance coverage is considered adequate for both entities.</li> </ul>	
Fund SCI RE 19EI		New business:	
		Business focus continues on wholesale schemes.	
		s 22	
		No other new business matters to be discussed	
Next meeting:		Proposed date of next meeting:	Wednesday 11th February 2015 - to be confirmed via email following today's meeting.

Signed as a true and correct record:

Chairman

Dated: