

FOI 061-2022

Compliance Committee Minutes for the Theta Asset Group Theta Asset Management Ltd and Valuestream Investment Management Ltd

Meeting details: 12.00pm (WST) Wednesday 22nd February 2017
Members present: s 47F (Chair), s 47F and s 47F (all by phone)
Apologies: NIL
Guests: Robert Marie
s 47F

Scheme Names:

s 22

Theta:

Sterling Income Trust

s 22

Previous minutes: Sharepoint: Item 1		The minutes of the previous Compliance Committee meeting held on 19 th October 2016 in Perth were confirmed and signed, by s 47F as the Chairman of the Compliance Committee following the meeting.
s 22		
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 October, November and December 2016 will be made available in Sharepoint following conclusion of the CC meeting. A copy of the 12 months forward cash flow for both VIML and TAML are already included as an excel file in Sharepoint with a copy of the monthly Compliance reports to the Board. No issues have been identified with either the NTA or forward cash flows for the reporting period. s 22

FOI 061-2022

Registers: Breaches	Fund 20Ai 20Aii	<p>Updated registers for Complaints, Breaches, Conflicts and related party matters are in Sharepoint under Item 3. As usual the full Breaches and Complaints Registers have been circulated via email prior to the meeting.</p> <p>s 22 [REDACTED]</p> <p>Three new breaches have been added to the register for Theta, one being on lodgement of the SIT 4th supplemental deed a check of the ASIC website highlighted that although internal records noted the deed as being submitted to ASIC, ASIC did not show the deed as ever having been lodged. ASIC were notified of the breach and a no further action letter was received from ASIC.</p> <p>s 22 [REDACTED]</p> <p>[REDACTED]</p>
Complaints Sharepoint: Item 3	RE 16Bi	<p>One new complaint has been added to the register for Theta for the SIT. An investor queried the liquidity of their investment in the SIT was further inflamed by the response given by a Sterling member of staff. As the liquidity of the SIT was being addressed by the lodgement of a withdrawal offering for SIT with ASIC, no further action was deemed necessary.</p> <p>s 22 [REDACTED]</p>
Conflicts & Related Parties	RE 8Ai Fund 8Ci 8Di	<p>The updated related party and conflict registers have been circulated via email to the Compliance Committee members to show that they have been updated with the related party matters arising from fund accounting and registry services being undertaken by Garigal Financial Services.</p> <p>All transactions have received Board review and approval, as being undertaken at an arm's length basis to both RE's and AFS licensees.</p>
Scheme update		<p>An updated ESP register is available on Sharepoint under the registers folder number 3. Reports have been received from all external service providers.</p> <p>s 22 [REDACTED]</p> <ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED]

s 22

Sterling First scheme:

- Draft Redemption Notice to ASIC from Sterling, to notify of conditional redemptions Sterling Income Trust redemption facility of approximately \$500,000 to be made available from the new applicants' funds into the SIT.
The terms and conditions of the redemption facility were reviewed by PMC.
Lodgement notice was made by Sterling to ASIC.
- Although much improved, the Sterling schemes remain profiled as the highest risk within the suite of schemes provided by both Valuestream and Theta.

s 22

FOI 061-2022

		<p>s 22</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
Mandate Compliance and Offer documents	Fund 8Bi 13Bi 15Bi 17Ai 17Bi 19Ci	<p>s 22</p> <p>[REDACTED]</p> <p>No issues have arisen over the reporting period.</p>
Quarterly custodial reporting	RE 1Ai 1Bi 1Bii	<p>Quarterly Custodial reports for the period ending 31 December 2016 have been received from:</p> <ul style="list-style-type: none"> • s 22 • s 22 • AETL for s 22 SIT, s 22 <p>No issues were identified in any of the reports.</p>
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 31 December 2016 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>No issues have been noted for any of the registered schemes during the reporting period, s 22</p> <p>[REDACTED]</p> <p>All other ESP's performed as expected during the quarter.</p>
31 December 16 distributions:		<p>No distributable income has been collected for the newly opened AIM Gateway Fund.</p> <p>s 22</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>SIT 3 out of 4 classes have distributed income. However, the Management units did not distribute as there was no income for this class of the SIT.</p> <p>s 22</p> <p>[REDACTED]</p> <p>No issues identified in relation to income collection.</p>
Promotional material:	11Ai 11Aii 19Ai	<p>The list of new promotional material is in Sharepoint. It has not been circulated to the committee members via email. This quarter has seen a levelling out of the huge volume of promotional material to be reviewed by the Compliance staff for the BrickX Platform which has been built.</p>

Compliance Committee Meeting Minutes – Feb 2017
Valuestream Investment Management Ltd and Theta Asset Management Ltd

FOI 061-2022

		executives of Sterling, the partner and senior audit associates of Pitcher Partners and Theta staff to go over outstanding matters and resolve the issues to finalise the audit – the audit remains outstanding, s 22
Annual CP & Policy document reviews		<p>In accordance with the review schedule of Policy document, reviews continue throughout the year. The following Policy documents were updated in early 2017:</p> <ul style="list-style-type: none"> • Privacy Policy and statement • AML/CTF Policy is being redrafted • BCP & DRP has been reviewed as part of the on-going monitoring of the business by the Board. <p>Copies are available on request.</p> <p>Work to rebrand the Policy documents for the sole use of Theta continued during the quieter months of the end of the year.</p> <p>The risk reports generated from the CompliSpace program are available in Sharepoint.</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"> • s 22 <p>APRA reporting on Form 701 with the details for insurance under the AFSL for both Theta and Valuestream for the period 1 July to 31 December 2016 was submitted via email in early January 2017, as required.</p> <p>The annual Austrac AML/CTF compliance reporting for both Theta and Valuestream were completed and lodged via the online portal.</p> <p>Upcoming reporting:</p> <ul style="list-style-type: none"> • FOS annual survey to allow for the assessment of the annual invoice for continued membership will be due for completion in late March or early April 2017. <p><i>New business:</i> Prospects were discussed in general terms only.</p>
Next meeting:		Proposed date of next meeting: Tentatively Wednesday 10 th May 2017 due to Easter leave, will be confirmed via email.

Signed as a true and correct record:

Chairman_____
Dated: