

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

Meeting details: 11.30pm (WST) Wednesday 27th April 2016
 Members present: s 47F (Chair) and s 47F
 Apologies: s 47F
 Guests: Robert Marie
 s 47F (by phone)

Scheme Names:

s 22

Theta:

Sterling Income Trust

s 22

Previous minutes:

Sharepoint:
Item 1

Apologies were received from s 47F, who could not attend the meeting due to unforeseen circumstances.

As a quorum was achieved with two members of the Committee being in attendance, the meeting progressed.

The minutes of the previous Compliance Committee meeting held on 17th February 2016 in Perth were previously confirmed and signed following the meeting. The minutes of the Compliance Committee meeting held on 28th October 2015 in Perth will need to be recirculated and be signed following the meeting.

Minutes were signed by s 47F as the Chairman of the Compliance Committee.

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 January, February and March 2016 are available in 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 for the reporting period.

Registers:
Breaches

Fund
 20Ai
 20Aii

Updated registers for Complaints, Breaches, Conflicts and related party matters are in Sharepoint under Item 3. Breaches and Complaints Registers have been circulated via email prior to the meeting.

Three new breaches have been added to the register for the reporting period 1 January 2016 to the end of 31 March 2016. s 22
 Breaches were added to the register on March 16th for the delayed lodgement of the SIT and s 2 interim audits. ASIC were notified by email – open breaches as not yet completed.



Complaints Sharepoint: Item 3	RE 16Bi	<p>There have been no new complaints for either Valuestream or Theta added to the Complaints register for the reporting period.</p> <p>The annual FOS survey for both Valuestream and Theta was completed prior to the beginning of April to enable FOS to set premium levels and invoice the responsible entities. Invoices are not yet available through the online system.</p>
Conflicts & Related Parties	RE 8Ai Fund 8Ci 8Di	<p>There have been no new conflicts or related party matters relating to the registered schemes identified by the Board, during the reporting period.</p>
Scheme update		<p>An updated ESP register is available on Sharepoint under the registers folder number 3.</p> <p>With the exception of the Custodial reports from Huntley's for the MDF 4 & MDF 5, all other reports have been received from all external service providers.</p> <div data-bbox="419 745 1511 1942" style="background-color: black; width: 100%; height: 534px; position: relative;"> s 22 </div>

		<p>s 22</p> <p><i>Sterling First schemes:</i></p> <ul style="list-style-type: none"> • Interim audited accounts have not yet been finalised with Pitcher Partners. • A breach was added to the register and a notice of intent was lodged with ASIC via email. • Focus of the finance manager is heavily on completion of the audit work by Pitcher Partners and with the asset manager. • Work on the revised PDS's is being undertaken by the Sydney based compliance team. • A conditional redemption offering has been made to unitholders of the SIT. Operation of the conditional offering is on a pro-rata basis pending applications being received. The mechanism is still being worked on with the asset manager. • SIT distributions continue to be paid regularly as required under the PDS. • [REDACTED] s 22 [REDACTED] • Sterling are actively looking for a replacement AFS licensee to replace Theta as the CAR AFSL provider for their authorisation. • Although much improved, the Sterling schemes remain profiled as the highest risk within the suite of schemes provided by both Valuestream and Theta. <p>s 22</p>
Mandate Compliance and Offer documents	Fund 8Bi 13Bi 15Bi 17Ai 17Bi 19Ci	<p>All schemes remain 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	<p>Quarterly Custodial reports for the period ending 31 March 2016 have been received from:</p> <ul style="list-style-type: none"> • s 22 [REDACTED] • AETL for [REDACTED] s 22 <p>s 22 [REDACTED]</p> <p>No issues were identified in any of the reports.</p> <p>The annual onsite meetings with the custodian service providers will be scheduled for May 2016.</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 March 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 were noted with the unit pricing for any registered scheme during the reporting period. One minor issue was noted with an unregistered scheme.</p> <p>All other ESP's performed as expected.</p> <p>The annual on-site reviews of all Custodial and Administrators will be undertaken in May, in preparation for the 30 June 2016 scheme audits.</p>
31 March 16 distributions:		<p>Stirling First will pay accrued income for the March 2016 quarterly distribution for the SIT at the end of April 2016. Unitholder notices will then be sent to investors in the scheme for CD obligations.</p> <p>s 22</p> <p>No issues identified in relation to income collection.</p>
Promotional material:	11Ai 11Aii 19Ai 19Bi 19Di	<p>The list of new promotional material is in Sharepoint but has not been circulated to the committee members via email. This quarter has seen a minimal volume of promotional material to be reviewed by the RE's.</p> <p>s 22</p> <p>SIT s 22:</p> <ul style="list-style-type: none"> • Marketing material has been of a low priority for both SIT s 22 <p>s 22</p> <p>There is no other outstanding promotional material.</p>
Change of auditor notifications		<p>From 1 November 2015, Moore Stephens Sydney officially merged with Pitcher Partners.</p> <p>s 22 With the delay in the audits for SIT s 22, notification of the change of audit for both of these trusts can only be sent to ASIC for a 1 month window following lodgement of the audit with ASIC.</p>
31 December 2015 interim audits		<p>s 22</p> <p>The field work for the Sterling Income Trust s 22 have both been delayed with extensive queries raised with the audit and technical team of Pitcher Partners. The finance manager is working with the staff of the Sterling group and auditors to complete the audits as soon as possible. As previously noted, breaches have been added to the register and ASIC were notified via email of the anticipated delay in completing and lodging the audits.</p> <p>No interim audit was conducted for ACBT, as Pitcher Partners had opined that an interim audit is not required for this trust.</p>

Annual CP & Policy document reviews		<p>Following the review schedule of Policy document, reviews continue for FY 2016.</p> <p>A new risk management committee was formed during the reporting period. We see that this committee will be of great general value not only to the on-going operation of the business itself, but also to the Compliance Committee.</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	<div style="background-color: black; width: 100%; height: 250px; position: relative;"> s 22 </div> <p><i>New business:</i> Prospects were discussed in general terms only.</p>
Requested material:		<div style="background-color: black; width: 100%; height: 30px; position: relative;"> s 22 </div> <p>The Committee have requested an update on the Sterling Group following completion of the Annual review in May 2016.</p>
Next meeting:		<p>Proposed date of next meeting: Tentatively Wednesday 20th July 2016. s 47F to confirm WA school holidays. s 47F to confirmed final date is settled via email.</p>

Signed as a true and correct record:

Chairman

Dated: