

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



SIT.0105.0003.0588

Meeting details: 12.00pm (WST) Wednesday 23rd August 2017
 Members present: S [redacted] (Chair), S 47F [redacted] and S [redacted] (all by phone)
 Apologies: NIL
 Guests: S 47F [redacted]
 Robert Marie joined the call partway through the meeting

Scheme Names:

s 22

Theta:

Sterling Income Trust

s 22

Previous minutes: Sharepoint: Item 1		S 47F [redacted] confirmed his approval of the text in the Wednesday 17 th May 2017 minutes. The minutes of the previous Compliance Committee meeting held on Wednesday 17 th May 2017 in Perth by teleconference were then confirmed by all parties. A hard copy of the minutes is to be sent via express post to be signed, by S 47F [redacted] as the Chairman of the Compliance Committee following the meeting.
ASIC communication of 9 August 2017		Interim stop order and s33 and s912 dated 9 August and received 11 August 2017 in relation to the SIT. S [redacted] expressed his disappointment at communication of the matter. The GCM noted these had been received and actioned by Theta while she was on leave without pay from the office. A detailed update on the interim stop order process and the information being requested under the two section requisitions, in relation to the SIT was given, along with details of the timeline for completion of each task.
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 Apr, May and June 2017 are available in Sharepoint for 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.
Registers: Breaches	Fund 20Ai 20Aii	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. One breach was added to the register for Theta for the reporting period to 30 June. A full report on the SIT distribution breach was circulated via email and discussed. The GCM reported to the CC on two additional material breaches, yet to be added to the register which are to be reported to ASIC which fall outside of this reporting period. Both breach notices relate to the late lodgement of audited accounts for the SIT and S [redacted] - both schemes are managed by Sterling. Details were noted for the Committee.
Complaints Sharepoint: Item 3	RE 16Bi	S 22 [redacted] A full copy of the complaint was also circulated via email, prior to the meeting.
Conflicts & Related Parties	RE 8Ai Fund	No new conflicts have been identified and no related party contracts have been entered into during the period. A copy of the Sterling register of conflicts and related party matters has been requested.

	8Ci 8Di	
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</p> <p><i>Sterling Income Trust:</i></p> <ul style="list-style-type: none"> SCS is now a Corporate Authorised Representative (number 444776) of Libertas Financial Planning Pty Ltd (ABN 27 160 419 134, AFSL 429718). SCS has been removed as CAR from Theta's AFSL. <p>s 22</p>
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	<p>Quarterly Custodial reports for the period ending 30 June 2017 have been received from:</p> <ul style="list-style-type: none"> s 22 AETL for s 22 SIT, s <p>No issues were identified in any of the reports.</p> <p>s 22</p>
Quarterly KPI review of ESP's	RE 7Bii 7Biii Fund 12Ai 13Ai 13Aii 13Bi 14Ai 14Aii 14Bi	<p>Quarterly KPI reviews for ESP's providing custody, registry and fund accounting for the period ending 30 June 2017 are ongoing. 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>Other than the breach by Sterling in relation to distribution payments, no other issues have been noted at this time for any of the registered schemes during the reporting period.</p> <p>All other ESP's performed as expected during the quarter.</p>

	15Ai 15Aii	
30 June 17 distributions:		<p>s 22</p> <p>SIT classes have distributed income.</p> <p>s 22</p> <p>No issues identified in relation to income collection.</p>
Promotional material and updates:	11Ai 11Aii 19Ai 19Bi 19Di	<p>The list of new promotional material is in Sharepoint.</p> <p>s 22</p> <p>SIT:</p> <ul style="list-style-type: none"> No further promotional material has been requested. <p>s 22</p>
Statutory audit FY2017 and late audits		<p>Sterling remains behind schedule.</p> <p>s 22</p> <ol style="list-style-type: none"> SIT FY16 – Finalised and lodged with ASIC. SIT HYDec16 – Commenced fieldwork. <p>s 22</p> <p>Audit for FY17:</p> <p>s 22</p> <ol style="list-style-type: none"> SIT – Yet to commence.
Annual CP & Policy document reviews		<p>In accordance with the review schedule of Policy document, reviews continue throughout the year. The following Policy documents will be updated in early FY2018. 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: <i>Sharepoint:</i> Items 6 & 9	RE	s 22
	3Ai	
	3Aii	
	4Dii	
	4Diii	Upcoming reporting:
	7Bi	<ul style="list-style-type: none"> Form 701 for the end of June for both VIML & TAML were lodged.
	9Bi	<i>New business:</i> No new prospects at this time.
	Fund	
	5Ci	s 22
	RE	
	19Ei	
Next meeting:		Proposed date of next meeting: Tentatively Wednesday 18 th October 2017

Signed as a true and correct record:

Chairman

Dated: