

Compliance Committee Minutes
Valuestream Investment Management Ltd
Theta Asset Management Ltd

Meeting details: 12.00pm (WST) Wednesday 23 April 2014
Members present: s 47F (Chair), s 47F and s 47F
Apologies: Nil
Guests: Robert Marie
 (by phone)
 (by phone)

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

Previous minutes: <i>Sharepoint:</i> Item 1		At the meeting held on the 23 rd of April 2014, the minutes of meetings previous Compliance Committee meeting held on 5 February 2014 in Perth were confirmed. Minutes will be signed by s 47F as the Chairman of the Compliance Committee.
Board Papers NTA & cash-flow VIML & TAML: <i>Sharepoint:</i> Item 2	RE 2Ai 2Di 2Dii 5Ci 19Ei	Board minutes and copies of the NTA calculations for January, February and March 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.
s 22		
Internal resourcing		A permanent new head count has been added to the staff of the Sydney office. The role of Finance Manager has been created to provide assistance and oversight to the preparation and on-going management of the financial statement audits of the Theta Asset Group. The role has been filled by s 47F, a former senior manager from within the auditing team of Moore Stephens. s 47F is well qualified, and will bring a wealth of knowledge and assist to the Theta Group. Assistance with on-going project work has also been undertaken during the quarter by s 47F, former Head of Registry Services at FundBPO.

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 47F and subsequently closed on the register has for the second time been reactivated by the investor.</p> <p>The CC members and PI insurance broker were all notified.</p> <p>Multiple attempts to contact the complainant have been made to set up a meeting to find an appropriate resolution but have not resulted in a meeting with s 47F or her representative.</p> <p>FP advice regarding the appropriateness of the investment.</p> <p>A copy of all material relating to this complaint has previously been circulated.</p>
Breaches	Fund 20Ai 20Aii	<p>One new breach has been added to the register for the reporting period to 31 March 2014, which relates to non-completion of the interim audit for the RMIT.</p> <p>Open breaches:</p> <ul style="list-style-type: none"> • RMIT FY2013 audit which was close to completion has been significantly delayed by the loss of data with the corruption of the audit files of RMIT at Moore Stephens. A new senior manager has been working diligently to restore the files and complete the FY2013 audit. Following lodgement the management team will roll across into the interim audit work. • A final wind up audit for the RMIT will also be conducted shortly by Moore Stephens. It is anticipated that this audit will be completed and lodged with ASIC prior to 30 June 2014. • s 47F the new staff member in the Sydney office is assisting with preparation of the RMIT wind up audit and oversight with the RMIT audits.
Conflicts & Related Parties	RE 8Ai Fund 8Ci 8Di	<p>Conflicts and related party registers to early April 2014 are available on Sharepoint. It is proposed that Register details will be maintained in the CompliSpace Assurance module.</p> <p>As with the breaches and complaints registers, historical data will need to be manually input into the system.</p> <p>No new conflicts or related party matters have been identified by the Board.</p>
Fund compliance monitoring and Fund updates: Sharepoint: Item 5		<p>An updated ESP register is available on Sharepoint.</p> <p>s 22</p> <p>Rental Management schemes:</p> <ul style="list-style-type: none"> • RMIT has been rolled into RMIT to simplify the structure of the two schemes. • RMIT update on ASX listing process is pending completion of the FY2013 audit. Refer to audit reporting for details of issues arising. • Distributions continue to be paid. • s 22



		s 22
Termination and Wind-up		<p><i>Rental Management Australia Trust</i></p> <p>With completion of the roll-over of the RMAT investors into the RMIT the RMAT is to be wound up. A commencement of winding up and out of use notices have been lodged with ASIC.</p> <p>Subsequently, the CAR issued by Valuestream to Acquest Corporate Services, and s 47F have been revoked.</p> <p>No complaints have been received regarding the wind up of the fund.</p> <p>Tasks relating to this scheme will be removed from the CompliSpace Assurance module, as appropriate.</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 31 March 2014 have been received from:</p> <ul style="list-style-type: none"> • s • AETL for RMIT s 22 • 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 March 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>Staff changes and delays with FundBPO ad hoc reporting has been noted during the period, however, increased investor communication, specifically regarding funds sent to ASIC's unclaimed monies area has resulted in a significant improvement.</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>
31 March 14 distributions:		<p>s 22</p> <p>RMIT income has been distributed as required, with the notice added to the website for CD obligations.</p> <p>No other issues identified in relation to income collection.</p>

30 June 2013 Audits		<p>s 22</p> <p>[REDACTED]</p> <p>In a meeting with Moore Stephens staff held on 17th April regarding the RMIT audit, [REDACTED] s 47F, the partner at Moore Stephens discussed receipt of correspondence from ASIC, suggesting that original documents for the Valuestream audit had not been lodged with ASIC.</p> <p>It is surmised that this is a result of the duplicate lodgement made on 8 April 2014.</p> <p>Moore Stephens will be continuing with this matter until resolution.</p> <p>Copies of all financial statements are available on Sharepoint under Section 4.</p> <p>The RMIT audited financial statements for the period ending 30 June 2013 have not as yet been completed, but are expected shortly. Refer to Breaches for details of the delay on the RMIT audit.</p>
Interim audit: 15 Mar 2014	Fund 19Di	<p>[REDACTED] All of the interim audits were lodged with ASIC by the requisite lodgement date of March 2014. The interim audit for RMIT will be pending completion of FY2013 audit.</p> <p>[REDACTED] s 22 [REDACTED]</p> <p>MH & AL attended the KPMG 2014 Accounting and Reporting Issues Seminar, which covered issues considered to be critically important in the lead up to the annual financial reporting season. KPMG have also provided a proforma MIS template for the 30 June 2014 audit.</p>
30 June 2014 Audits		<p>Planning meetings for the full year audits will be scheduled in May and June 2014.</p>
Annual CP and Policy document reviews		<p>An internal review schedule has been developed for the period following completion of the FY2013 audits, and can be circulated to committee members on request.</p> <p><i>Policy reviews for FY 2014 underway:</i></p> <ol style="list-style-type: none"> 1. Privacy Policy has been reviewed to include changes to the Australian privacy laws on 12 March 2014, and the short form Privacy Statement has been added to both the Valuestream and Theta websites. 2. Authorised Representative Policy 3. Outsourcing Policy have been reviewed with changes being made. <p>No significant changes were deemed necessary to the:</p> <ul style="list-style-type: none"> • Unit Pricing and Valuation Policies • Document Retention Policy. <p>Revised policy documents are available for review by the Committee.</p> <p>Significant work has been undertaken during the reporting period to integrate 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>s 22</p> <p>RMIT:</p> <ul style="list-style-type: none"> Distribution and other ASX announcements have been reviewed. <p>s 22</p> <p>Outstanding material:</p> <p>There is no outstanding promotional material.</p>
General business: <i>Sharepoint:</i> items 6 & 9	RE 3Ai 3Aii 4Dii 4Diii 7Bi 9Bi Fund 5Ci RE 19Ei	<p>Other matters:</p> <p>The following matters were noted:</p> <ul style="list-style-type: none"> New staff member compliance attestations have been signed and received. The Board reviewed the interim financial statements and comments from the auditors. <p>Additional reporting:</p> <ul style="list-style-type: none"> Prior to the end of March lodgement date, Austrac Compliance Reports for both Valuestream & Theta for the annual period covering 1 January 2013 to 31 December 2013 were submitted via the online portal. The annual FOS questionnaire and survey were also completed to enable FOS invoicing for the upcoming membership period covering FY2015. <p>New business:</p> <p>s 22</p> <p>No other new business matters to be discussed.</p>
External compliance issues:		s 22
Next meeting:		<p>Proposed date of next meeting: Wednesday 16th July 2014 - to be confirmed via email following today's meeting.</p>

Signed as a true and correct record:

 Chairman

Dated: _____

Action items from April meeting:

Item:	Action required:	Scheme/Allocated to:	Comments:
1			
2			
3			
4			
5			