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## Replacement Compliance Plan

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CFMG Monthly Income Fund ARSN 602 609 638

Effective 5 April 2024

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# CFMG Monthly Income Fund ARSN 602 609 638

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## Part A - Compliance Plan Overview

### **1 Description of the Scheme**

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#### **1.1 Key features of the Scheme**

- (a) The Scheme is a unit trust established by deed dated on or around 12 November 2014 as amended from time to time.
- (b) The Scheme (formerly known as the Custodian Equity and Income Fund No. 4) was registered as a managed investment scheme on 13 November 2014.
- (c) The Scheme has been relaunched as the CFMG Monthly Income Fund and will operate as a pooled mortgage scheme and will raise funds to invest in mortgages over real property.
- (d) Potential Investors will be asked to submit applications to the RE along with their investment money to subscribe for units pursuant to a product disclosure statement (**PDS**).
- (e) The RE is wholly responsible for the operations and well-being of the Scheme. The RE may outsource any function it wishes to but it cannot delegate its responsibilities to the Scheme and its Investors and remains at all times responsible for the actions of any entity it may outsource its functions to.
- (f) The promotion and sale of interests in the Scheme to Investors is by way of a PDS. The offer of interests in a class of units in the Scheme remains open so long as there is a current PDS or until the RE closes the offer.
- (g) The RE issues interests to Investors once application money is accepted. The RE invests application money in authorised loan investments, under the parameters specified in the Constitution and PDS.

#### **1.2 Outsourcing arrangements**

- (a) The RE is outsourcing some of its operating activities including:
  - (i) custodial services – external service provider;
  - (ii) legal services - external service provider; and
  - (iii) auditing - external service provider.
- (b) These outsourcing arrangements are documented in written agreements.

## **2 Compliance Plan**

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### **2.1 Description**

- (a) This Compliance Plan has been prepared under and complies with sections 601HA and 601FC of the Corporations Act and ASIC Regulatory Guide 132 — *Funds management: Compliance and oversight (RG 132)*.
- (b) The Board of the RE has approved and adopted this Compliance Plan to be used by the Scheme in compliance with the Constitution.
- (c) The Board has approved the lodgement of this plan with ASIC.

### **2.2 Purpose of this Compliance Plan**

- (a) This Compliance Plan sets out the key processes, systems and measures the RE will apply to ensure compliance with its AFSL and the requirements of:
  - (i) Corporations Act;
  - (ii) Constitution;
  - (iii) ASIC Regulatory Guides;
  - (iv) the conditions of the RE's AFSL;
  - (v) industry standards relevant to the Scheme;
  - (vi) internal organisational standards and culture; and
  - (vii) any Disclosure Documents.
- (b) The Compliance Plan does not describe in detail all aspects of the systems and processes which the RE maintains to ensure compliance with the Corporations Act and the Constitution. Instead, the Compliance Plan is a 'how to' document, providing detail on:
  - (i) the obligations which must be met by the RE;
  - (ii) what measures or procedures are in place to comply with these obligations;
  - (iii) how compliance with those measures and procedures will be monitored; and how those measures are updated.
- (c) This Compliance Plan also details the risks of not complying with these obligations, and how breaches are to be reported and addressed. The description of measures in place allows Staff with compliance responsibilities to identify what procedures they are responsible for monitoring and how often they have to report on compliance or otherwise with those measures.
- (d) This Compliance Plan must be integrated into the operations of the Scheme and its use is not optional.

- (e) The RE wants to achieve a compliance culture where Staff own compliance, and immediately report and address breaches as far as practicable. The RE wants Staff to not only do the right thing, but also know how to do it. Failure to report a breach or reportable situation is treated seriously and as such, the RE adopts a no blame policy in relation to breaches but not so in relation to failure to report.

## **2.3 Compliance Plan structure**

- (a) This Compliance Plan is structured to be made up of three key parts.

(i) Part A - Compliance Plan Overview

Part A, this part, provides an overview of the RE's compliance arrangements as well as a description of the Scheme.

(ii) Part B - Group Compliance Controls

Part B outlines how the RE will manage group compliance risks and controls including:

- requirements that apply because the RE is an AFS Licensee, including:
  - financial resource requirements;
  - complaints handling;
  - detecting and reporting breaches; and
  - competency requirements.
- procedures related to the management of staff, finances and other issues at the group level, including:
  - directors and Compliance Committee risk measures;
  - training, recruitment and authorised representatives;
  - cyber resilience and business continuity;
  - accounts and record keeping; and
  - disclosure and reporting.

(iii) Part C - Scheme Specific Compliance Controls

Part C outlines how the RE will manage Scheme specific risks including:

- Scheme specific regulatory and compliance requirements
- Asset valuation and insurance requirements;
- Scheme financial management requirements, including:



- income and trust distributions;
  - fees and expenses; and
  - unit pricing;
  - procedures relating to the making of investments;
  - record keeping and regulatory disclosures;
  - Scheme promotion;
  - Constitution and Compliance Plan amendments;
  - meetings of Scheme members; and
  - design and distribution obligations.
- (b) The methodology in managing Group level risks and Scheme specific risks separately has been developed in reference to the approach outlined in RG 132. In doing so:
- (i) the RE has appointed particular Responsible Officers to carry out procedures identified in this Compliance Plan, either personally or through their Staff;
  - (ii) those Responsible Officers have primary responsibility for performing the procedures of the RE, however, if such persons are prevented from performing that procedure, then the procedure may be performed by a different office holder for the RE;
  - (iii) Responsible Officers with primary responsibility for procedures report to the CO in respect of their duties, and in particular, any systemic breaches within the operations of the RE discovered during the performance of their duties; and
  - (iv) the CO must action those reports and breaches in order to achieve the performance of the duties. The CO must also report regularly to the Board in respect of the performance of the procedures and the rectification of breaches.
- (c) The RE wants to achieve a compliance culture where each staff member owns compliance, and immediately reports and addresses significant breaches and other reportable situations as far as practicable.

## **2.4 Plan distribution**

- (a) The CO is responsible for:
- (i) circulating copies of the Compliance Plan to new and existing employees of the RE;
  - (ii) co-ordinating compliance training programs; and
  - (iii) training and updating employees on the requirements of the Compliance Plan in so far as the Compliance Plan impacts upon the performance of the employment duties of each employee.

- (b) Each employee is required to:
  - (i) be familiar with the contents of this plan with respect to the aspects of the Compliance Plan that relate to the performance of each employee's employment duties;
  - (ii) maintain a continuous review of the Compliance Plan with respect to the aspects of the Compliance Plan that relate to the performance of each employee's employment duties; and
  - (iii) report any breaches of the Compliance Plan that the employee becomes aware of.

## **2.5 Reporting breaches**

The RE, the CO and the Auditor are obliged to immediately notify each other of any breach of the Compliance Plan they respectively detect or become aware of and where necessary will report the breach to ASIC.

## **2.6 How to read this Compliance Plan**

- (a) This Compliance Plan is structured in such a way that it clearly identifies the responsibilities for risk controls that must be complied with and the risk of non-compliance with that obligation. The procedures described are the processes used by the RE to meet that obligation. The Compliance Plan identifies the person responsible for complying with those procedures. The frequency of reporting is also stated.
- (b) It is vital that users of this Compliance Plan understand their role in its effective implementation. There are several sections of the Compliance Plan that must be read by all users of this document in order to understand fully their responsibilities.

## **2.7 Recognising that detail may be elsewhere**

- (a) The Board, Responsible Officers or the CO may recommend any form of manuals, controls, structures or procedures for the RE, which set out a greater degree of detail in relation to any matters addressed by this Compliance Plan. They may be adopted, replaced or updated from time to time by the Board.
- (b) Those manuals, controls, structures or procedures are not and do not become, by such approval or otherwise, part of this Compliance Plan.

## **2.8 Delegation**

A Responsible Officer may delegate his or her functions to another person, but remains responsible for that person acting in their place.

## **2.9 Scope of the Compliance Plan**

This Compliance Plan contains descriptions of the compliance and procedures of the RE and all other information on a level of detail that has been understood from the ASIC requirements for a Compliance Plan.

### **2.10 Amending the Compliance Plan**

- (a) The Compliance Plan is under regular and ongoing review and recommendations for any amendments are put to the Board and Auditor as required from time to time.
- (b) The RE may modify the Compliance Plan or repeal it and replace it with a new Compliance Plan in accordance with the Constitution and this Compliance Plan. The RE must immediately notify in writing the CO of any modification, or repeal and replacement.
- (c) ASIC may direct the RE to modify the Plan to ensure that the Plan is consistent with section 601HA of the Corporations Act. Such direction is to be given by notice in writing by ASIC to the RE.

The RE must lodge with ASIC a copy of a modification of the Compliance Plan or, if the Compliance Plan is repealed, a copy of a replacement of the Compliance Plan with a new Compliance Plan within 14 days after any modification is made, or the former Compliance Plan is repealed each Director of the RE must sign the copy.

## **3 The Compliance framework**

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### **3.1 Overview of Compliance framework**

- (a) The RE has in place a detailed framework to identify, control, report and manage compliance and business obligations, and ensure that the interests of members of the Scheme are protected. The framework includes:
  - (i) this Compliance Plan;
  - (ii) Valuation and Unit Pricing Policy;
  - (iii) detailed policies and procedures available to all Staff;
  - (iv) Board reporting;
  - (v) Staff training;
  - (vi) formal External Service Provider agreements; and
  - (vii) compliance checklists are completed by Staff as required.
- (b) You should refer to the organisational structure chart in annexure B when reading this Compliance Plan.

### **3.2 Compliance Program**

- (a) The Compliance Program is the system of compliance documents in this Plan. The Compliance Plan and compliance framework has been prepared with AS ISO 37301:2023 as a benchmark.
- (b) The Compliance Program ensures all employees maintain the highest ethical and performance standards in the management of the Scheme.

- (c) The Compliance Program covers all the operations of the RE, including as RE of the Scheme.
- (d) The key elements of the Compliance Program are:
  - (i) systems and procedures;
  - (ii) segregation of incompatible duties;
  - (iii) training;
  - (iv) exception reporting; and
  - (v) auditing.
- (e) The officers and employees of the RE perform various operations that conform with documented procedures which address these requirements in the management of the Scheme.

## **4 The Board**

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### **4.1 Independent board**

The RE is not required under section 601JA of the Corporations Act to appoint a Compliance Committee if it has a majority of external directors on the Board who comply with section 601JA(2) of the Corporations Act.

### **4.2 External directors of the Board**

- (a) An external director is a person who:
  - (i) is not, and has not been in the previous 2 years, an employee of the RE or a related body corporate;
  - (ii) is not, and has not been in the previous 2 years, an executive officer of a related body corporate;
  - (iii) is not, and has not been in the previous 2 years substantially involved in business dealings or in a professional capacity with the RE or a related body corporate;
  - (iv) is not a member of a partnership that is, or has been in the previous 2 years substantially involved in business dealings, or in a professional capacity, with the RE or a related body corporate;
  - (v) does not have a material interest in the RE or a related body corporate; and
  - (vi) is not a relative or de facto partner who has a material interest in the RE or a related body corporate.<sup>1</sup>

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<sup>1</sup> Section 601JA Corporations Act.

- (b) Each external director declares compliance with this provision annually.
- (c) Each director is required to disclose any interest by completing the appropriate form and, where relevant, satisfy the 'externality test' in section 601JA of the Act.
- (d) The RE must establish a Compliance Committee under section 601JA(1) of the Act if at any time the external requirements for the majority of the Board cannot be fulfilled.

#### **4.3 Board's role**

The Board is responsible for:

- (a) the effective management of the Scheme;
- (b) appointment of the CO, Auditor, Scheme Auditor and the Responsible Managers;
- (c) reviewing reports from the CO, the Auditor and the Scheme Auditor;
- (d) assessing the outcomes of the reports and determining any action to be undertaken by the Responsible Managers; and
- (e) maintaining the integrity of the Scheme and implementing any amendment to the Scheme to ensure that integrity is maintained.

#### **4.4 Board meetings**

- (a) The Board meets quarterly, or more frequently if necessary, to discuss business and compliance issues.
- (b) The CO submits quarterly reports to the Board to coincide with the Board Meetings.

## **5 The Compliance Committee**

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### **5.1 Non-Requirement for a Compliance Committee**

As more than half of the Directors of the RE are External Directors, a Compliance Committee is not required. Accordingly, the obligations ordinarily held by a Compliance Committee will be completed by the CO and the Board.

### **5.2 Establishment**

If at any point in time less than half the Directors of the RE are External Directors then the RE must establish a Compliance Committee within 14 days after it is required to do so or any other period ASIC may agree in writing.<sup>2</sup>

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<sup>2</sup> Section 601JA Corporations Act

### **5.3 Functions<sup>3</sup>**

- (a) The functions of the Compliance Committee are to:
  - (i) monitor to what extent the RE complies with the Compliance Plan and report its findings to the Directors when it considers necessary or desirable or as the Directors require<sup>4</sup>;
  - (ii) as soon as practicable report to the Board any breach of the Corporations Act involving the Scheme or a provision of the Constitution of which it becomes aware or that it suspects<sup>5</sup>;
  - (iii) as soon as practicable report to ASIC if the Compliance Committee is of the view that the RE has not taken or does not propose to take appropriate action to deal with any matter so reported<sup>6</sup>;
  - (iv) assess annually (unless otherwise decided by the Compliance Committee) whether the Compliance Plan is adequate;
  - (v) report on the adequacy of, and make recommendations to the Board about amendments to, the Compliance Plan when it considers necessary or desirable<sup>7</sup>;
  - (vi) do other things that the Corporations Act requires.
- (b) In carrying out its functions, the Compliance Committee may commission independent legal, accounting or other professional advice or assistance, at the reasonable expense of the RE and with the prior approval of the Board<sup>8</sup>.

### **5.4 Membership**

- (a) The Board is responsible for the appointment of the Compliance Committee Members. There must be at least three Compliance Committee Members at all times, and the majority of them must be External Members under section 601JB(2) of the Act.
- (b) The CO is the secretary of the Compliance Committee and can be a member of the Compliance Committee if appointed by the Board.

### **5.5 Period of appointment of Compliance Committee members**

- (a) The initial period of appointment for each external member of the Compliance Committee will be 12 months. The term of the appointment may be extended upon mutual agreement by the member of the Compliance Committee and the RE.
- (b) The member of the Compliance Committee may resign from his/her position upon the provision of 1 month's notice to the RE or such shorter notice as allowed by the RE.

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<sup>3</sup> Section 601JC Corporations Act

<sup>4</sup> Section 601JC(1)(a) Corporations Act

<sup>5</sup> Section 601JC(1)(b) Corporations Act

<sup>6</sup> Section 601JC(1)(c) Corporations Act

<sup>7</sup> Section 601JC(1)(d) Corporations Act

<sup>8</sup> Section 601JC(2) Corporations Act

- (c) The Board must, if required by the Corporations Act, replace a member of the Compliance Committee:
- (i) at the expiration of the period of appointment under clause 7.4(a);
  - (ii) if that member has resigned under clause 7.4(b);
  - (iii) after 14 days' written notice to the member of the Compliance Committee as a result of the member failing to meet the externality test under section 601JB3(1) of the Act;
  - (iv) after 14 days' written notice to the member of the Compliance Committee as a result of the member failing to comply with his/her duties to the RE under the Act;
  - (v) otherwise, in accordance with the terms of the contract entered into by the member of the Compliance Committee with the RE.

Such replacement must be made within 14 days provided that the incumbent member of the Compliance Committee shall remain a member of the Compliance Committee until the 14 day notice period ends.

## **5.6 Replacement**

If a Compliance Committee Member resigns, is removed, becomes unable to act, or ceases to be an External Member so that:

- (a) there would be less than three Compliance Committee Members; or
- (b) the majority of the Committee Members would not be External Members,

then the Board must, if the Corporations Act requires and within the time prescribed by the Corporations Act, appoint another person to the position. A person may not be appointed to the Compliance Committee unless he or she consents to the appointment.

## **5.7 Removal**

The Board may remove a Compliance Committee Member by giving 14 days' notice to that Compliance Committee Member.

## **5.8 Retirement**

A Compliance Committee Member may retire by giving one month's notice to the Compliance Committee and the Board.

## **5.9 Alternates**

A Compliance Committee Member may nominate a person to be their alternate member. If the Compliance Committee Member is an External Member, the alternate must qualify as an External Member. Any alternate Compliance Committee Member must be a person acceptable to the Board.

### **5.10 Delegating functions**

A Compliance Committee Member may delegate his or her functions to another person, but remains responsible for that person acting in their place.

### **5.11 Duties of Compliance Committee Members<sup>9</sup>**

- (a) To the extent that the Corporations Act and ASIC policy requires, the Compliance Committee Members must:
  - (i) act honestly;
  - (ii) exercise the degree of care and diligence that a reasonable person would exercise if they were in the Compliance Committee Member's position;
  - (iii) not make use of information acquired through being a Compliance Committee Member to either gain an improper advantage for the Compliance Committee Member or another person or cause detriment to Unitholders;
  - (iv) not make improper use of their position as a Compliance Committee Member to gain (directly or indirectly) an advantage for themselves or for any other person or cause detriment to the Unitholders; and
  - (v) do other things that the Corporations Act requires them to do, and not do things it prohibits them from doing.
- (b) A Compliance Committee Member must take all reasonable steps to assist ASIC in carrying out a surveillance check under subsection 601FF(1) Corporations Act <sup>10</sup>. The CO ensures that relevant staff are adequately trained on how to deal with ASIC officers or officers of other Government regulatory bodies who enter the RE's premises including but not limited to the examination of any warrant proffered to gain entry to the premises and who to contact in that event.

### **5.12 Chair**

- (a) At each meeting, the Compliance Committee Members present must elect a chair who must be a Compliance Committee Member, but the Compliance Committee Members may appoint a chair for a term and terminate that appointment at any time.
- (b) The chair must be an external Member if there are only two Members present at a meeting.
- (c) Subject to this Compliance Plan, the chair may decide the manner in which a meeting of Compliance Committee Members is regulated.<sup>11</sup>
- (d) The decision of the chair on any matter relating to the conduct of the meeting is final.

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<sup>9</sup> Section 601JD Corporations Act

<sup>10</sup> Section 601JD(2) Corporations Act

<sup>11</sup> Section 601JH(1) Corporations Act



### **5.13 Adjournment**

The chair has power to adjourn a meeting for any reason to another place and time that he or she thinks fit.

### **5.14 Attendees**

Any member of the Board, officer of the RE, the Scheme Auditor or the Auditor, and any invitee of any member of the Board or of any Compliance Committee Member, may attend and speak at a Compliance Committee meeting.

### **5.15 Quorum**

- (a) The quorum for a meeting of Compliance Committee Members is two members, as long as at least one of them is an External Member.
- (b) If a quorum is not present within 15 minutes after the time set for the meeting, the meeting is adjourned to another place and time that the Compliance Committee Members present decide.
- (c) Notice of the time and place for the adjourned meeting must be given to all Compliance Committee Members.
- (d) At any adjourned meeting, those Compliance Committee Members present in person or by proxy constitute a quorum.

### **5.16 Minutes, reports and recommendations**

- (a) The chair must ensure that minutes of Compliance Committee meetings and records of its reports and recommendations are kept, and a copy of any of them signed by the chair is taken to be a true record unless the contrary is proved.
- (b) The minutes and records must be available to Compliance Committee Members, the Directors, the Scheme Auditor and the Plan Auditor.

### **5.17 Meeting frequency**

The Compliance Committee must meet at least quarterly, unless the Compliance Committee Members agree it is not necessary for a particular period.

### **5.18 Meeting method**

- (a) The Compliance Committee meetings may be held using any technology agreed by all the Compliance Committee Members, for example, internet relay chat or video or voice conference.
- (b) The Compliance Committee may make recommendations without a Compliance Committee meeting being held if all the Compliance Committee Members sign a document containing a statement that they are in favour of the recommendation set out in the document.
- (c) Separate copies of a document may be used for signing by Compliance Committee Members if the wording of the resolution and statement is identical in each copy. The

recommendation is made by the Compliance Committee when the last Compliance Committee Member signs the document.

#### **5.19 Convening meetings**

Any Compliance Committee Member may convene a meeting of the Compliance Committee on five business days' notice or any shorter time that the other Compliance Committee Members agree. If a Compliance Committee Member does not receive notice (including if notice was accidentally omitted to be given to them) the meeting is not invalidated. However, that Compliance Committee Member must be informed of that omission as soon as reasonably practicable after the officers of the RE become aware of that fact.

#### **5.20 Voting on issues**

Voting at a meeting of the Compliance Committee is by simple majority. The chair has a casting vote. No objection may be made to any vote cast unless the objection is made at the meeting.

#### **5.21 Disclosure of interests**

A Compliance Committee Member must disclose to the next meeting of the Compliance Committee after he or she becomes aware of:

- (a) a direct or indirect pecuniary interest that they have in a matter being considered or about to be considered by the meeting if it could conflict with the proper performance of their duties to consider the matter; and
- (b) other things (if any) that the Corporations Act requires,

and the disclosure must be recorded in the minutes.

#### **5.22 Dealing with ASIC<sup>12</sup>**

A Compliance Committee Member must take all reasonable steps to assist ASIC in carrying out surveillance checks under section 601FF Corporations Act.

#### **5.23 Indemnification of members**

Subject to the Corporations Act, the RE may agree that a Compliance Committee Member is to be indemnified by the RE (itself or through a related entity)<sup>13</sup>.

#### **5.24 Insurance of members**

Subject to the Corporations Act, the RE or a related body corporate (directly or through a related entity) may pay or agree to pay a premium for a contract of insurance insuring a Compliance Committee Member<sup>14</sup>.

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<sup>12</sup>Section 601JD(2) Corporations Act.

<sup>13</sup> The Corporations Act limits the RE's indemnification of compliance committee members – see section 601JF.

<sup>14</sup> The Corporations Act limits the RE's payment of insurance premiums for compliance committee members – see section 601JG.

## **5.25 Remuneration of members**

The Compliance Committee Members are entitled to the remuneration that the Board decides from time to time.

## **5.26 Resources**

The Compliance Committee must inform the Board if it believes that it does not have adequate resources or access to information to enable it to perform properly its functions as a committee.

## **5.27 Terminating the Compliance Committee**

- (a) The Board may advise the Compliance Committee in writing that the Compliance Committee is no longer appointed to act for the Scheme if the Corporations Act does not require a Compliance Committee for the Scheme.
- (b) The Compliance Committee for the Scheme ceases to be appointed for the Scheme on completion of the winding up of the Scheme.

## **5.28 Access to records and information**

- (a) If ASIC directs the RE, or if the Corporations Act otherwise requires the RE, to give ASIC information about the arrangements contained in this Compliance Plan, and compliance with it, the Compliance Committee must ensure that (as soon as it is aware of the direction) the information is given as soon as practicable.
- (b) The Compliance Committee is entitled to have access to the accounting records of the Scheme, the Scheme Auditor and Auditor and to any other information that is relevant to assessing the RE's compliance with the Compliance Plan, Constitution, AFSL conditions and the Corporations Act.

## **5.29 Advising of changes to the Compliance Plan**

The Compliance Committee must ensure that copies of this Compliance Plan and any amendments to the Compliance Plan are given to each Responsible Officer.

## **5.30 Form of reports**

- (a) The Compliance Committee may decide the form of any report from a relevant Responsible Officer or Staff concerning his or her relevant functions as identified in this Compliance Plan. A report need not be in writing.
- (b) The report must contain details of issues reviewed and addressed by the CO since the last Compliance Committee meeting and include reports on the following issues:
  - (i) complaints received;
  - (ii) correspondence with ASIC;
  - (iii) net tangible assets, statements of cash flows and other liquidity requirements stipulated in the RE's AFSL; and

- (iv) details of any reported breaches of compliance, including what steps the CO has taken to remedy the breaches.

### **5.31 Advice**

The Compliance Committee Members may commission advice or assistance, if the Corporations Act permits, to assist in discharging their obligations at the reasonable expense of the Scheme with the prior approval of the Board.

## **6 The Compliance Officer**

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### **6.1 Overview of the role**

- (a) The CO will be a senior officer with sufficient skill and experience to undertake the specific tasks of compliance within the operation of the Scheme.
- (b) The CO will have specific responsibilities for compliance in relation to the Scheme.
- (c) The CO will ensure adequate internal systems and controls have been implemented to ensure compliance with this Compliance Plan, the Corporations Act, the Scheme's Constitution, the RE's AFSL, and internal and industry standards.
- (d) The CO is also required to promote a compliance culture within the organisation and among the RE's External Service Providers. The CO is primarily responsible for reviewing compliance on an ongoing basis, providing or facilitating training, reporting on compliance matters, including breaches, to the Board and acting on recommendations of the Board. The CO can refer these matters to ASIC if necessary.

### **6.2 Responsibilities of the CO**

- (a) This Compliance Plan aims to give the CO of the Scheme a clear view of systems in place in operating the Scheme, and the RE's reporting framework.
- (b) The CO's specific roles and duties are to:
  - (i) monitor to what extent the RE complies with this Compliance Plan and to report on its findings to the Board;
  - (ii) report to the Board any breaches of the Corporations Act which involve the Scheme and any breaches of the Constitution (section 60I GA of the Corporations Act) of which the CO becomes either aware or suspicious;
  - (iii) report to ASIC if the CO is of the view that the Board has not taken or does not propose to take appropriate action to deal with a matter reported as a breach referred to in paragraph 6.2(b)(ii) above;
  - (iv) assess at regular intervals whether the Compliance Plan is adequate, report to the Board on that assessment and to make recommendations to the Board about any changes that it considers should be made to the Compliance Plan;

- (v) provide all reasonable assistance for compliance purposes to ASIC and the Auditor; and
  - (vi) uphold the ethical requirements of the Board.
- (c) The functions of the CO must include the following:
- (i) monitor to what extent the RE complies with the Compliance Plan;
  - (ii) report on its findings regarding the extent of such compliance to the Compliance Committee (if any) and the Board;
  - (iii) report any breach of the Act involving the Scheme to the Compliance Committee (if any) and the Board;
  - (iv) report any breach of the provisions included in the Constitution, in accordance with section 601GA of the Corporations Act, that the CO becomes aware of, or suspects, to the Compliance Committee (if any) and the Board;
  - (v) report to ASIC if the CO is of the view that the RE has not taken or does not propose to take appropriate action to deal with any breach of the Corporations Act involving the Scheme or of the provisions in the Constitution;
  - (vi) assess quarterly whether the Compliance Plan is adequate and to report accordingly to the Compliance Committee (if any) and the Board;
  - (vii) make recommendations to the Compliance Committee (if any) and the Board about changes that the CO considers should be made to the Compliance Plan;
  - (viii) take all reasonable steps to assist ASIC in carrying out a check under section 601FF of the Corporations Act; and
  - (ix) provide all reasonable assistance to the Scheme Auditor.

### **6.3 Reports and recommendations of the CO**

- (a) The CO must report quarterly to the RE 1 week before each quarterly meeting of the Board of the RE. The written report must contain all information and recommendations deemed necessary by the CO.
- (b) The CO's reports and recommendations shall be considered at the next meeting of the Board. The Board meeting must be convened to consider the quarterly reports (and any other report prepared and considered by the CO to require urgent consideration) within 21 days of the report being submitted to the RE by the CO.
- (c) The Board will provide the CO after each meeting with the meeting minutes relevant to the Scheme and its decisions made in relation to the matters contained in the CO's report and recommendations.

## **6.4 Delegation**

The CO may delegate his or her functions to another person, but remains responsible for that person acting in their place.

## **7 Role of audit**

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- (a) The RE must ensure that at all times an Auditor is engaged to audit compliance with the Compliance Plan. In accordance with section 601HG(1) of the Corporations Act, this person must be a registered company auditor.
- (b) The Auditor must certify in writing to the RE that he or she is eligible to be appointed the auditor of the Compliance Plan. A person is not eligible to act as the Auditor if the person is:
  - (i) an associate of the RE or any subsequent responsible entity appointed to manage the Scheme;
  - (ii) an agent holding Scheme Property on behalf of the RE or an associate of an agent of that kind; or
  - (iii) the auditor of the accounts for the RE and the Scheme.

The Auditor and the auditor of the accounts for the RE and the Scheme may however work for the same firm of auditors.

- (c) As part of the preparation of the end of the financial year accounts for the Scheme, the Auditor must within three months after the end of the financial year of the Scheme:
  - (i) examine this Compliance Plan;
  - (ii) carry out an audit of the RE's compliance with the Compliance Plan during the financial year; and
  - (iii) give to the RE a report that states whether, in the Auditor's opinion:
    - (A) the RE complied with the Compliance Plan during the financial year or that part of the financial year when it was the Auditor; and
    - (B) the Compliance Plan continues to meet the requirements of part 5C.4 Corporations Act; and
  - (iv) provide the RE with any recommendations for amendments to the Compliance Plan or procedures of the RE.
- (d) The Auditor must certify annually to the Board that he or she remains eligible to be the auditor of the Compliance Plan.
- (e) The RE must:
  - (i) allow the Auditor to have access to the books of the Scheme;

- (ii) give the Auditor any information or explanation required under section 601HG(5) Corporations Act; and
  - (iii) otherwise assist the conduct of the audit<sup>15</sup>.
- (f) The RE must lodge the Auditor's report under section 601HG(3) Corporations Act with ASIC at the same time as the financial statements and reports for the Scheme are lodged with ASIC under sections 292 and 321 Corporations Act.
- (g) A copy of the Auditor's report is to be given to the Board and CO.
- (h) Where the Auditor has advised of breaches of the Compliance Plan or Constitution, or makes recommendations for amendments to the Compliance Plan, accounting procedures of the RE and the Scheme or Constitution, then the CO must review these issues and provide a report within 14 days (or such longer period determined by the Board) to the Board and the Board, in consultation with the CO, will decide what changes (if any) must be made.
- (i) The changes must be implemented within two months of receipt of the Auditor's report or such other period as determined by the Board.
- (j) Changes to the Compliance Plan or Constitution must be implemented in accordance with the procedure specified in the Constitution or this Compliance Plan.
- (k) The Auditor must notify ASIC in writing as soon as possible if the Auditor:
  - (i) has reasonable grounds to suspect a contravention of the Corporations Act has occurred; and
  - (ii) believes the RE has not or will not adequately deal with the contravention after the Auditor has brought it to the attention of the RE. The RE and its officers must:
    - (A) allow the Auditor access to the accounts;
    - (B) give the Auditor information or an explanation required for him to comply with the terms of the audit; and
    - (C) otherwise assist the conduct of the audit.<sup>16</sup>

## **7.2 Removal and resignation of Auditor**

- (a) The RE must remove the Auditor if he or she becomes ineligible under section 601HG(2) of the Corporations Act to act as the Auditor, and may only otherwise remove the Auditor by applying in writing to ASIC for its ASIC's consent.
- (b) Should the Auditor wish to resign, he or she must apply in writing to ASIC for ASIC's consent.<sup>17</sup>

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<sup>15</sup> Section 601HA(1)(d) Corporations Act.

<sup>16</sup> Sections 601HG and 1226H Corporations Act.

<sup>17</sup> Sections 601HH(1) and (2) and 1226J(1) and (3).

- (c) If the Auditor changes, the RE must as soon as practicable ask ASIC to alter the records of the Scheme's registration to show the name of the new Auditor. ASIC must comply with the request if the change complies with the Corporations Act.

## **8 Compliance Plan risk analysis**

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### **8.1 Risk analysis**

The RE's compliance risk assessment is undertaken with Australian Standard AS 31000:2018 as a reference standard.

### **8.2 Compliance risk assessment**

- (a) The CO is responsible for ensuring the compliance risk assessment of the RE is updated and appropriate risk management controls and procedures have been implemented and are working.
- (b) The various RE managers are required to review risks relating to their area of responsibility on an ongoing basis and report any material issues arising to the CO and at the Board meeting.
- (c) Amendments to the risk management controls and procedures implemented quarterly or as required by the RE are required to be approved by the Responsible Managers before implementation.
- (d) Compliance risks and risk management controls and procedures are communicated and actioned to staff through the RE's staff training program, operations manuals and the various checklists required to be completed and reviewed within the management of the Scheme.
- (e) A compliance risk assessment relating to:
  - (i) the RE's general conduct of the Scheme; and
  - (ii) the Scheme assets,is outlined in Part B and Part C of this Compliance Plan.

## **9 Reviewing and amending the Compliance Plan**

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- (a) To ensure the Compliance Plan continues to provide an adequate compliance framework for protection of Investors, the CO will report to the Board at least annually on the continued adequacy of the Compliance Plan.
- (b) So that the CO is informed of all internal developments, all Staff are instructed to report in writing all proposed changes in operating structure and procedures to the CO. These reports are included in the CO's quarterly report to the Board.
- (c) Part of the CO's role is to remain up to date with all regulatory and industry standard changes. Any such changes that impact the Compliance Plan are also reported to the Board in the CO's quarterly report to the Board.



- (d) The Auditor may also include any recommendation for amendments to the Compliance Plan or the procedures of the RE.
- (e) Subject to the Corporations Act, the RE can amend or replace this Compliance Plan. The CO can recommend changes of the Compliance Plan to the RE. Only the RE can modify the Compliance Plan<sup>18 19</sup>.
- (f) The Board must sign any amendments to or replacement of the Compliance Plan.
- (g) The CO is responsible for submitting the amendment or replacement Compliance Plan to ASIC and ensuring all Responsible Officers receive notification of the change and an updated copy of the Compliance Plan.

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<sup>18</sup> Appointed in accordance with section 601HG of the Corporations Act.

<sup>19</sup> Section 601HA(1)(d) Corporations Act.

## Part B - Group Compliance Control

### 1 Summary of group compliance procedures

Compliance Rule	Function	Responsible Officer	Reporting frequency
B2.1	External Service Providers	CO	Annually (for reviews)
B2.2	Detecting and reporting breaches	CO	Monthly
B2.3	Record keeping and reporting	CFO, MD and CO	Half-yearly and annually
B2.4	Insurance	CO, MD and CFO	Annually
B2.5	Design and distribution	CO and MD	Quarterly and annually
B2.6	Training and recruitment	CO	Annually and quarterly
B2.7	Monitoring AFSL	CO and CFO	Quarterly
B2.8	Related Party issues	CO and MD	Annually or as required
B2.9	Conflict of interest management	MD and CO	Ongoing, Quarterly and Annually
B2.10	Complaints	CO	Quarterly
B2.11	Amending the Constitution	Board	As required
B2.12	Access to copies of Constitution	Company Secretary and CO	As required
B2.13	Amending the Compliance Plan	CO	As required
B2.14	Removal and resignation of Compliance Plan Auditor	Board and CFO	As required
B2.15	Termination of Scheme	Board, CO and MD	As required
B2.16	Risk management	CO and MD	Annually
B2.17	Removal or retirement of the RE	MD and CO	As required

Compliance Rule	Function	Responsible Officer	Reporting frequency
B2.18	Compliance checking by ASIC	CO	As required

## 2 Group compliance procedures

### 2.1 External Service Providers

Responsible Officer: CO

Frequency of Reporting: Annually (reviews)

Source of Obligation: s601FB of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
<p>Carry out adequate due diligence when appointing External Service Providers.</p> <p>Monitor External Service Providers to ensure they comply with contractual obligations and service level agreements.</p>	<p>The Scheme may incur loss due to poor service from External Service Providers.</p>	<p>Responsible Officers must undertake adequate due diligence before appointing an External Service Provider to ensure the External Service Provider has the requisite skills and resources to perform the outsourced task.</p> <p>The Responsible Officer's due diligence enquiries may include obtaining capabilities statements and fee estimates from several potential External Service Providers, meeting with senior managers of the External Service Providers and seeking referrals for External Service Providers.</p> <p>All contracts with External Service Providers must be reviewed by the CO and approved by the Board before appointment of the External Service Provider to ensure that the agreement is on commercial terms and is consistent with the RE's AFSL conditions. Legal advice may be obtained if considered necessary.</p> <p>If an External Service Provider breaches any terms of their engagement, or is or is suspected of being negligent, the Responsible Officer must report the circumstances giving rise to the</p>	<p>CO must undertake an annual review of External Service Providers to ensure they continue to maintain the requisite skills and resources to perform the outsourced tasks and reports any issues or exceptions to the Board. The review is based on an assessment of the External Service Provider's performance against agreed service levels and with comparison to the level of service and value for money offered by their competitors.</p>

Function	Risks	Procedures	Monitoring of procedure
		relevant event to the CO. The CO will also report any breach to the Board who must then consider whether or not to terminate the engagement of the External Service Provider.	

## 2.2 Detecting and reporting breaches

Responsible Officer: CO

Frequency of reporting: monthly

Source of obligation: sections 912DD Corporations Act and RG 78

Function	Risks	Procedures	Monitoring of procedure
To ensure the early detection and reporting of breaches.	<p>A breach may go undetected.</p> <p>The RE may breach its statutory reporting obligations.</p>	<p><b>Breaches that must be reported</b></p> <p>All Staff must report breaches of any of the following reportable situations to the CO:</p> <ul style="list-style-type: none"> <li>(a) breaches or 'likely breaches' of core obligations that are significant;</li> <li>(b) investigations into breaches or likely of core obligations that are significant;</li> <li>(c) additional reportable situations; and</li> <li>(d) reportable situations about other licensees.</li> </ul> <p>The RE maintains an accessible Breach Reporting Policy for Staff to refer to.</p> <p><b>Detecting breaches</b></p> <p>The CO must carry out a number of supervisory processes including:</p> <ul style="list-style-type: none"> <li>(a) random review of internal files and checklists. This process involves the</li> </ul>	<p>CO to conduct monthly reviews to ensure compliance with the procedures as set out in the Breach Reporting Policy and report any exceptions to the Board.</p> <p>The CO maintains an up-to-date breach register in the ASIC prescribed form.</p> <p>The Breach Reporting Policy is reviewed on an annual basis by the CO, with an external review conducted on an as-needs basis.</p> <p>The CO maintains a training register of when Staff attended breach reporting training.</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>selection of a particular transaction and following the progress of the transaction through the various operational departments to ensure that all compliance systems affecting the transaction are complied with. This is generally evidenced by a series of checklists or reports and various authorisations by responsible personnel;</p> <p>(b) yearly audit by the Auditor who undertakes independent testing of files and compliance systems;</p> <p>(c) prompt follow up of any enquiries or complaints received by the Dispute Resolution Officer under the Internal Dispute Resolution Procedural Program; and</p> <p>(d) Staff are encouraged to report breaches of the Compliance Plan to the CO under an ongoing program of continuous improvement.</p> <p>The Board and the Auditor have full access to the files and records of the activities of the RE and the Scheme.</p> <p>It is the responsibility of the CO to co-ordinate the compliance supervision program.</p> <p><b>Internal reporting</b></p> <p>Suspected compliance breaches or deficiencies are reported as follows:</p> <p>(a) in the case of internal compliance reviews, the CO must make a report to the Board where remedial</p>	

Function	Risks	Procedures	Monitoring of procedure
		<p>action is initiated. All breaches or deficiencies are brought to the attention of the Board.</p> <p>(b) in the case of the external Auditor, the auditor generally liaises with the CO and the MD on compliance matters before a final auditor's report to the Board.</p> <p>(c) breaches discovered by staff are reported to the CO.</p> <p>Any known breaches are immediately reported to the CO who must include these breaches in the next report to the Board, together with a recommendation as to the appropriate measures that are needed to avoid a recurrence.</p> <p><b>Reporting to ASIC</b></p> <p>The RE must lodge a report to ASIC within 30 days after the RE first knows, or is reckless as to whether there are reasonable grounds to believe, a reportable situation has arisen.<sup>20</sup></p> <p>The CO will determine whether a reportable situation has arisen by following the assessment procedure outlined in the Breach Reporting Policy.</p> <p><b>Rectification of breach</b></p> <p>Rectification of breaches is the responsibility of the CO in conjunction with the operational department concerned. The CO undertakes appropriate steps to rectify breaches and deficiencies in the system and to liaise with</p>	

<sup>20</sup> Section 912DAA Corporations Act.

Function	Risks	Procedures	Monitoring of procedure
		responsible departmental co-ordinators.  Subsequent review of rectified systems is undertaken by the CO or the MD in the random internal audits, and reported to the Board.	

### 2.3 Record keeping and reporting

Responsible Officer: CFO, MD and CO

Frequency of Reporting: Half yearly and annually

Source of Obligation: Chapter 2M of the Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Correctly record and explain transactions, financial position and performance, enabling true and fair financial statements to be audited and correct tax returns submitted.	Incorrect or insufficient records resulting in qualified audit report. Penalty payments resulting from incorrect tax returns.  Tax information to Investors is insufficient.	The CFO and MD confirm to the Board annually that all relevant accounting standards have been complied with during the year.  Records are audited by the Scheme Auditor annually. The Scheme's financial statements are also subject to half yearly review by the Scheme Auditor.  Each Investment has its own 'Investment file' containing key information for the Investment from start to maturity.  Material documents about an Investment are held by the RE. The RE maintains a computerised document management and custody system. The CFO maintains the computerised system while the CO controls the registration, access and release of all documents while they are under the RE's management.  <b>Confidential information</b>  Staff must not make use of information acquired through their position in order to gain an improper advantage or to cause	The Scheme Auditor's annual report and half yearly review (if applicable) must be given to the Board for approval.  The CO has responsibility to: (a) register Investors; (b) monitor membership for maturity and reinvestment; (c) monitor Investments; and (d) record any matter that affects the Investment.  The CO must retain all records relevant to the Compliance Plan. This includes: (a) a record of all reports of the CO to the Board; (b) compliance and rectification reports and registers of insurances, complaints, related party transactions, training, external service providers, advertising and breaches; (c) Investor Complaints Register;

Function	Risks	Procedures	Monitoring of procedure
		<p>detriment to Investors of the Scheme.</p> <p>Access to documents and information is to be restricted to those with the 'need to know' and when specific 'information barriers' procedures are adopted to limit and monitor the flow of confidential information within the RE they must be observed.</p> <p>Procedures to deal with confidential information include:</p> <ul style="list-style-type: none"> <li>(a) restricting access to documents, files and computer systems - particularly tax file numbers and bank account details;</li> <li>(b) disposal of documents;</li> <li>(c) copying, faxing and filing of sensitive documents; and</li> <li>(d) restricting access to information by temporary staff.</li> </ul>	<ul style="list-style-type: none"> <li>(d) External Service Providers correspondence and agreements;</li> <li>(e) Compliance auditor reports;</li> <li>(f) Scheme Auditor reports; and</li> <li>(g) ASIC correspondence and any other relevant matters.</li> </ul> <p>The Auditors review these records as part of their audit.</p> <p>The CO reports any matters of concern to the Board.</p>
Ensure records are maintained for a minimum of seven years.	RE breaches reporting requirements in Corporations Act	<p>Yearly sign-off to the Board from the CFO that:</p> <ul style="list-style-type: none"> <li>(a) the Scheme has appropriate record keeping and archiving procedures;</li> <li>(b) all records are held for a minimum of seven years and storage records are recorded in a storage register; and</li> <li>(c) records are held in safe and secure premises.</li> </ul>	CO obtains annual sign-off from the CFO and tables the CFO report at a Board meeting.



## 2.4 Insurance

Responsible Officer: CO, MD and CFO

Frequency of Reporting: Annually

Source of Obligation: RG 126; s912B of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
<p>Maintain appropriate insurances for:</p> <p>(a) professional indemnity;</p> <p>(b) fraud by the RE's officers and agents; and</p> <p>(c) Scheme property assets.</p>	<p>Inappropriate insurance cover may breach RE's AFSL, the value of the Scheme assets and impact operation of the Scheme.</p>	<p>A register is to be maintained by the RE in which the expiry of all insurance policies is noted.</p> <p>An annual insurance risk appraisal is undertaken by the CO.</p> <p><b>Scheme property insurance</b></p> <p>The CFO will refer to the most recent valuation of Scheme property to ascertain the likely value of the Scheme property when determining the level of insurance. The CFO may also engage an insurance broker (in line with the external service provider requirements) to assist in assessing and implementing the Scheme property insurance program.</p> <p><b>Professional indemnity insurance</b></p> <p>A minimum of two quotes must be obtained from an insurance broker (if possible) to be supplied to the CFO to cover the risks identified by the insurance risk appraisal. The CFO can rely on the insurance broker's experience in assessing the quotes. It is the CFO's responsibility to decide which quote is accepted and on what terms the policy is entered into by the RE.</p> <p>The CO is responsible for ensuring that the RE has adequate professional indemnity insurance cover</p>	<p>The CO diarises renewal dates for all insurance policies and undertakes renewal of all insurance policies before insurance expiry.</p> <p>The CO updates the insurance register with the insurance details including sums insured, liability limits and due dates.</p> <p>The CO undertakes an annual review of all insurance policies to ensure annual renewal has been obtained to protect the assets and liabilities of the Scheme, the RE and the Board.</p> <p>The CO to report quarterly that the required insurances are taken out, are still in date and actions taken to renew policies when required.</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>which meets the requirements of any ASIC policy. In particular while the RE is authorised to provide financial services to retail clients, the professional indemnity insurance must meet the requirements of Regulatory Guide 126. When deciding whether the professional indemnity insurance cover is adequate, the CO should have regard to:</p> <ul style="list-style-type: none"> <li>(a) the volume of business;</li> <li>(b) the number and kind of clients; and</li> <li>(c) the activities of the Scheme.</li> </ul> <p>The professional indemnity insurance policy must cover claims in aggregate of an amount which is at least the lesser of \$5 million or the sum of the value of all property of all registered schemes operated by the RE (or such other limits as required by the RE's AFSL and any applicable ASIC policy). The insurance must cover all liability which may be suffered by retail clients because of a breach of the Corporations Act or under the AFSL. The policy must cover the items required by the RE's AFSL or applicable policy, which might include legal costs, external dispute resolution scheme awards and fraud and dishonesty.</p> <p>The CO is responsible for ensuring all Directors and Officers (including Responsible Managers) are covered under the RE's professional indemnity insurance policy.</p>	

## 2.5 Design and distribution

Responsible officer: CO and MD

Frequency of reporting: quarterly and annually.

Source of obligation: part 7.8A Corporations Act; RG 274

Function	Risks	Procedures	Monitoring of procedure
The process of design, disclosure and marketing must ensure that the Scheme promoted is true to label and suitable for given investors' needs and personal financial objectives.	Prospective retail investors are encouraged to invest in a retail product that does not suit their personal financial objectives.	A consumer-centric approach must be adopted by the RE in the preparation of every offer document and promotional material to ensure that due consideration is always given to the design and distribution obligations relating to the issue of financial products to retail clients.  Due diligence procedures must be performed on every offer document to ensure compliance with the design and distribution obligations.	CO to report to the Board before the issue of any disclosure document.  Board to provide approval prior to the issue of any Disclosure Document.
Target Market Determination ( <b>TMD</b> ) must be prepared and maintained in respect of the Scheme.	Prospective retail investors are encouraged to invest in a retail product that does not suit their personal financial objectives.	The RE must prepare, make public and maintain a TMD for the Scheme. The TMD is in addition to any other disclosure document.  The TMD must meet certain "content requirements" and "appropriateness requirements" (as defined in RG 274) on an ongoing basis, including: <ul style="list-style-type: none"> <li>the class of consumers comprised in the target market,</li> <li>review triggers,</li> <li>distribution conditions,</li> <li>review periods, and</li> <li>ensure that documents are held in accordance with the record retention timeframe of seven years.</li> </ul>	TMD to be signed off by external legal advisers following drafting.  Board to provide approval prior to issue of TMD.  CO to review the appropriateness of the TMD as required and report to the Board at least annually.
Ensure distribution is in	The product may be acquired by retail consumers	Monitoring by CO to ensure that a given financial product is being	Monitoring by CO should take place throughout the period the Scheme is

line with the TMD.	<p>outside the target market, leading to a requirement to notify ASIC of any 'significant dealings' that are not consistent with the product's TMD.</p> <p>TMD may cease to be appropriate for the Scheme, leading retail investors to invest in a product that does not suit their personal financial objectives.</p>	<p>distributed to the target market as defined by the RE, including:</p> <ul style="list-style-type: none"> <li>• Identification of complaints or "significant dealings" outside the financial product's TMD that require notification to ASIC.</li> <li>• If a significant dealing event occurs or a number of complaints are received in relation to the PDS, CO will review the PDS in consultation with the MD.</li> <li>• The MD will review and monitor the trigger events as noted under each of the TMD documents and report to the Board on a quarterly basis, matters in relation to any trigger events that have occurred.</li> </ul>	<p>in the market, and more frequently as required by the TMD (in particular in light of any significant dealings or trigger events).</p> <p>The CO must report to the Board no less than an annual basis, in relation to general compliance with the design and distribution obligations and any instances of non-compliance.</p>
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## 2.6 Training and recruitment

Responsible Officer: CO

Frequency of Reporting: Annually/Quarterly

Source of Obligation: RG 104/105, RG 146, RG 181, section 912A(1)(ca) and (f) Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Staff are competent and receive sufficient training for them to be able to perform their duties and to be familiar with the requirements in the Compliance Plan.	<p>Staff do not have the skills necessary to competently perform their duties.</p> <p>Key Staff have specific knowledge that the RE loses if they leave the employment of the RE.</p>	<p>Appointment of Directors is subject to rigorous checking of good fame and character. Details of the checking process will be retained and reviewed by the CO for appropriateness.</p> <p>Directors will be requested to submit quarterly an update stating details of any other current directorships held by the Directors and any conflicts of interests (within the meaning of ASIC Regulatory Guide 181).</p> <p>The AFSL Responsible Managers will be requested to semi-annually submit a list of continuing professional education attended to maintain and update competencies.</p> <p>Appointment of other Staff will be by the MD after ensuring the</p>	<p>CO will maintain a training register for all Staff and AFSL Responsible Managers and report to the Board each quarter.</p> <p>The CO will review annually the organisational chart and ensure its AFSL Responsible Managers meet the training requirements of RG 104/105 and are competent to carry out obligations and responsibilities under the RE's AFSL.</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>applicant has necessary qualifications and referees as to good fame and character.</p> <p>Training of all Staff and AFSL Responsible Managers will be conducted annually and will include specific training in relation to the Compliance Plan and in relation to any Disclosure Document published by the RE.</p> <p>All representatives who are providing general financial product advice to retail clients must meet the requirements of Regulatory Guide 146 if necessary before appointment. They must also receive training on responsibilities under the Corporations Act, industry standards and other relevant information, including but not limited to the circumstances in which they are required to provide retail clients with a FSG.</p> <p>The CO maintains a training register for Staff who are Regulatory Guide 146 compliant.</p>	

## 2.7 Monitoring AFSL

Responsible Officer: CO and CFO

Frequency of Reporting: Quarterly

Source of Obligation: RG 166, s601FA, s601FC(1)(h), s912A(1)(b) of Corporations Act and CO 13/760

Function	Risks	Procedures	Monitoring of procedure
Ensure the RE complies with the conditions of its AFSL at all times.	AFSL suspended or revoked.	The CFO reviews the Scheme's assets and accounts on a monthly basis to ensure the RE is meeting its financial requirements as set out in ASIC Regulatory Guide 166 (including solvency cash needs and NTA requirements).	<p>The CO reports the results of the review of the AFSL requirements checklist to the Board on a quarterly basis.</p> <p>It is the CO's responsibility to ensure any AFSL ASIC reporting requirements are met.</p> <p>The AFSL Auditor reviews the AFSL requirements annually and provides</p>

		In addition, an AFSL requirements checklist is completed monthly by the CFO and sent to the CO.	an audit report to the Board and ASIC.
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## 2.8 Related Party issues

Responsible Officer: CO and MD

Frequency of Reporting: Annually or as required

Source of Obligation: s601FG, s601FD(1), s601FE(1) of Corporations Act, RG 76

Function	Risks	Procedures	Monitoring of procedure
To ensure financial benefit is not given to the RE or a Related Party unless permitted by the Corporations Act.	Investors suffer loss.  Detrimental to the reputation of the RE and the Scheme.	A register of Related Parties is held by the CO. A copy of this register is available to all Staff.  All Staff are trained in Related Party Transaction Policies when they commence employment by the CO. A register is maintained by the CO noting details of all Staff who have attended this training.  All Related Party transactions are subject to approval by either the Investors or by the MD and two Directors prior to the giving of any financial benefit. Authorisation is only given if the transaction is considered in the best interest of Investors and the Corporations Act allows the transaction to be approved without Investor approval. External legal advice is obtained if best interest cannot be determined.  If at any time Staff who wish to purchase any interest in the Scheme they must obtain MD's approval or if the Staff is the MD, the Board's approval. In this regard, the MD or the Board (as applicable) must act in the best interests of the Scheme in deciding whether to approve the purchase.	The training register is reviewed annually by the CO to ensure all new Staff have attended Related Party training.  The CO reviews the Related Party Transaction Policy on an annual basis to ensure it is appropriate and reflects market practice with the results and any recommendations reported to the Board.  The CO must annually review compliance with the procedures and report any exceptions to the Board.

## 2.9 Conflict of interest management

Responsible Officer: CO and MD

Frequency of Reporting: ongoing, quarterly and annually

Source of Obligation: sections 601FC(1)(c) and (e), 60FD(1)(c), 601FE(1) and 912A(1)(aa) Corporations Act, RG 181.

Function	Risks	Procedures	Monitoring of procedure
To ensure that conflicts of interest are dealt with in accordance with the Corporations Act.	<p>Investors assets are diminished.</p> <p>The RE fails to act independently and in the best interests of the Investors.</p> <p>The RE or its associates may get a benefit or the Investors assets may be diminished.</p>	<p>The CO shall keep a conflict of interest register.</p> <p>The MD will review the conflict of interest policy and record any actual or potential conflicts of interest.</p> <p>The Register shall contain: a description of the conflict; whether it is to be controlled or avoided; and if there should be disclosure, how and to whom it has been disclosed.</p> <p>The CO will at least annually conduct training to employees and representatives to ensure that they understand the conflict of interest policy.</p> <p>The CO will record all training on conflicts of interests in the training register.</p> <p>Each representative will inform the CO of any conflict of interests when they occur and annually make a declaration that the RE has been informed of any conflicts of interests they have.</p> <p>Where a conflict of interest occurs, the MD will deal with the conflict in accordance with the requirements of the conflicts of interest policy.</p>	<p>The MD shall review the conflict of interest policy for its adequacy at least annually.</p> <p>The CO shall maintain the register of conflicts of interest and report quarterly to the Board.</p> <p>The CO will monitor the conflict of interest training for all new employees.</p>
Appropriate segregation of Staff is in place to minimise any	A financial advantage is obtained through inappropriate handling of	The RE has policies in relation to confidentiality of information, conflict of interest, personal trading and related party trading. Compliance with these policies is monitored by the CO.	The continuing adequacy of these policies is assessed by the Board annually.

Function	Risks	Procedures	Monitoring of procedure
conflicts of interest.	client money, Scheme assets or the use of confidential information.		

## 2.10 Complaints

Responsible Officer: CO

Frequency of Reporting: Quarterly

Source of Obligation: section 601GA(1)(c), section 912A(1)(g) and (2) Corporations Act and RG 271.

Function	Risks	Procedures	Monitoring of procedure
Handle Investor and other parties' complaints in a manner consistent with the Corporations Act, Constitution and ASIC requirements relating to the AFSL.	<p>Complaints are not adequately addressed and are escalated to litigation.</p> <p>Breach of AFSL and/or Constitution.</p>	<p>All complaints are referred to the CO or Investor Relations Manager who records the details in a complaints register and are responsible for investigating and responding to complaints in accordance with the Complaints Handling and Dispute Resolution Policy.</p> <p>The Complaints Register will maintain details including; reason for complaint, the Staff or External Service Provider responsible for the subject of the complaint, any impact on the Scheme or the RE, if the complaint reveals a systematic error or weakness in the Compliance Plan and recommendations for addressing the complaint and any Compliance Plan or systems issues raised.</p> <p>All Staff are trained in complaints handling procedures by the CO on induction and are updated on an annual basis.</p>	<p>The CO reports quarterly to the Board on the Complaints Register.</p> <p>The Board reviews the complaints register and associated responses quarterly to ensure they have been informed of all complaints and that the complaints have been or are in the process of being satisfactorily resolved.</p> <p>The CO maintains a training register of when Staff attended complaints handling training.</p> <p>The Complaints Handling and Dispute Resolution Policy is reviewed on an annual basis by the CO.</p>



## 2.11 Amending the Constitution

Responsible Officer: Board

Frequency of reporting: as required

Source of obligation: section 601GC Corporations Act and Constitution

Function	Risks	Procedures	Monitoring of procedure
The Constitution may be modified or repealed and replaced with a new constitution under the Corporations Act and the Constitution.	The Constitution is modified and repealed and replaced without due regard to Investors' rights.	<p>The Board must meet and review any proposed modification to the Constitution.</p> <p>If the modification to be effected is such that it does not adversely affect Investors' rights then the Board may resolve to amend the Constitution. The Board must undertake a comparison of Investors' rights before and after the modification is affected and document this process.</p> <p>Where the Board considers the modification to the Constitution adversely affects Investors' rights then the proposed modification must be placed before and approved by the Investors of the Scheme at a general meeting.</p> <p>The RE calls a meeting of Investor of the Scheme in accordance with the Constitution.</p> <p>The modification must be lodged with ASIC within 14 days and takes effect once lodged.</p>	<p>Any proposed modification to the Constitution must be approved by the Board.</p> <p>Any proposed modification to the Constitution that adversely affects Investors' rights must also be approved by the Investors of the Scheme.</p> <p>The amending Constitution must be signed and lodged with ASIC.</p> <p>Each time the Constitution is amended the Board must provide the CO with documentation confirming they have considered the requirements of the Corporations Act which would usually include legal sign-off.</p>

## 2.12 Access to copies of Constitution

Responsible Officer: Company Secretary and CO

Frequency of reporting: as required

Source of obligation: section 601GC(4) Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Investors are entitled to have access to	The RE fails to comply with the	The Company Secretary must send a copy of the Scheme's Constitution to an Investor within	The Company Secretary must notify the CO if he or she is

Function	Risks	Procedures	Monitoring of procedure
copies of the Constitution.	Corporations Act.	seven days if the Investor requests a copy (in writing) and provided the Investor pays the appropriate and reasonable copying fee as calculated by the Company Secretary but not exceeding that prescribed by Schedule 4 of the Corporations Regulations.	unable to comply with the Investor's request.

### 2.13 Amending the Compliance Plan

Responsible Officer: CO

Frequency of reporting: as required

Source of obligation: section 601HE Corporations Act

Function	Risks	Procedures	Monitoring of procedure
The RE may modify the Scheme's Compliance Plan or repeal it and replace it with a new compliance plan.	The Compliance Plan does not accurately reflect the requirements of the Constitution or the Corporations Act.	Any requested amendments to the Compliance Plan are addressed by the CO as soon as practicable.  All proposed amendments to the Compliance Plan are reviewed by the CO and reported to the Board.  The amended Compliance Plan is reviewed, approved and signed by the Board and the CO is to lodge with ASIC within the timeframe specified by the Corporations Act.	The Compliance Plan is subject to an annual audit by the Auditor.  The CO is responsible for monitoring compliance with the Compliance Plan and reporting to the Board at least annually.

### 2.14 Removal and resignation of Auditor

Responsible Officer: Board and CFO

Frequency of reporting: as required.

Source of obligation: section 601HH, section 601HI Corporations Act, RG 26.

Function	Risks	Procedures	Monitoring of procedure
Actions taken in respect of the Auditor must only occur in accordance with the	The RE fails to act in accordance with the Corporations Act.	The Board:  (a) must remove the Auditor if the Auditor becomes ineligible under section 601HG(2) Corporations Act to act as	The CFO liaises with ASIC on the removal or resignation of the Auditor on behalf of the Board.  The CFO must notify ASIC, in writing of the appointment of the new Auditor.

Function	Risks	Procedures	Monitoring of procedure
Constitution and the Act.		<p>auditor of the Compliance Plan; and</p> <p>(b) may at any time, with ASIC's consent, remove the Auditor.</p> <p>ASIC's consent must be obtained before the Auditor's removal or resignation taking effect.</p> <p>The Board must approve the appointment of any replacement or new Auditor.</p> <p>ASIC must be advised in writing to update the Scheme's registration details to show the new auditor, as soon as practicable after the change.</p>	

## 2.15 Termination of Scheme

Responsible Officer: Board, CO and MD

Frequency of reporting: as required

Source of obligation: section 601GA(1)(d), part 5C.9 Corporations Act and Constitution

Function	Risks	Procedures	Monitoring of procedure
The process for terminating the Scheme must be done in accordance with the Constitution and the Corporations Act.	The Scheme is incorrectly terminated.	<p>The Scheme may only terminate at the expiration of the Scheme or as specified in the Constitution or the Corporations Act.</p> <p>Investors may resolve to wind up the Scheme in accordance with the Corporations Act or Constitution.</p> <p>The RE may under the Corporations Act, in certain circumstances, terminate or wind up the Scheme.</p> <p>If the Scheme is to be wound up, the RE must:</p> <p>(a) realise Scheme property in accordance with the Constitution;</p> <p>(b) ensure that notice is given to Investors and ASIC of the</p>	<p>The decision to wind up the Scheme must be approved by the Board.</p> <p>The MD commences the winding up with assistance from the RE's legal advisers and regularly reports to the Board.</p> <p>The Scheme Auditor audits the final accounts.</p>

Function	Risks	Procedures	Monitoring of procedure
		winding up in accordance with the requirements of the Corporations Act (if any); (c) have the final accounts of the Scheme audited; and (d) distribute the proceeds of realisation of the Scheme property in accordance with the Constitution and the Corporations Act.	

## 2.16 Risk management

Responsible Officer: CO and MD

Frequency of reporting: annually

Source of Obligation: section 912A(1)(h) Corporations Act, RG 259

Function	Risks	Procedures	Monitoring of procedure
The RE has adequate risk management systems in place.	Internal and external Scheme risks are not adequately identified, assessed and managed, potentially placing Investors' funds at risk.	A risk management system has been developed in accordance with ASIC's expectations in RG 259. A risk register has been created which: (a) identifies risks; (b) assesses the consequence and likelihood of the risk occurring; (c) rates the level of risks identified; (d) identifies controls to minimise the risk; (e) prioritises risks; and (f) assigns responsibility of the risk.	The CO reviews and reports to the MD on Scheme related risks annually. The CO annually reviews the risk management system to ensure it remains consistent with RG 259 and also annually confirm compliance with the risk reporting procedures and reports to the Board.

## 2.17 Removal or retirement of the RE

Responsible Officer: MD and CO

Frequency of reporting: as required

Source of obligation: division 2 and 3, part 5C.2 Corporations Act

Function	Risks	Procedures	Monitoring of procedure
The RE complies with the requirements of the Corporations Act, the Constitution and the Compliance Plan in the circumstances where the RE retires or is removed as the responsible entity.	The RE breaches the law and Investors' interests are placed at risk.	<p>The RE only retires as the responsible entity of the Scheme under circumstances permitted by the Corporations Act and the Constitution.</p> <p>Legal advice may be sought.</p> <p>Where the RE retires or is removed, the CO ensures that the RE:</p> <ul style="list-style-type: none"><li>(a) lodges the required notice with ASIC so that ASIC may give effect to the retirement; and</li><li>(b) as soon as practicable after retirement or removal, gives to the new responsible entity any records in the RE's possession or control as required under the Corporations Act.</li></ul> <p>Any replacement responsible entity must sign a deed by which it covenants to be bound by the Constitution as if it had originally been a party to it.</p>	The MD reports to the Board on the progress of the retirement or removal of the RE as responsible entity.

## 2.18 Compliance checking by ASIC

Responsible Officer: CO

Frequency of reporting: as required

Source of obligation: Section 601FF Corporations Act

Function	Risks	Procedures	Monitoring of procedure
The RE must take all reasonable	Breach of the Corporations Act.	Staff must be trained (including reception) on how to deal with ASIC officers.	The CO must report any adverse findings to the Board and the MD.

<b>Function</b>	<b>Risks</b>	<b>Procedures</b>	<b>Monitoring of procedure</b>
steps to assist ASIC with compliance checking.		<p>Any correspondence from ASIC must be immediately reported to the CO.</p> <p>The CO is responsible for notifying the Board and liaising with the relevant officers to gather the required information.</p>	The CO must provide information to ASIC as required and within the timeframe set.

## Part C - Scheme Compliance Controls

### 1 Summary of scheme compliance procedures

Compliance Rule	Function	Responsible Officer	Reporting frequency
C2.1	Income	CFO and CO	Monthly
C2.2	Fees and expenses	CFO and CO	Monthly
C2.3	Unit Pricing	CFO and CO	After each issue or redemption of units
C2.4	Applications (A), Distributions (D), and Withdrawals (W)	Registrar and CO (A), CFO and CO (D) MD and CFO (W)	Monthly and annually (A), Monthly/Quarterly/Annually (D) After each withdrawal offer (W)
C2.5	Safe keeping and segregation of Scheme property	CFO and CO	Monthly
C2.6	Transfer of units	CFO and CO	Monthly (for omissions) and annually (for reviews)
C2.7	Transmission of units	CFO and CO	Monthly (for omissions) and annually (for reviews)
C2.8	Investors register	Registrar and CO	Monthly and half yearly
C2.9	Meeting of Investors of the Scheme	Company Secretary and CO	As required
C2.10	Disaster Recovery, Cyber Resilience and Business Continuity	MD and CO	Annually
C2.11	Investment restrictions	MD, CFO and CO	Monthly or following a breach
C2.12	Promotion of Scheme and disclosure to Investors	MD, CFO and CO	Ongoing
C2.13	Documents of the Scheme	MD and CO	Monthly
C2.14	Valuation	MD and CO	At least monthly
C2.15	Lending	CO	As required

## 2 Scheme specific compliance controls

### 2.1 Income

Responsible Officer: CFO and CO

Frequency of Reporting: Monthly

Source of Obligation: RG 132.18

Function	Risks	Procedures	Monitoring of procedure
Collect and record all property and investment income due to the Scheme in accordance with the Constitution and Disclosure Document.	Not all income due to the Scheme is received.	All Scheme Income is paid directly into the Scheme operating account.  The investment management system provides for monthly reports including the production of statement of position and statement of performance representing the total financial position of each Investment and reconciliation of receipts against payments expected from the Investment.	The CFO's financial reports and reconciliation of budgeted monthly income to actual income received is reviewed by the CO.  Any exceptions identified by the CFO or CO are reported to the Board and the MD.

### 2.2 Fees and expenses

Responsible Officer: CFO and CO

Frequency of Reporting: Monthly

Source of Obligation: s601FC(1)(k) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Pay appropriate Scheme related expenses and fees payable to the RE.	Expenses and management fees paid are not valid or are overpaid or are not apportioned between the different asset classes.	The CFO must engage appropriately qualified and experienced persons to maintain the financial records of the Scheme.  All invoices received are reviewed by the CFO to ensure services or goods	The CO reviews monthly the CFO's calculation of the RE's fees paid, compliance with the procedures and reports any exceptions to the Board.  The Scheme Auditor reviews all Scheme expenses paid during the year as part of the annual audit and, where



Function	Risks	Procedures	Monitoring of procedure
		<p>were received and related to the Scheme.</p> <p>The fees and expenses of the RE must only be paid to the RE from money held in Scheme accounts where:</p> <p>(a) the relevant cheque or electronic funds transfer is authorised and/or signed by at least 2 authorised personnel one of which must be an executive Director; and</p> <p>(b) the CFO keeps the copy of the invoice and payment authorisations.</p> <p>The CFO must ensure that the expense incurred is reasonable, and maintain documents that support the fact that all expenses incurred are no greater than would have been incurred in any arm's length transaction.</p>	applicable, half yearly review.
Expense reimbursements are calculated and processed in accordance with the requirements of the Constitution, the Corporations Act and the most recent representations made to Investors.	The RE is reimbursed for expenses for which it should not have been reimbursed.	<p>Expenses for which the RE is entitled to be reimbursed from Scheme assets are set out in the Constitution and in the most recent representations made to Investors.</p> <p>The RE is only entitled to be reimbursed for such expenses where the expenses are incurred in the proper performance of the RE's duties in respect of the Scheme.</p>	<p>Expense reimbursements paid to the RE are subject to quarterly review by the CO. A report on any adverse findings is communicated to the CO who will prepare a breach report to be reviewed by the Board.</p> <p>The CFO reviews the monthly general ledger report detailing expense reimbursements paid to the RE to ensure payments are permitted by the Constitution and the most recent representation made to</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>Expense reimbursements are appropriately allocated and paid to the RE by the CFO.</p> <p>The CFO maintains records of all expense reimbursements. The CFO also maintains documentation that supports the fact that all expenses incurred are no greater than would have been incurred in any arms length transaction.</p>	Investors, and calculated and allocated appropriately.

### 2.3 Unit Pricing

Responsible Officer: CFO and CO

Frequency of Reporting: After each issue or redemption of units

Source of Obligation: RG 94; RG 134; ASIC Corporations (Managed investment product consideration) Instrument 2015/847; RG 132.173; Valuation and Unit Pricing Policy (**Valuation Policy**)

Function	Risks	Procedures	Monitoring of procedure
To ensure units are calculated and priced accurately in accordance with the Corporations Act, the Constitution, the PDS, the Scheme's Valuation Policy and any relevant ASIC relief applicable to the Scheme	Unit pricing errors occur or units are issued at prices that contravene the Corporations Act/Constitution /ASIC relief/Valuation Policy.	<p>The Constitution contains clear guidelines regarding the unit price at which units can be issued or redeemed. Units may only be issued or redeemed in accordance with the requirements of the Constitution, the Corporations Act, any applicable ASIC relief and Valuation Policy.</p> <p>The CFO is responsible for ensuring that, prior to any units being issued or redeemed:</p> <p>(a) the price at which units are to be issued or redeemed is calculated under the direction of the CFO, reviewed by the CO and approved by the Board; and</p>	<p>After units are issued or redeemed, the CO reports to the Board to confirm that the unit pricing procedures have been complied with.</p> <p>The Board reviews unit pricing procedures on an annual basis to ensure that unit pricing is being performed in a manner consistent with the requirements of the Constitution, the PDS, Corporations Act, ASIC relief and Valuation Policy.</p>

Function	Risks	Procedures	Monitoring of procedure
		(b) if the units are to be issued to a Related Party of the RE, legal advice is obtained which confirms that the issue complies with the Corporations Act.	

## 2.4 Applications, distributions and withdrawals

Responsible Officer: Registrar and CO (Applications); CO and CFO (Distributions) and CFO and MD (Withdrawals)

Frequency of Reporting: monthly and annually (Applications); monthly/quarterly/annually (Distributions), after each withdrawal offer (Withdrawals)

Source of Obligation: s1017E, s601GA(4), Part 5C.6, s1017F, s601FC(1)(k) of Corporations Act; Lending and Internal Controls Policy

Function	Risks	Procedures	Monitoring of procedure
Applications are processed in a timely manner and are invested in the correct Scheme at the correct price and in the manner specified in the Constitution and Disclosure Document. Application monies are dealt with in accordance with s1017E of the Corporations Act.	Application money not processed correctly. Incorrect number of units purchased, units in wrong Scheme are purchased. Funds are not dealt with correctly under s1017E and ASIC takes action or the Scheme Auditor qualifies audit report.	<b>Application Account</b> The RE is to maintain an Application Account for the Scheme that complies with s1017E of the Corporations Act. The CFO undertakes a bank reconciliation of the Application Account on at least a monthly basis or such frequency with which units are issued (or, if an offer is subject to a minimum subscription, upon the minimum subscription being achieved) and matches the application money received against the unit price and number of units to be issued in accordance with the Disclosure Document. <b>Application Forms</b> Applications for investment in the Scheme must only be accepted on the application form attached to the Disclosure Document of the Scheme (either in paper form or electronically). Application forms are checked by the staff of the RE for	CO undertakes a review of the bank reconciliation report for the Application Account on a monthly basis. CO undertakes an annual review to check that application form procedures and acknowledgement procedures are being complied with. The Scheme Auditor reviews the Application Account as part of its annual audit.

Function	Risks	Procedures	Monitoring of procedure
		<p>completeness, accuracy and relevancy. Missing, incomplete or incorrect application forms or cheques must be followed up with the applicant within two business days. If the application form is not corrected, completed or application money not received within 30 days after receipt of the original application, then the application form must be rejected and any application money received returned to the applicant (less any costs, expenses or taxes the RE is entitled to deduct).</p> <p><b>Banking of Application Monies</b></p> <p>Application Monies will be banked to the Application Account within one business day of receipt.</p> <p>Application money (less any costs, expenses or taxes the RE is entitled to deduct), must be refunded to unsuccessful applicants within 14 days after the RE has served notice of rejection.</p> <p><b>Minimum Subscription (if applicable)</b></p> <p>No money will be transferred from the Application Account except on reaching the minimum subscription for the applicable class in the Scheme as set out in the Disclosure Document.</p> <p>If the minimum subscription is not reached by the closing date for the applicable class in the Scheme, the Board must ensure all Application Monies are returned to the applicable class Investors within 10 days of the closing date.</p> <p>Once the minimum subscription has been reached (either by cleared funds or necessary binding legal documentation in circumstances where applications</p>	

Function	Risks	Procedures	Monitoring of procedure
		<p>are to be funded from settlement monies), the CO certifies to the Board that the minimum subscription has been reached.</p> <p><b>Acknowledgement</b></p> <p>An acknowledgment will be forwarded to each Investor within 14 days of the offer closing (if applicable) or upon the date of the issue of units detailing how many units the Investor has been allotted.</p> <p>Where the Scheme is Liquid, Investors have up to 14 days from the earlier of the following dates to change their mind and have their units redeemed and proceeds returned:</p> <ul style="list-style-type: none"> <li>(a) the date the RE acknowledges the transaction; and</li> <li>(b) five business days after units were issued to the Investor.<sup>21</sup></li> </ul>	
Distributions (capital and income) to Investors are calculated correctly and paid in a timely manner in accordance with the Constitution, Disclosure Document, Lending Internal Controls Policy and the terms of issue of the applicable class of units.	Distributions will be under or overpaid or not paid in accordance with the Constitution and the Lending and Internal Controls Policy.	<p>Distributions will be made monthly/quarterly/annually to Investors, either by bank transfer or such other means as the RE determines. The distributions must be made by the last business day of month/quarter/year following the end of each calendar month.</p> <p>Distribution dates are diarised by the CFO.</p> <p>Profit and loss statements, cashflow forecasts and distribution calculations are to be prepared by the CFO prior to a distribution being made and approved by the MD. Distributions will be made of available funds as</p>	<p>The MD reviews each proposed monthly/quarterly/annual distribution as prepared by the CFO prior to the distribution occurring.</p> <p>The distributions will be subject to audit by the Scheme Auditor as part of the statutory period end audit program.</p>

<sup>21</sup> section 1019B Corporations Act

Function	Risks	Procedures	Monitoring of procedure
		<p>demonstrated by these statements.</p> <p>Where a direct deposit for an Investor fails, the RE must, as soon as practicable, attempt to contact the Investor and request correct direct deposit information. If attempts to contact the Investor fail, the unclaimed distribution is held by the RE in a separate trust account pending either the funds being claimed by the Investor or its successors or assigns, or the funds being transferred to ASIC as unclaimed money.</p>	
<p>Withdrawals are processed in accordance with the requirements of the Constitution and the Corporations Act and the Lending and Internal Controls Policy.</p>	<p>Withdrawals are permitted at times when they should not be permitted, withdrawals are processed incorrectly or contrary to the requirements in the Constitution or the Lending and Internal Controls Policy.</p>	<p><b>Right of Investors to withdraw</b></p> <p>Where the Scheme is registered and not Liquid then Investors may only withdraw their units in the Scheme under an offer made by the RE under part 5C.6 Corporations Act.</p> <p>Where the Scheme is registered and Liquid then the withdrawal process is as set out in the Constitution and the Disclosure Document.</p> <p><b>Form of request</b></p> <p>The Board may prescribe from time to time a withdrawal request form, and if the Board has done so, the CO must ensure that the RE must make the form available to Investors.</p> <p><b>Accompanying evidence</b></p> <p>Any Investor who makes a request for withdrawal must also provide satisfactory evidence to the RE, of the Investor's entitlement or authority to deal with the Investor's units. The RE must act reasonably in determining what satisfactory evidence is.</p>	<p>The CFO checks and approves all withdrawals before payment.</p> <p>The CFO must report to the CO after the completion of each withdrawal offer on withdrawals made under that offer.</p>

Function	Risks	Procedures	Monitoring of procedure
		<p><b>Process of withdrawal</b></p> <p>The CFO manages the process of withdrawal.</p> <p>The RE must process withdrawals and pay redemption proceeds in accordance with the processes and timeframes prescribed in the Constitution and, where applicable, the Corporations Act.</p> <p>The CFO must monitor the processing of withdrawals to ensure the RE is complying with this provision.</p> <p><b>Calculation of entitlement</b></p> <p>An Investor's entitlement on a withdrawal, is the redemption price (as calculated in accordance with the Constitution) per unit redeemed less any fees and charges payable by the Investor to the RE.</p> <p>The CFO must supervise the calculation of the Investor's entitlement.</p>	

## 2.5 Safe keeping and segregation of Scheme property

Responsible Officer: CFO and CO

Frequency of Reporting: Quarterly

Source of Obligation: s601FC(1)(i) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
<p>Ensure Scheme property is:</p> <p>(c) Clearly identified as Scheme property; and</p> <p>(d) held separately</p>	<p>Scheme property is mixed with that of the RE or other schemes and cannot be separately identified.</p>	<p>All mortgages, charges or other securities are held in the name of the custodian or RE on trust for the Investors. Each Scheme asset is recorded in the Scheme asset register.</p> <p>The CFO is to ensure that separate files are established and maintained for each Scheme property.</p> <p>Policies and procedures are</p>	<p>CO confirms quarterly to Board that all Scheme monies have been banked into a Scheme bank account and all Scheme assets are held in the Scheme's name.</p> <p>The CO undertakes a quarterly random check of the segregation of Scheme property, and reports to the Board.</p> <p>The Scheme Auditor annually confirms that the Scheme funds</p>

Function	Risks	Procedures	Monitoring of procedure
y from property of the RE and property of any other scheme.		<p>reviewed by the CFO annually and after any relevant change to the law or industry standards to ensure procedures remain adequate.</p> <p>Transfers of funds from the Scheme's account are reconciled monthly by CFO to ensure that all relevant moneys are paid into the Scheme's account.</p> <p>All members of the Board have access to all account details for the management of Scheme property.</p> <p>The RE or solicitor or mortgagor holds property title and lease documents in safe custody.</p>	have been kept separate from other funds of the RE, that the correct amount of funds are in the Scheme account, the existence of assets, property title and lease documents.

## 2.6 Transfer of units

Responsible Officer: CFO and CO

Frequency of reporting: monthly (for omissions) and annually (for reviews)

Source of obligation: Constitution

Function	Risks	Procedures	Monitoring of procedure
Transfer of units in the Scheme in accordance with the Constitution.	<p>Transfers incorrectly processed.</p> <p>The register of Investors is inaccurate.</p>	<p>The CFO may prepare a form of transfer to be used by Investors wishing to transfer their units.</p> <p>The form of transfer must ensure that the transferee agrees to be bound by the provisions of the Constitution and any other relevant agreements.</p> <p>It is not the obligation of the RE to locate a purchaser of the Investors' units in the Scheme.</p> <p>The RE must not effect any transaction or dealing in units on behalf of an Investor unless:</p> <p>(c) the transfer of units is accompanied by a transfer of the Investor's units (stamped if applicable) together with any other</p>	<p>It is the responsibility of the CFO to monitor and supervise the transfer of units in the Scheme.</p> <p>The CO must review the transfer procedure at least annually to ensure it complies with the Constitution, Compliance Plan and the Corporations Act.</p> <p>The CFO confirms monthly compliance with the procedures and reports any exception to the CO.</p>



Function	Risks	Procedures	Monitoring of procedure
		<p>reasonable documentation required by the RE;</p> <p>(d) the Investor has paid or otherwise provided for, to the RE's satisfaction, all fees, duties, taxes, etc.; and</p> <p>(e) the RE is satisfied that the transfer is not contrary to any legislation or guidelines issued by or on behalf of the government or the Commonwealth of Australia on the ownership of assets by persons not being Australian persons.</p> <p>Every instrument of transfer of a unit which is registered must be retained by the RE for any period that the RE may decide or as required by the Constitution.</p> <p>The CFO must register a transfer of a unit within two months after the date on which it is received or refuse to register the transfer, and otherwise in accordance with the Constitution.</p> <p>The CFO may refuse to register a transfer without assigning a reason.</p>	

## 2.7 Transmission of units

Responsible Officer: CFO and CO

Frequency of reporting: monthly (for omissions) and annually (reviews)

Source of obligation: Constitution

Function	Risks	Procedures	Monitoring of procedure
Transmission of units in the Scheme in accordance with the Constitution.	Incorrectly recording ownership of units.	In the case of the death of an Investor, only the survivor (if joint ownership) or the executors or administrators are recognised by the RE as having title to, or an interest in, the units registered in the deceased Investor's name.	<p>It is the responsibility of the CFO to monitor and supervise the transmission of units in the Scheme.</p> <p>The CO must review the transmission procedure at least annually to ensure it complies with</p>

Function	Risks	Procedures	Monitoring of procedure
	The register of Investors is inaccurate.	<p>In the case of the death of an Investor then the RE may require:</p> <ul style="list-style-type: none"> <li>(a) a certified copy of the death certificate;</li> <li>(b) a certified copy of the will of the Investor (if any); and</li> <li>(c) depending upon the value of the units: <ul style="list-style-type: none"> <li>(i) if the Investor's units are less than \$20,000 then the RE may register the executor or administrator; or</li> <li>(ii) if the value of the units is in excess of \$20,000 the RE may require evidence of a grant of probate or letters of administration.</li> </ul> </li> </ul> <p>In the case of a joint holding of Investor's units, then the RE may require sufficient evidence or identification (e.g. drivers licence, passport, certified copy of birth certificate) of the survivor before recognising a transmission.</p> <p>Any person becoming entitled to any units as a consequence of death, incapacity or bankruptcy of an Investor may upon producing to the RE reasonable evidence:</p> <ul style="list-style-type: none"> <li>(a) of the capacity in which they propose to act; or</li> <li>(b) of their title to the units,</li> </ul> <p>be registered as the holder of the units and the RE may cancel the existing certificate for the units and issue a new certificate for the units in their name.</p>	<p>the Constitution, Compliance Plan and the Corporations Act.</p> <p>The CFO confirms monthly compliance with the procedures and reports any exception to the CO.</p>

## 2.8 Investors register

Responsible Officer: Registrar and CO

Frequency of reporting: monthly and half yearly

Source of obligation: section 168(1)(a) Corporations Act

Function	Risks	Procedures	Monitoring of procedure
A Register is to be kept which accurately represents the Investors who have a unit in the Scheme.	The register is incorrect or out of date.	<p>The Register may be written or in digital form, however if the Register is stored digitally, sufficient precautions must be taken to ensure:</p> <ul style="list-style-type: none"> <li>(a) the integrity of the information; and</li> <li>(b) protection of the information against disaster.</li> </ul> <p>Where a change in the details of an Investor is received by the RE, the Registrar must procure the amendment of the Register within two business days of receipt of the information by the RE.</p> <p>The information relating to an Investor may be expunged from the Register at any time during the seven years after a person ceases to hold any units.</p> <p>The Register must be open for inspection by Investors or representatives of Investors under the Constitution. Copies of those parts of the Register to which an Investor or other persons with a proper purpose are entitled are available on payment of the fee of not more than the amount prescribed by the Corporations Regulations.</p> <p>It is the responsibility of the Registrar to monitor and supervise the completion and accuracy of the Register and ensures the Register is up to</p>	<p>The Registrar confirms to the CO that the register is up to date on a monthly basis.</p> <p>CO must conduct half yearly reviews to ensure compliance with the procedures and report any exceptions to the Board.</p>

Function	Risks	Procedures	Monitoring of procedure
		date and backed-up on a daily basis.	

## 2.9 Meeting of Investors' of the Scheme

Responsible Officer: Company Secretary and CO

Frequency of reporting: as required.

Source of obligation: Corporations Act, Constitution.

Function	Risks	Procedures	Monitoring of procedure
Meeting of Investors must be conducted in accordance with the requirements of the Constitution and Corporations Act.	Meetings are conducted in contravention of the Corporations Act.	<p>A meeting of Investors may be called in accordance with the requirements of the Corporations Act and Constitution.</p> <p>A meeting of Investors must be held at a reasonable time and place.</p> <p>The RE may hold a meeting of Investors at two or more venues using any technology that gives the Investors as a whole a reasonable opportunity to participate in the meeting.</p> <p>A quorum for a meeting of Investors is two Investors or as otherwise specified in the Constitution.</p> <p>A Director chairs any meeting of Investors.</p> <p>The Scheme Auditor and the Auditor are entitled to attend any meeting, to be heard and to answer the queries of Investors.</p> <p>The Company Secretary must maintain and ensure that minutes of meetings are signed as soon as practicable after meeting by the chairman of the meeting or the chairman of the next meeting. The Company Secretary must keep the minute books at the registered office of the RE, or its principal place of</p>	<p>The Company Secretary, in conjunction with the chairman of the Board, is responsible for calling and coordinating meetings.</p> <p>The CO must review compliance with the procedures each time a meeting is held and report any exceptions to the Board.</p>

Function	Risks	Procedures	Monitoring of procedure
		business in Australia or any other places approved by ASIC.	

## 2.10 Disaster Recovery, Cyber Resilience and Business Continuity

Responsible Officer: MD and CO

Frequency of Reporting: Annually

Source of Obligation: RG 132.130

Function	Risks	Procedures	Monitoring of procedure
Ensure Scheme has an appropriate Disaster Recovery Plan in place.	Disaster Recovery Plan is not appropriate and important Scheme data is lost due to the occurrence of a disaster, computer system failure or cyber attack.	<p>A Disaster Recovery Plan has been established for the Scheme for the information systems components of critical business processes relating to the Scheme to minimise the impact to the Scheme and for investors in the event of a disaster, computer system failure or cyber attack.</p> <p>The Disaster Recovery Plan contains, among other things, details of contacts lists of key staff members, back up systems and processes, and the frequency of testing and review (including regular cyber resilience health checks, testing of IT systems).</p> <p>The CO is responsible for ensuring that:</p> <ul style="list-style-type: none"> <li>(a) Monitor at least one a year current industry and international guidance and update policies and procedures to reflect any changes;</li> <li>(b) the Disaster Recovery Plan is reviewed and tested at least once every year; and</li> <li>(c) as part of the planning for business continuity, essential data and records are stored off site in a secure manner.</li> </ul>	The CO prepares an annual report on the adequacy of the Disaster Recovery Plan including the information systems of critical business processes and presents to the Board.

Function	Risks	Procedures	Monitoring of procedure
Where deemed necessary by the RE, External Service Providers maintain Disaster Recovery Procedures, which are tested regularly.	A disaster, computer system failure or cyber attack takes place and the External Service Provider is not prepared. External Service Provider cannot service the Scheme for an extended period of time. Client dissatisfaction. Critical records are lost.	Where deemed necessary by the RE, External Service Providers are obliged under the relevant service provider agreements to have in place an appropriate Disaster Recovery Plan and to ensure this is tested at least once every year.	Where deemed necessary by the RE, External Service Providers' Disaster Recovery Plans and their testing are reviewed by MD as part of the annual External Service Provider monitoring program under Compliance Rule B2.1

## 2.11 Investment restrictions

Responsible Officer: MD, CFO and CO

Frequency of Reporting: monthly or following a breach

Source of Obligation: sections 601GA(1)(b) and 601GA(3) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Ensure that the RE complies with its investment strategy.	<p>If the investment strategy is not followed:</p> <p>(a) exposure of Investors to increased risk of loss; and</p> <p>(b) the Disclosure Document becomes misleading to Investors.</p>	<p>The investment strategy for the Scheme is to be developed by the MD and approved by the Board. The RE may appoint appropriately qualified and experienced investment managers to give advice on and effect to the investment strategy. The investment strategy and performance of the appointed investment managers, must be reviewed at least monthly by the CO and any recommendation for change submitted to the Board for approval.</p> <p>The CO must record and report any breaches of the investment management agreement (if any) or the investment strategy to the Board who must decide what (if</p>	<p>The CFO must monitor all Investments on a monthly basis in order to ensure the investments are made under the investment strategy.</p> <p>The CO, on a monthly basis, reviews the Investment reports given to the CO by the CFO in order to decide if the Investments comply with the investment strategy.</p> <p>The CO must immediately report all breaches of the investment strategy.</p> <p>Investment mandates stipulated in the investment strategy must be reviewed by the MD at least monthly.</p>

Function	Risks	Procedures	Monitoring of procedure
		any) corrective action should be taken.	The CO monthly reviews compliance with these procedures and reports to the Board.
Borrowings are made in accordance with the Constitution	Unauthorised borrowings are taken out.	Any borrowings to be undertaken by the Scheme must be approved by the Board with reference to the Constitution.	CO performs periodic reviews of outstanding loans to ensure Board approval has been obtained.
The risks associated with the Investment have been managed in accordance with the Constitution and the Disclosure Document.	The risks are managed inappropriately, causing loss to Investors.	<p>The MD is responsible for managing the Scheme assets having regard to the risks to which the Scheme is exposed.</p> <p>The MD monitors risk management on a macro-economic scale by ongoing monitoring of:</p> <ul style="list-style-type: none"> <li>(a) interest rate forecasts;</li> <li>(b) national and global economic trends;</li> <li>(c) government policy and its impact on Investments; and</li> <li>(d) any other risks identified by the MD.</li> </ul>	<p>The MD reports monthly to the CO on any new risks or changes to risks faced by the Scheme.</p> <p>The MD reviews on an annual basis and assesses:</p> <ul style="list-style-type: none"> <li>(a) demographic influences;</li> <li>(b) changing retail patterns;</li> <li>(c) impact of technology changes;</li> <li>(d) any other matters he or she considers appropriate.</li> </ul>

## 2.12 Promotion of Scheme and disclosure to Investors

Responsible Officer: MD, CFO and CO

Frequency of Reporting: Ongoing

Source of Obligation: part 1.2A, chapter 2M, division 2 of part 7.7, part 7.9 Corporations Act and RG 234, RG 198 and RG 45

Function	Risks	Procedures	Monitoring of procedure
<p>Disclosure Document and advertising material must comply with the Corporations Act.</p> <p>Statements in advertisements and</p>	<p>Disclosure Document or advertising material is misleading to Investors.</p> <p>Action by Investors to</p>	<p><b>Disclosure Document</b></p> <p>Any Disclosure Document is to be prepared in accordance with a due diligence program that facilitates stakeholder review and verification of the Disclosure Document so that reasonable steps are taken to</p>	<p><b>Disclosure Document:</b></p> <p>CO checks appropriate sign-offs have been obtained and adequate due diligence undertaken in accordance with the due diligence program prior to release of Disclosure Document.</p>

Function	Risks	Procedures	Monitoring of procedure
promotional material should be consistent with corresponding disclosures in the PDS.	<p>recover any losses suffered.</p> <p>Disclosure Document is subject to ASIC regulatory action.</p> <p>Forecasts in Disclosure Document (if any) do not have a reasonable basis.</p> <p>Advertisements may be misleading if it quotes a statement from the PDS out of context resulting in the possibility of making false or misleading statements or engaging in misleading or deceptive conduct.</p>	<p>ensure Disclosure Document contains all required information and does not contain any misleading or incorrect statements.</p> <p>CO to ensure Board review and sign off on each Disclosure Document.</p> <p>Legal sign-off may be sought on a Disclosure Document where appropriate.</p> <p>CO, MD and solicitors (where appropriate) to liaise with ASIC where required regarding Disclosure Document and submit any required notices within time periods required by the Corporations Act or ASIC.</p> <p><b>Advertising Material:</b></p> <p>All advertising material is prepared and authorised by the CO. CO to ensure all advertising material meets the required standards set out in RG 234.</p> <p>Legal advice may be sought where appropriate.</p>	<p>Legal sign-off (if obtained) must confirm the PDS meets the requirements of the Corporations Act.</p> <p><b>Advertising Material:</b></p> <p>CO reviews advertising register every quarter to check appropriate approval was obtained for advertisements.</p>
RE complies with Continuous Disclosure Obligations under the Corporations Act (if applicable)	RE does not comply with Continuous Disclosure Obligations and ASIC takes action against the RE.	<p>The RE has a procedure for preparing, authorising and issuing announcements in relation to any matter that is to be disclosed under the Continuous Disclosure Obligations.</p> <p>The CO has responsibility for ensuring all Staff are made aware of this procedure.</p> <p>The MD has primary responsibility for monitoring the Scheme and making</p>	<p>The CO is to record in the training register what Staff have undergone training on the RE's Continuous Disclosure Obligations and report quarterly to the Board.</p> <p>The CO is responsible for obtaining an annual report from the MD on whether the Scheme has complied with its Continuous Disclosure Obligations.</p>



Function	Risks	Procedures	Monitoring of procedure
		continuous disclosure where required.	
The requirements for periodic reporting to Investors are complied with.	RE does not comply with periodic reporting requirements and is subject to action by ASIC or claims for compensation from Investors who suffer loss as a result.	<p>The CFO is responsible for recording the deadlines for:</p> <ul style="list-style-type: none"> <li>(a) lodgement and dispatch of annual report and lodgement of and half yearly financial reports and annual reports;</li> <li>(b) other communications with Investors required by the Corporations Act, Constitution,</li> </ul> <p>and for providing details of those deadlines to the CO.</p> <p>The CO is responsible for ensuring that the deadlines provided by the CFO are met.</p> <p>Periodic statements are to be prepared under section 1017D Corporations Act. The CFO must ensure periodic statements contain all required information and do not contain any misleading or incorrect statements.</p>	The CO is required to report on a half yearly basis to the Board regarding the RE's compliance with its periodic reporting requirements.
The requirements for periodic reporting to ASIC are complied with.	RE does not comply with periodic reporting requirements and is subject to action or penalties by ASIC or claims for compensation by Investors who suffer loss as a result.	<p>The CFO is responsible for recording the deadlines for:</p> <ul style="list-style-type: none"> <li>(a) lodgement of annual and half yearly financial reports and annual reports;</li> <li>(b) lodgement of audit report on Scheme, Compliance Plan and AFSL;</li> <li>(c) other communications with ASIC required by the Corporations Act,</li> </ul> <p>and for providing details of those deadlines to the CO.</p>	The CO is required to report on a half yearly basis to the Board regarding the RE's compliance with its periodic reporting requirements.

Function	Risks	Procedures	Monitoring of procedure
		The CO is responsible for ensuring that the deadlines provided by the CFO are met.	

### 2.13 Documents of the Scheme

Responsible Officer: MD and CO

Frequency of reporting: monthly

Source of obligation: section 912F and section 601EC Corporations Act

Function	Risks	Procedures	Monitoring of procedure
The RE must ensure that documents relating to the Scheme include the RE's AFSL number. All documents lodged with ASIC must contain the ARSN with all other relevant documents maintained or destroyed in accordance with the Corporations Act.	Non compliance is a breach of the Corporations Act.	All standard business documents (e.g. letterhead, with compliments slips and templates) must be approved by the CO. The MD, another Director or their delegate reviews information for distribution to Investors before it is dispatched to Investors. All documents for lodgement at ASIC must be signed and checked by the MD or at least one Director.	CO to monthly review compliance.

### 2.14 Valuation

Responsible Officer: MD and CO

Frequency of Reporting: As and when valuation required

Source of Obligation: s601FC(1)(j) and 601HA(1)(c) Corporations Act, Constitution and RG 132.72

Function	Risks	Procedures	Monitoring of procedure
Scheme property will be regularly	Scheme assets are not valued regularly and	The MD must ensure the value of Scheme assets is determined at least annually or more frequently	MD is to advise the CO of the value of Scheme assets when determined, and of any significant

Function	Risks	Procedures	Monitoring of procedure
valued in accordance with the Corporations Act, Constitution, PDS and accounting standards.	the asset values in the Scheme's accounts are misstated or insurance cover of the assets becomes inadequate.	when required by the Corporations Act, Constitution or accounting standards or as stated in the PDS or where the RE believes there has been a material change and that the determined value of a Scheme asset is independently verifiable where possible.	or unexpected fluctuations in the value of Scheme assets, and the CO will review this information and include the value of the Scheme assets and any significant or unexpected fluctuations in the next report to the Board.  The Scheme Auditor will verify that the revised values are reflected in the Scheme's records and financial statements.

## 2.15 Lending

Responsible Officer: CO

Frequency of reporting: as required

Source of obligation: Lending and Internal Controls Policy

Function	Risks	Procedures	Monitoring of procedure
Loans provided by the Scheme are made in accordance with the Disclosure Document and the Lending and Internal Controls Policy	Unauthorised borrowing and breach of the Lending and Internal Controls Policy	<p>Any loans to be provided by the Scheme must be approved by the Board with reference to the Disclosure Document and the Lending and Internal Controls Policy.</p> <p>The Board is to be provided with a loan investment analysis that includes information in the Lending and Internal Control Policy.</p> <p>The CO is responsible for checking that:</p> <p>(d) a loan investment analysis is carried out in accordance with the Lending and Internal Controls Policy; and</p> <p>(e) the Board is provided with all the required information under the Lending and Internal Controls Policy in order to approve the loan investment.</p>	<p>In order for the Board to provide approval of a loan by the Scheme, the CO must provide to the Board:</p> <p>(a) a copy of the Loan Investment Analysis which includes all required information under the Lending and Internal Policy; and</p> <p>(b) a certificate advising all requirements under Lending and Internal Controls Policy has been met and provide a copy all relevant documentation including the following:</p> <p>(i) a signed general security agreement over the borrower in favour of the Scheme;</p> <p>(ii) copy of the expression of interest from the secured</p>

Function	Risks	Procedures	Monitoring of procedure
			<p>funder to provide property finance;</p> <p>(iii) Confirmation from a third party on the status of the development approvals;</p> <p>(iv) independent valuation;</p> <p>(v) project feasibility showing the ability for the repayment of the Loan Agreement, charged to be levied on the revenue of the borrower, and sufficient cashflow to repay all debts and related charges; and</p> <p>(vi) confirmation that the loan funds to the borrower are kept in the relevant bank account.</p> <p>(c) Then prior to the Loan Drawn Down, the CO is to provide the Board:</p> <p>(i) updated project feasibility;</p> <p>(ii) updated projected profit and cash flow; and</p> <p>(iii) confirmation that the funds required to pay the drawdown are held in a relevant bank account.</p> <p>The CO is to ensure the required documents are kept on file and made available to the Board.</p> <p>The CO is to provide a monthly report to the Board on the status of the loan investment and whether there is any default by</p>

Function	Risks	Procedures	Monitoring of procedure
			the borrower and advise whether any enforcement proceedings or another action is required to be undertaken for the default or arrears.

## Annexure A

### Glossary

<b>AFSL</b>	means an Australian Financial Services Licence granted to the RE by ASIC authorising the RE to provide various financial services.
<b>AFSL Auditor</b>	means the registered company auditor appointed by the RE under part 7.6 Corporations Act to audit the AFSL.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASIC relief</b>	means any declaration or modification made or exemption granted by ASIC at any time and continuing in force and applicable to the Scheme.
<b>Auditor</b>	means the auditor appointed by the RE to perform the role set out in Part A clause 7 of this Compliance Plan.
<b>Board</b>	means the board of Directors of the RE.
<b>CFO</b>	means Chief Financial Officer of the RE or equivalent appointment from time to time.
<b>CO</b>	means the Compliance Officer appointed by the RE from time to time.
<b>Compliance Committee</b>	Means, if applicable, the Compliance Committee of the Scheme established under section 601JA Corporations Act.
<b>Compliance Plan</b>	means this compliance plan as it applies from time to time in relation to the Scheme.
<b>Compliance Rule</b>	means each of the compliance tasks listed in section B and section C of this Compliance Plan.
<b>Constitution</b>	means the constitution of the Scheme as amended from time to time.
<b>Continuous Disclosure Obligations</b>	means any applicable continuous disclosure or notification of material changes and significant events obligations under the Corporations Act in relation to the Scheme.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Director</b>	means a director of the RE.
<b>Disaster Recovery Plan</b>	means the recovery plan which outlines the process and procedures to prevent and recover from any incident which may lead to a loss of data relating to the Scheme.
<b>Disclosure Document</b>	means an offer document relating to issue of units in the Scheme.
<b>Dispute Resolution Officer</b>	means the officer nominated under the Internal Dispute Resolution Procedural Program.
<b>External Director</b>	has the meaning given to that term in section 601JA of the Corporations Act.

<b>External Service Providers</b>	means: (a) Registrars; (b) Managing Agents; and (c) other persons, providing major services as agent or delegate for the RE in relation to the Scheme from time to time.
<b>FSG</b>	has the meaning given to that term in section 942B Corporations Act.
<b>Internal Dispute Resolution Procedural Program</b>	means the Internal Dispute Resolution Procedural Program of the RE.
<b>Investment</b>	means any investment made by the RE on behalf of the Scheme.
<b>Investor</b>	means a member of the Scheme.
<b>Investor Relations Manager</b>	means the person appointed to that position by the RE.
<b>MD</b>	means Managing Director of the RE or equivalent appointment from time to time.
<b>Organisational Structure</b>	means the structure of the RE which for the time being is set out in Annexure B.
<b>Property</b>	means the property described, identified or referred to in the Disclosure Document
<b>PDS</b>	means a product disclosure statement relating to the Scheme as may be supplemented from time to time.
<b>Registrar</b>	means either the external registrar or Company Secretary of the RE from time to time.
<b>Related Party</b>	in relation to the RE, has the meaning given to that term in section 228 of the Corporations Act.
<b>RE</b>	means the responsible entity of the Scheme, which is for the time being is CFMG Equity and Income Funds Limited ACN 112 753 876, holder of AFSL 291390.
<b>Responsible Manager</b>	means a Staff member or any other person appointed by the RE to act as a Responsible Manager for the RE for the purposes of the RE's AFSL.
<b>Responsible Officer</b>	means a Staff member of the RE or any other person who is given responsibility for ensuring compliance with a Compliance Rule.
<b>Scheme</b>	means the managed investment scheme to which this Compliance Plan applies, known for the time being as the CFMG Monthly Income Fund ARSN 602 609 638.
<b>Scheme Auditor</b>	means the registered company auditor appointed by the RE to review the financial accounts of the Scheme in accordance with chapter 2M Corporations Act.

<b>Staff</b>	means persons employed by the RE or any of its related bodies corporate, whose services are directly provided to the RE in relation to its operations with respect to the Scheme.
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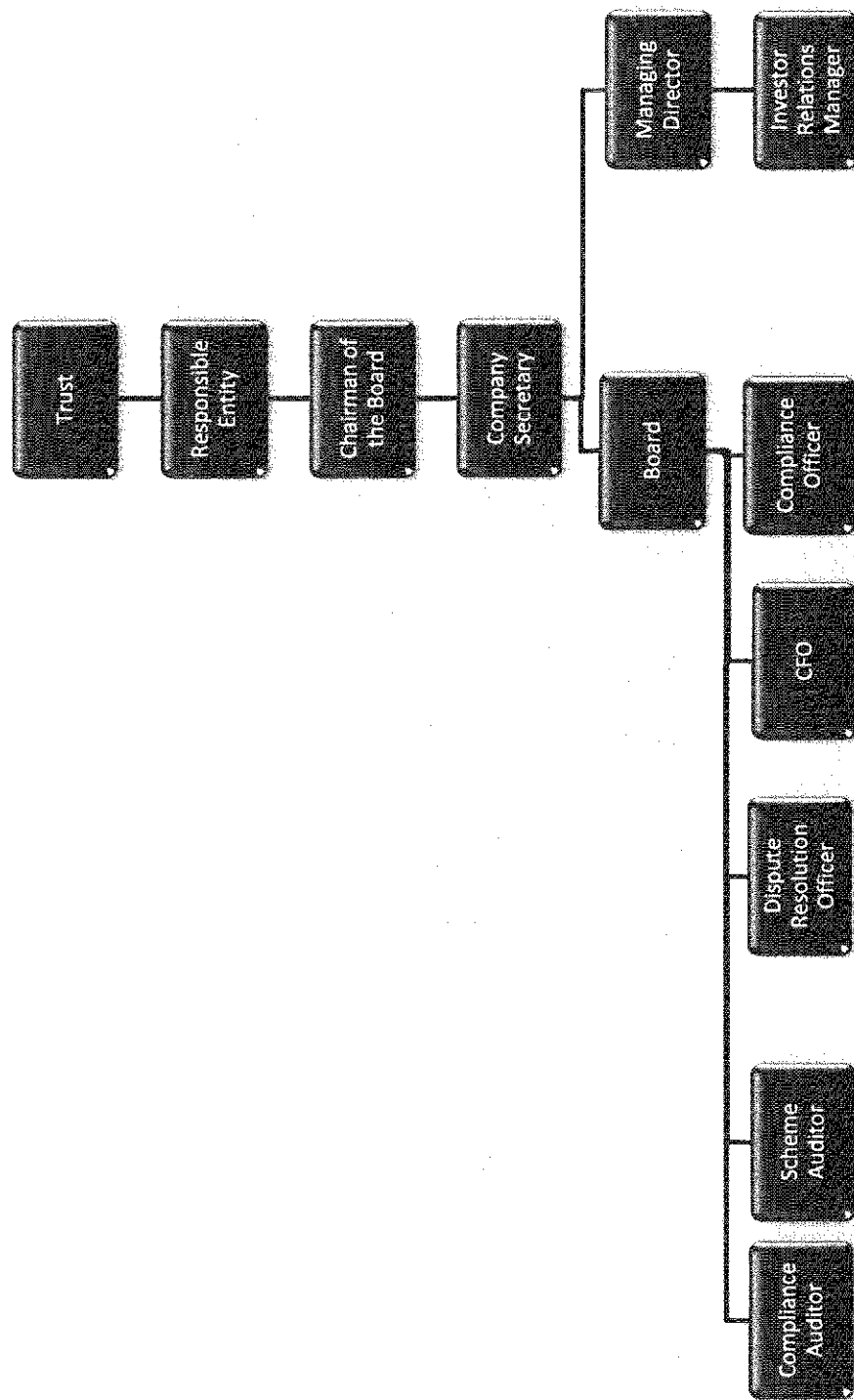
Titles used in this Compliance Plan may from time to time differ from the titles of the relevant Staff. The RE will designate internally which Staff holds the appropriate role and responsibility as provided in this Compliance Plan.

Unless otherwise specified, other terms used but not defined have the meanings given to those terms by the Corporations Act.



## Annexure B

Organisational structure chart



## Annexure C

### Pro forma CO meeting agenda

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- 1 Apologies;
- 2 Minutes from previous meeting;
- 3 Action Items from previous meeting;
- 4 CO's Report including:
  - (a) Significant Events during the quarter
  - (b) AFSL Conditions Checklist [Includes NTA and Cashflow solvency report]
  - (c) Compliance Plan Registers [Includes Breach and Complaints Registers]
  - (d) Compliance Plan Checklists by Responsible Officers
  - (e) Correspondence with ASIC
  - (f) External Services Provider reports
  - (g) Proposed amendments to the Compliance Plan, procedures or agreements;
  - (h) Other Matters
- 5 Compliance Obligations;
- 6 Meeting Dates;
- 7 General.