



COMPLIANCE PLAN

AUSTRALIAN PROPERTY GROWTH TRUST ARSN 109 093 816

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1 Description of the Scheme

The Scheme is a direct real property managed investment scheme established by deed and registered with the Australian Securities and Investments Commission.

The Scheme will identify real properties and authorised investment opportunities in accordance with its Constitution and Disclosure Document. Potential Investors will be asked to submit applications to the RE along with their investment money to subscribe for units, pursuant to a Disclosure Document. The promotion and sale of interests in the Scheme will be by way of a Disclosure Document and related marketing material.

APGF Management Limited is the RE of the Scheme. The RE is wholly responsible for the operations and well being of the Scheme and must act in the best interest of the Investors.

The RE may outsource any function it wishes to but it cannot delegate its responsibilities to the Scheme and remains at all times responsible for the actions of any entity to whom it may outsource its functions. Outsourcing arrangements are documented in External Service Provider agreements. The RE will act as self-custodian of Scheme assets in accordance with conditions of its AFSL. Where the RE does not satisfy the AFSL requirements to hold Scheme Assets or chooses not to hold certain assets, the RE may appoint a related custodian or an external custodian.

2 Compliance Plan

2.1 Purpose of this Compliance Plan

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:

- (a) Corporations Act;
- (b) Scheme Constitution;
- (c) industry standards relevant to the Scheme;
- (d) internal organisational standards and culture; and
- (e) any Disclosure Documents.

This Compliance Plan is a 'how to' document, providing detail on:

- (f) the obligations which must be met by the RE;
- (g) what measures or procedures are in place to comply with these obligations;
- (h) how compliance with those measures and procedures will be monitored; and

- (i) how those measures are updated.

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.

This Compliance Plan must be integrated into the operations of the Scheme and its use is not optional.

The organisation wants to achieve a compliance culture where Staff own compliance, and immediately report and address breaches as far as practicable. We want our Staff to not only do the right thing, but know how to do it. Failure to report a breach 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.

2.2 How to read this Compliance Plan

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.

Sections that are considered essential reading, in addition to the specific Compliance Rules relevant to the user are:

- (a) 1 Description of the Scheme.
- (b) 2.1 Purpose of this Compliance Plan.
- (c) 3.2 The Committee.
- (d) 3.3 The Compliance Officer.
- (e) 3.4 Duties of Responsible Officers and Staff Members
- (f) 3.5 Role of the Audit.
- (g) Annexure A Glossary.
- (h) Annexure B Organisational structure chart.

2.3 Recognising that detail may be elsewhere

The Board, the Committee, Responsible Officers or the CO may recommend any form of policy, 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, the Committee, Responsible Officers or the CO.

Those policies, controls, structures or procedures are not and do not become, by such approval or otherwise part of this Compliance Plan.

3 The Compliance framework

3.1 Overview of Compliance framework

The RE has in place a detailed framework to identify, control, report and manage compliance and business obligations, and ensure that the interests of Investors of the Scheme are protected. The framework includes:

- (a) this Compliance Plan;
- (b) detailed policies, controls, structures and procedures available to all Staff;
- (c) Committee and Board reporting;
- (d) Staff training;
- (e) External Service Provider agreements;
- (f) compliance registers maintained by the Compliance Officer; and
- (g) compliance checklists completed by staff as required.

You should refer to the organisational structure chart in annexure B when reading this Compliance Plan.

It should be noted that where the provisions require the AO role to authorise or approve any transaction or report, a different AO must prepare the relevant documentation or report.

Where relevant the Managing Director will provide all certification to the Compliance Committee directly.

The Compliance Plan and compliance framework has been prepared with AS3806-2006 as a benchmark.

3.2 The Committee

Functions

To the extent that the Corporations Act and ASIC policy requires, the functions of the Committee, are to:

- (a) monitor to what extent the RE complies with the Compliance Plan and report its findings to the Board at such times it considers necessary or desirable;
- (b) assess at regular intervals (determined by the Committee) whether the Compliance Plan is adequate and up to date;

- (c) report on the adequacy of and make recommendations to the Board about amendments to the Compliance Plan at such times as it considers necessary or desirable;
- (d) report to the Board any known breach of the Corporations Act involving the Scheme, or any breach of the provisions included in the Constitution of which the Committee becomes aware of, or suspects;
- (e) report to ASIC any breach of which it becomes aware or suspects and has reported to the Board if the Committee is of the view that the Board has not taken, or does not propose to take, appropriate action; and
- (f) do such other things as the Corporations Act requires.

Membership

The Board is responsible for the appointment of the Committee Members. There must be at least three Committee Members at all times, and the majority of them must be External Members.

The CO will be the secretary of the Committee and can be a member of the Committee if appointed by the Board.

Replacement

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

- (g) there would be less than three Committee Members; or
- (h) 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 Committee unless he or she consents to the appointment.

Removal

The Board may remove a Committee Member by giving one month's notice to that Committee Member.

Retirement

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

Alternates

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

Delegating functions

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

Duties of Committee Members

To the extent that the Corporations Act and ASIC policy require, the Committee Members must:

- (a) act honestly;
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the Committee Member's position;
- (c) not make use of information acquired through being a Committee Member to either gain an improper advantage for the Committee Member or another person or cause detriment to Investors;
- (d) not make improper use of their position as a Committee Member to gain (directly or indirectly) an advantage for themselves or for any other person or cause detriment to the Investors; and
- (e) do such other things as the Corporations Act requires them to do, and not do such things it prohibits them from doing.

Chair

The Board may appoint a chair for the Committee meeting indefinitely or for a term, and terminate that appointment at any time. If no chair is so appointed or the chair is not present at a meeting, the Committee Members present may elect a chair for the meeting. The chair must be an External Member.

Adjournment

The chair has power to adjourn a meeting for any reason to such place and time as he/she thinks fit.

Attendees

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

Quorum

The quorum for a meeting of Committee Members is two members, as long as at least one of them is an External Member. If a quorum is not present within 15 minutes after the time set for the meeting, the meeting is adjourned to such place and time as the Committee Members present decide. They must tell the other Committee Members of the time and place.

At any adjourned meeting, those Committee Members present will constitute a quorum.

Minutes, reports and recommendations

The chair must ensure that minutes of Committee meetings and Records of its reports and recommendations are kept and a copy signed by the chair is taken to be a true record.

The Committee shall regularly report to the Board on any recommendations or findings in respect to discharging their functions as outlined in clause 3.2

The minutes, reports and recommendations, must be made available to Committee Members, the Directors, the Scheme auditor and the Compliance Plan auditor.

Meeting frequency

The Committee must meet at least four times a year.

Meeting method

The Committee meetings may be held using any technology agreed by all the Committee Members, for example, Internet relay chat or video or voice conference. The Committee may make recommendations without a Committee meeting being held if all the Committee Members sign a document containing a statement that they are in favour of the recommendation set out in the document.

Separate copies of a document may be used for signing by Committee Members if the wording of the resolution and statement is identical in each copy. The recommendation is made by the Committee when the last Committee Member signs the document.

Convening meetings

Any Committee Member may convene a meeting of the Committee on five business days notice or such shorter time as the other Committee Members agree. If a Committee Member does not receive notice (including if notice was accidentally omitted to be given to them) the meeting is not invalidated.

Voting on issues

Voting at a meeting of Committee Members is by simple majority. No objection may be made to any vote cast unless the objection is made at the meeting.

Disclosure of interests

A Committee Member must disclose to the next meeting of the Committee after he/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 in relation to the consideration of the matter; and
- (b) such other things (if any) as the Corporations Act requires, and the disclosure must be recorded in the minutes.

Indemnification of members

Subject to the Corporations Act¹, the RE may agree that a Committee Member is to be indemnified by the RE (itself or through a related entity).

Insurance of members

Subject to the Corporations Act², the RE or a related body corporate (directly or through a related entity) will pay or agree to pay a premium in respect of a contract of insurance insuring a Committee Member.

Remuneration of members

The Committee Members are entitled to such remuneration as the Board determines from time to time.

Resources

The 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.

Terminating the Committee

The Board may advise the Committee in writing that the Committee is no longer appointed to act for the Scheme if the Corporations Act does not require a Committee for the Scheme.

The Committee for the Scheme ceases to be appointed for the Scheme on completion of the winding up of the Scheme.

Access to Records and information

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 Committee must ensure that (as soon as it is aware of the direction) the information is provided as soon as practicable.

The Committee is entitled to have access to the accounting Records of the Scheme, the Scheme auditor and Compliance Plan Auditor and to any information that is relevant to assessing the RE's compliance with the Corporations Act.

¹ The Corporations Act limits the RE's indemnification of compliance committee members – see s 601JF

² The Corporations Act limits the RE's payment of insurance premiums for compliance committee members – see s601JG

Advising of changes to the Compliance Plan

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

Form of reports

The Committee may determine the form of any report from a relevant Responsible Officer or Staff Member concerning his or her relevant functions as identified in this Compliance Plan. A report need not be in writing.

Advice

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

3.3 The Compliance Officer

Overview of the role

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.

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, sample testing procedures outlined in the specific Compliance Rules, providing or facilitating training, reporting on compliance matters, including breaches, to the Committee and acting on recommendations of the Committee. Matters can be escalated to the Board or ASIC if necessary.

Qualifications, reporting line, frequency and format of reporting

The CO must have appropriate experience in the industry and report directly to the Committee quarterly or more frequently as required.

3.4 Duties of a Responsible Officer and Staff Member of the RE

To the extent that the Corporation Act and ASIC policy require officers and employees of the RE must:

- (a) act honestly;
- (b) exercise the degree of care and diligence that a reasonable person would exercise in their position;
- (c) always act in the best interests of the Investors and, if there is a conflict between the Investors' interests and the interests of the responsible entity, give priority to the Investors interests;

- (d) must not make use of information acquired through their duties in order to gain an improper advantage for themselves or another person, or cause detriment to the Investors of the scheme; and
- (e) must not make improper use of their position to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to the Investors of the scheme and take all steps that a reasonable person would take, if they were in the officer's and an employee's position.

3.5 Role of audit

The role of the Auditor³ is to annually:

- (a) examine the Compliance Plan;
- (b) carry out an audit of compliance with the Compliance Plan; and
- (c) submit a report to the Board as to whether, in the Auditor's opinion, the RE has complied with the Compliance Plan throughout the period and if the Compliance Plan continues to comply with the requirements of Part 5C.4 of the Corporations Act.

3.6 Reviewing and amending the Compliance Plan

To ensure the Compliance Plan continues to provide an adequate compliance framework for protection of Investors, the Committee will report to the Board at least annually on the continued adequacy of the Compliance Plan.

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 Committee in the CO's quarterly report to the Committee.

The auditor of the Compliance Plan may also include any recommendation for amendments to the Compliance Plan or the procedures of the RE.

Subject to the Corporations Act, the RE can amend or replace this Compliance Plan. The Committee can recommend changes of the Compliance Plan to the RE. Only the RE can modify the Compliance Plan⁴. The Board must sign any amendments to or replacement of the Compliance Plan. The CO is responsible for submitting the amendment or replacement Compliance Plan to ASIC and ensuring all Responsible Officers and Committee Members receive notification of the change and an updated copy of the Compliance Plan.

³ Appointed in accordance with section 601HG of the Corporations Act

⁴ Section 601HE of the Corporations Act

3.7 Summary of compliance procedures

Compliance Rule	Function	Responsible Officer	Reporting frequency
4.1	Income	AO/CO/MD	Monthly
4.2	Fees and expenses	AO/CO	Monthly
4.3	Applications, Distributions, Withdrawals	Registrar/AO/MD AO AO/CO/MD	Quarterly/Annually, After each Distribution After each Withdrawal offer
4.4	Safe keeping and segregation of Scheme property	AO/CO	Monthly/Quarterly
4.5	External Service Providers	AO/CO	Quarterly (Compliance Reports) / Annually (reviews)
4.6	Record keeping and Reporting	AO/CO	Half Yearly/Annually
4.7	Disaster Recovery	CO/AO	Annually
4.8	Valuation	AO/CO	As and when valuation required
4.9	Investment restrictions	AO/CO	On acquisition and Half Yearly
4.10	Insurance	AO/CO	On acquisition and Annually
4.11	Promotion of Scheme and disclosure to Investors	AO/CO	Ongoing
4.12	Training and recruitment	CO/MD	Monthly/Quarterly/Annually
4.13	Monitoring AFSL and authorised representatives	AO/CO	Quarterly
4.14	Related Party issues	AO/CO/MD	Annually or as required
4.15	Conflict of interest management	AO/CO	Quarterly/Annually
4.16	Complaints	AO/CO	Monthly
4.17	Compliance with Listing Rules	AO/CO	Half yearly
4.18	Reporting breaches	AO/CO	Quarterly or following each significant breach
4.19	Unit Pricing	AO/CO	After each issue or redemption of units

4 Specific Compliance Rules

4.1 Income

Responsible Officer: AO/CO/MD

Frequency of Monitoring: Monthly

Source of Obligation: Regulatory Guide 132.25

Function	Risks	Procedures	Monitoring of procedure
Property Income Collect and record all property income due to the Scheme per the Constitution and Disclosure Document.	Not all income due to the Scheme is received.	Annual property budgets are prepared by AO and incorporated into the Scheme budget and approved by the Board. Rental income from tenants is generally paid monthly either directly to the Managing Agent's or Scheme's bank accounts. AO reviews property reports from external property managers to ensure: any overdue incomes has been identified on a timely basis, and reconcile monthly budgeted income to actual income. AO is responsible for managing tenant arrears in accordance with the Procedure Policy on Management of Tenants Aged Arrears. Any 90 day and over debtors must be referred by AO to MD who shall make a determination on and authorisation for any recovery action deemed appropriate. AO reconciles actual income deposited by the Managing Agent or Tenant into the Scheme's bank account to external property manager's property report and the Scheme's bank account reconciliations. Differences are investigated as soon as detected and escalated to the CO.	The CO to review whether annual Scheme budgets approved by the Board. The CO will review the procedures set out in this Compliance Rule on a monthly basis. AO will review the Managing Agents reconciliation of income to the Scheme's bank reconciliations and report discrepancies to CO. CO to note action authorised by MD in regards to 90 day and over debtors in accordance with Procedure Policy on Management of Tenants Aged Arrears. Procedure Policy on Management of Tenants Aged Arrears to be reviewed annually by CO. The CO to review whether annual Scheme budgets approved by the Board.
Other Income Collect and		Annual Scheme budgets are	The CO will review the

Function	Risks	Procedures	Monitoring of procedure
record other income due to the Scheme per the Constitution and Disclosure Document		<p>prepared by AO and approved by the Board.</p> <p>AO reconciles monthly budgeted income to actual income.</p> <p>AO will investigate any differences as soon as detected. and escalated to the CO.</p>	procedures set out in this Compliance Rule on a monthly basis.

4.2 Fees and expenses

Responsible Officer: AO/CO

Frequency of Monitoring: Monthly

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

Function	Risks	Procedures	Monitoring of procedure
Pay appropriate Scheme related expenses.	Expenses paid are not valid or are overpaid.	<p>All invoices received from Managing Agents/Facilities Managers are reviewed by AO to ensure services or goods were received and related to the property of the Scheme.</p> <p>Approved expenses to be paid for the month with copies of related invoices to AO who arranges payment in accordance with the custody arrangements of the Scheme.</p> <p>Each year AO conducts a review of Managing Agents/ Facilities Managers fees against budget/contract and reports to CO.</p>	<p>AO ensures all payments to Managing Agents/Facilities Manager are approved and addresses any discrepancies with CO.</p> <p>The CO will review the procedures set out in this Compliance Rule on a monthly basis.</p> <p>CO reviews AO's annual report on Managing Agents / Facilities Managers fees against budget/contract.</p>
Pay appropriate fees to the RE.	Management fees are overpaid or not in accordance with the Constitution or Product Disclosure Document.	<p>Fee's for which the RE is entitled to be paid from Scheme assets are set out in the Constitution and in the most recent representations made to Investors.</p> <p>AO approves RE fees to be paid for the month and arranges payment in accordance with the custody arrangements of the Scheme.</p> <p>AO reconciles the RE's fees in accordance with details per the Constitution, Disclosure Document and any contracts with the RE.</p> <p>An AO approving the transaction must be different to the AO preparing/reconciling the transaction.</p>	CO reviews AO's report on RE fees paid in the year and reports any exceptions to the Committee.
Expense reimbursements are calculated and processed in accordance	The RE is reimbursed for expenses for which it should not have been	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	CO reviews any discrepancies noted by AO each quarter. CO reports any exceptions to the Committee.

Function	Risks	Procedures	Monitoring of procedure
with the requirements of the Constitution, the Corporations Act and the most recent representations made to Investors.	reimbursed.	<p>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 are appropriately allocated and paid to the RE by AO.</p> <p>AO maintains Records of all expense reimbursements. AO 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>	<p>The CO reviews monthly expense reimbursements paid to the RE to ensure payments are permitted by the Constitution and the most recent representation made to Investors, and calculated and allocated appropriately.</p>

4.3 Applications, Distributions and Withdrawals

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

Frequency of Monitoring: Quarterly/Annually (Applications); after each Distribution (Distributions), after each Withdrawal offer (Withdrawals)

Source of Obligation: s1017E, s601GA(4), Part 5C.6, s1017F, s601FC(1)(k) & s601KB(5) of Corporations Act

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 issued, units in wrong Scheme are issued. Funds are not dealt with correctly under s1017E and ASIC takes action or the Auditor qualifies audit report.	<p>Application Account</p> <p>The Registrar to maintain an Application Account for the Scheme that complies with s1017E of the Corporations Act.</p> <p>The Registrar must reconcile the Application Account each month to ensure Investor details are included in the register.</p> <p>Any interest received on an Application Account will be used to offset bank account keeping charges with any balance retained by the Scheme.</p> <p>Application Forms</p> <p>Each Application Form must be checked by the Registrar on receipt. If the Application Form is not completed correctly, the Applicant must be contacted and the Application Form corrected if that can be done by the Registrar (for example, writing in an applicant's ACN), or returned to the Applicant if not.</p> <p>Application monies will be refunded to unsuccessful applicants in accordance with the requirements of the Corporations Act.</p> <p>Banking of Application Monies</p> <p>Application Monies will be banked, subject to any AML/CTF requirements, to the Application Account by close of business day of receipt or by the next business day, per s1017E(2).</p> <p>Minimum Subscription (if applicable)</p> <p>No money will be transferred from the Application Account except on</p>	<p>CO undertakes an annual review to check that application form procedures and acknowledgement procedures are being complied with.</p> <p>CO to review each quarter the Registrar's reconciliation of the Application Account.</p> <p>CO to review Registrar's quarterly compliance statement regarding compliance with the Compliance Plan and service agreement and report to Committee of any adverse findings.</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>reaching the minimum subscription for the Scheme as set out in the Disclosure Document.</p> <p>If the minimum subscription is not reached by the closing date for the Scheme, the Board must ensure all Application Monies are returned to applicants in accordance with the requirements of the Corporations Act.</p> <p>Once the minimum subscription has been reached (either by cleared funds or necessary binding legal documentation in circumstances where applications are to be funded from settlement monies), MD certifies to the Board that the minimum subscription has been reached.</p> <p>Acknowledgement</p> <p>Confirmation of transaction will be forwarded to an Investor as soon as reasonably practicable after the allotment of units as per the requirements of the Corporations Act s1017F(5).</p>	
Distributions (capital and income) to Investors are calculated correctly and paid in a timely manner in accordance with the Constitution and Product Disclosure Statement.	Distributions will be under/overpaid or not paid in accordance with the Constitution.	<p>Where declared, distributions will be made monthly/quarterly/annually (per the Constitution or as disclosed in the Disclosure Document) to Investors, either by bank transfer or such other means as the RE determines.</p> <p>Distribution payments will be processed in accordance with the Schemes custody arrangements.</p> <p>Distribution dates are diarised by AO.</p> <p>Where a direct deposit for an Investor has 'failed' the distribution will be forwarded to the Investor by cheque on this occasion only together with a request for correct direct deposit information.</p> <p>AO will each month reconcile the Distribution Account (where applicable)</p>	CO reviews Distributions made each month/quarter/year to confirm distributions made in accordance with recent representations to Investors and reports any adverse finding to Committee.
Withdrawals are processed in accordance with the requirements	Withdrawals are permitted at times when they should not be permitted,	Where the Scheme is illiquid (in accordance with the Corporations Act and the Constitution) the RE may offer to Investors the opportunity to withdraw the amount	CO to review Investor Newsletter, website and Withdrawal Offer, including Notice to ASIC noting terms of the withdrawal offer and

Function	Risks	Procedures	Monitoring of procedure
of the Constitution and the Corporations Act.	withdrawals are processed incorrectly or contrary to the requirements in the Constitution.	<p>of available capital specified in the offer.</p> <p>MD will communicate the extent of the available capital to Investors when appropriate in accordance with the Corporations Act and the Constitution.</p> <p>Where the Scheme is liquid withdrawals will be made in accordance with the Corporations Act, Constitution or as disclosed to Investors.</p> <p>If no withdrawal offer is open, Investors may only transfer, assign or transmit their interest in the Scheme.</p>	communicating outcomes to the Committee after each withdrawal offer is made.

4.4 Safe keeping and segregation of Scheme property

Responsible Officer: AO/CO

Frequency of Monitoring: Monthly/Quarterly

Source of Obligation: s601FC(1)(i) of Corporations Act, Regulatory Guide 133

Function	Risks	Procedures	Monitoring of procedure
<p>Ensure Scheme property is:</p> <p>(a) clearly identified as Scheme property; and</p> <p>(b) held separately from property of the RE and property of any other scheme.</p>	<p>Scheme property is mixed with that of the RE or other schemes and cannot be separately identified and a loss is suffered by the Investor.</p>	<p>Self Custodian (where applicable)</p> <p>Scheme Assets are held by the RE who will ensure all assets are clearly identified as scheme assets and held separately from property of the RE or other schemes.</p> <p>A Scheme operational, application, and distribution bank accounts (where applicable) are to be opened in the name of the RE, on behalf of the Investors, noting the name of the Scheme in some form in the bank account name.</p> <p>The RE holds real estate assets and other Scheme property, (beneficial interest is held by the Scheme) Solicitor or mortgagor holds property title, lease documents and other assets in safe custody.</p> <p>Custody Policy and Procedures are in place for the transfer of monies from Scheme bank accounts and movement of other Scheme assets in accordance with AFSL requirements.</p> <p>External Custodian (where applicable)</p> <p>A custody agreement between the external custodian and RE in its capacity as RE of the Scheme, will set out the obligations of the RE and external custodian and procedures to deal with the Scheme's assets.</p> <p>Scheme assets are held by an external custodian who will ensure all assets are clearly identified as Scheme assets and held separately from property of</p>	<p>CO to review quarterly compliance reports from Custodians to ensure assets are clearly identified as scheme assets and held separately from property of the RE or other schemes.</p> <p>CO confirms quarterly to the Committee that all asset reconciliations are completed and notes any unreconciled items.</p> <p>CO to review Custody Policy and Procedures on an annual basis to satisfy that the RE's requirements as outlined in RG133 and AFSL conditions.</p> <p>CO shall review on an annual basis the RE's compliance against the requirements as per RG133, and financial conditions of the AFSL.</p> <p>CO to review quarterly compliance reports from Custodians to ensure assets are clearly identified as scheme assets and held separately from property of the RE or other schemes.</p> <p>CO shall review on a quarterly basis the external custodian's compliance report against the requirements as per RG133.</p> <p>CO shall review title searches annually to review correct asset holding.</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>other schemes.</p> <p>The external custodian holds Scheme property title, lease documents and any other assets in safe custody in its name on behalf of the Investors.</p> <p>AO each month reconciles Scheme's bank account to Scheme Records and reports any unreconciled items to the CO.</p>	

4.5 External Service Providers

Responsible Officer: AO/CO

Frequency of Monitoring: Quarterly (Compliance reports) and 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>General:</p> <p>Responsible Officers must undertake due diligence prior to appointing an External Service Provider to ensure the provider has the requisite skill and resources to perform the outsourced task.</p> <p>All contracts with External Service Providers must be reviewed and approved by the CO prior to appointment of the provider to ensure that the agreement is on normal commercial terms and is consistent with the RE's AFSL conditions. Legal advice must be obtained if considered necessary.</p> <p>Managing Agent/Facilities Manager:</p> <p>Prior to engaging a Managing Agent/Facilities Manager, a thorough analysis of the Managing Agent's/Facilities Manager's ability to perform the delegated functions is undertaken by the CO including:</p> <ul style="list-style-type: none"> (a) negotiation of rent reviews and leases; (b) collection of rent; (c) maintenance of property; and (d) payment of invoices. <p>Managing Agents/Facilities Managers are evaluated and monitored to ensure they comply with the terms of the management agreement, the Constitution and the requirements of the Corporations Act. Managing Agents/Facilities Managers communicate with AO on a regular basis regarding arrears control, leasing, marketing and rental reviews.</p> <p>Registrar:</p>	<p>CO to maintain Register of External Service Providers.</p> <p>CO reports quarterly to the Committee on any adverse performance of an External Service Provider.</p> <p>The CO will review the procedures set out in this Compliance Rule on a quarterly basis.</p> <p>AO review on a continuous basis the level of service provided by the Managing Agent/Facilities Manager.</p> <p>AO will ensure that annual documented reviews by Managing Agent / Facilities Managers are conducted to ensure they continue to meet the level of service expected, maintain the requisite skill and resources to perform the outsourced tasks; receive confirmation that their Disaster Recovery Plan has been tested during the year, that they maintain an appropriate level of insurance cover, and that they are in compliance with the terms of their service agreement. CO to also receive confirmation that their Disaster Recovery Plan has been tested during the year.</p> <p>CO reviews the Registrar quarterly compliance report and reports to</p>

Function	Risks	Procedures	Monitoring of procedure
		<p>A Registrar is engaged to perform the functions of:</p> <ul style="list-style-type: none"> (a) Investor services; (b) Scheme registry; and (c) Investor and adviser reporting. <p>Due diligence is undertaken on any prospective Registrar by the CO. The CO is responsible for ensuring that the service agreement entered into with the Registrar is on normal commercial terms and conditions. The CO may seek legal advice in this regard.</p> <p>The Registrar is provided with a copy of the Constitution, the Compliance Plan and the most recent representation made to Investors.</p> <p>The Registrar completes a quarterly compliance report to the CO addressing such matters as key staff changes, systems development, insurance, disaster recovery plan, reporting of complaints and breaches, and compliance with the Corporations Act, Constitution and the service agreement.</p> <p>The service agreement with the Registrar (where required) shall ensure the Investor Register is maintained in accordance with the requirements of the Corporations Act.</p>	<p>Committee each quarter of any discrepancies or concerns.</p>

4.6 Record Keeping and Reporting

Responsible Officer: AO/CO

Frequency of Monitoring: Half Yearly/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 CO confirm to the Board annually that all relevant accounting standards have been complied with during the year. The Scheme's Financial Statements and Compliance Plan are audited by an independent auditor annually. The Scheme's financial statements may also be subject to half yearly review by the Auditor.	CO to confirm AO has provided the relevant declarations as required by section 295A of the Corporations Act in respect of the Scheme's annual financial statements of listed entities only. AO to ensure that engagement letters for audit of Financial Statements and Compliance Plan are signed prior to each audit. The CO will review the procedures set out in this Compliance Rule on a half yearly basis.
Ensure Records are maintained for a minimum of seven years.	RE breaches reporting requirements in Corporations Act	Yearly sign-off to the Committee from AO that: (a) the Scheme has appropriate record keeping and archiving procedures; (b) all Records are held for a minimum of 7 years and storage Records are recorded in a storage register; and (c) Records are held in safe and secure premises.	CO diarises the dates when this sign-off is due to be received and follows up if overdue.
Ensure Records are destroyed in a timely manner	Incorrect Records destroyed	Destruction AO need to approve any destruction of Records prior to commencement of destruction.	CO to ensure correct destruction of Records is adhered to.

4.7 Disaster Recovery

Responsible Officer: CO/AO

Frequency of Monitoring: Annually

Source of Obligation: Regulatory Guide 132.25

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.	<p>The RE has established a Disaster Recovery Plan for the information systems components of critical business processes relating to the Scheme.</p> <p>The Disaster Recovery Plan contains, among other things, details of contacts lists of key staff members, backup systems and processes, and the frequency of testing and review.</p> <p>AO is responsible for ensuring that:</p> <ul style="list-style-type: none"> (a) the Disaster Recovery Plan is reviewed and tested at least once every year; and (b) as part of the planning for business continuity, essential data and Records are stored off site in a secure manner. 	<p>AO prepares an annual report on the adequacy of the Disaster Recovery Plan including the information systems of critical business processes.</p> <p>The CO reviews the annual report and presents any discrepancies or anomalies to the Committee.</p>
External Service Providers, where required, maintain Disaster Recovery Procedures, which are tested regularly.	A disaster takes place and the External Service Provider is not prepared. External Service Provider cannot service the Scheme for an extended period of time. Investor dissatisfaction. Critical Records are lost.	External Service Providers may be 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.	<p>AO reviews External Service Providers' Disaster Recovery Plans and their testing as part of the annual External Service Provider monitoring program under Compliance Rule 4.5.</p> <p>The CO to obtain copies of AO's review and report to the Committee on any discrepancies.</p>

4.8 Valuation

Responsible Officer: AO/CO

Frequency of Monitoring: As and when valuation required

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

Function	Risks	Procedures	Monitoring of procedure
Real property (other than securities) will be independently valued at least once every three years, unless the Constitution requires more frequent valuation or having regard to the nature of the property, more frequent valuations are appropriate (where applicable).	Valuations are not undertaken regularly and the insurance cover of the Scheme becomes inadequate.	<p>AO instruction to valuer</p> <p>The RE must ensure that Scheme property is valued at regular intervals appropriate to the nature of the property. AO will consider those appropriate intervals.</p> <p>Valuers will be selected by AO from a panel of valuers pre-selected by the Board on the basis of qualification and experience.</p> <p>Valuers must be independent of the RE.</p> <p>AO will establish and maintain lines of communication with panel valuers with a view to obtaining information on a regular basis as to trends and fluctuations in property valuations generally. These are indicators that the property may need to be re-valued.</p> <p>The instructions to the valuer will be prepared by AO in accordance with the Constitution and may need to incorporate valuation criteria's as set out in debt facility agreements.</p> <p>New valuations must be reflected in the Scheme accounts as soon as practical on receipt from the valuer.</p>	<p>CO must review the panel of valuers on an annual basis.</p> <p>AO is to pass any valuation received to the CO who will review the valuation and ensure Scheme Accounts are updated.</p> <p>CO to review and report any discrepancies to the Committee.</p> <p>The CO will review the procedures set out in this Compliance Rule on a quarterly basis.</p>
The Scheme's assets that are securities are valued at appropriate intervals and in accordance with the	Valuations are not undertaken regularly and the Scheme's Records of its securities become	Where the Scheme owns securities, such as units in a registered managed investment scheme, AO is to keep a record of the values of those securities as announced by the financial services licensee who deals in the securities.	CO to review and report any discrepancies to the Committee.

Constitution.	incorrect/ unreliable.	The securities (if any) will be valued at least annually.	
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4.9 Investment restrictions

Responsible Officer: AO/CO

Frequency of Monitoring: On acquisition and Half yearly

Source of Obligation: s601FC(4), 601GA(1)(b), 601GA(3) of Corporations Act, Regulatory Guide 46

Function	Risks	Procedures	Monitoring of procedure
Ensure that the Scheme only invests in assets of the type and within the limits as set out in the Constitution, the AFSL, the Corporations Act and the most recent Disclosure Document given to Investors.	Investment will be made in contravention of the Constitution, the AFSL, Corporations Act, or representations made to Investors	The CO is ultimately responsible for ensuring the investments of the Scheme and investment process comply with this Compliance Rule. Properties or securities that fit the Scheme's acquisition and disposal strategy as set out in the Disclosure Document are researched, and if thought appropriate, the CO submits a written investment proposal to the Property Selection Committee and/or the Board for approval, whichever is considered appropriate.	The CO reviews the Scheme's performance and investments half yearly to monitor and ensure investments continue to meet the Scheme's investment strategy. AO maintains comprehensive files about the Scheme's investment properties and other assets including securities.
The risks associated with the investment have been managed in accordance with the Constitution and/or Disclosure Document.	That risk will be managed inappropriately causing loss to Investors.	AO is responsible for managing the assets of the Scheme having regard to the strategies as set out in the Disclosure Document. AO will manage risk management by ongoing monitoring of items that may include: (a) property management meeting action items report; (b) property funds management syndicate status report; (c) RE's Risk Management Policy; (d) finance summary; (e) general economic conditions; (f) interest rate forecasts	The CO will report quarterly to the Committee on any new material risks or changes to risks faced by the Scheme identified by the Audit & Risk Committee. The CO will review the procedures set out in this Compliance Rule on a half yearly basis.

Function	Risks	Procedures	Monitoring of procedure
		(g) property industry; and (h) any other risk identified by AO.	
Finance facilities are consistent with the Constitution and disclosures made in relation to finance facilities (if any) in the most recent Disclosure Document.	Risks will be managed inappropriately causing loss to Investors.	<p>AO to ensure any new material changes to finance facility will be notified to Investors as soon as practical as per RG46 requirements.</p> <p>The CO will review on a quarterly basis the finance facilities covenants to assess compliance by the Scheme.</p> <p>AO is to ensure prior to obtaining any new finance facilities that the facility is consistent with the requirements of the Constitution and those previously disclosed to Investors.</p> <p>Two Directors or one Director and Company Secretary shall approve any changes to debt finance facility as recommended by AO.</p>	<p>The CO will quarterly review the finance facilities to ensure compliance with restrictions in the Constitution and otherwise disclosed to Investors and report to the Committee any discrepancies.</p> <p>CO to review that the procedures are adhered to and report any discrepancies to the Committee.</p>

4.10 Insurance

Responsible Officer: AO/CO

Frequency of Monitoring: Annually and on acquisition of Scheme asset

Source of Obligation: Regulatory Guide 132.25; Regulatory Guide 126, s912B of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
<p>Maintain appropriate insurances in respect of:</p> <p>(a) insurable Scheme assets,</p> <p>(b) public liability,</p> <p>(c) professional indemnity and</p> <p>(d) fraud by the RE's officers and agents.</p> <p>(e) loss suffered by Investors because the RE, its officers or employees do not act with reasonable care and diligence or otherwise fail in their duties to the Scheme.</p>	<p>Loss of Scheme assets due to events that could have been insured against.</p> <p>Inappropriate professional indemnity cover may breach RE's AFSL and impact operation of the Scheme.</p>	<p>An insurance risk appraisal is undertaken by AO as part of the due diligence process on acquisition of property or other asset in order to identify risk. Thereafter the insurance risk appraisal is updated by AO annually.</p> <p>AO must consider any valuations received in accordance with Compliance Rule 4.8 in appraising insurance risk.</p> <p>A minimum of two quotes are obtained by the Broker to be supplied to AO to cover the risks identified by the insurance risk appraisal. AO can rely on the Broker's experience in assessing the quotes. It's AO's responsibility to decide which quote should be accepted and on what terms the policy should be entered into by the RE. Policies in respect of property will cover areas such as property damage, loss of rent and public liability and may include machinery breakdown.</p> <p>The level of public liability insurance is determined by AO by reference to industry practice and the level of recent court awards.</p> <p>The level of professional indemnity cover is as a minimum that required under AFSL and ASIC RG 126.</p>	<p>The AO will diarise renewal dates for insurance policies and check that the AO has implemented the review/renewal process (where applicable) for insurance data eg. Rent/Valuation.</p> <p>The CO will review certificates of currency to ensure required policies are renewed by the due date.</p> <p>The CO will review the procedures set out in this Compliance Rule on an annual basis.</p>
		<p>The Board may by resolution in a particular circumstance waive the requirement for insurance over a particular</p>	

		<p>property or asset provided:</p> <p>(a) the CO has notified the Committee; and</p> <p>(b) the Board is satisfied there are other appropriate arrangements for the reinstatement of the property or asset and loss of rent (at limited cost to Investors) in the event it is damaged or destroyed; and</p> <p>(c) minutes of the Board document the reasons for the waiver of insurance.</p>	
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4.11 Promotion of Scheme and disclosure to Investors

Responsible Officer: AO/CO

Frequency of Monitoring: Ongoing

Source of Obligation: Part 7.9 of Corporations Act, Regulatory Guide 46, Regulatory Guide 198 (where applicable)

Function	Risks	Procedures	Monitoring of procedure
Issue Disclosure Document and advertising material that comply with the Corporations Act and provide the RE with the maximum due diligence protection and defences.	<p>Disclosure Document or advertising material is misleading or deceptive.</p> <p>Action by Investors to recover any losses suffered.</p> <p>Disclosure Document is subject to an ASIC stop order.</p> <p>Forecasts in Disclosure Document do not have a reasonable basis.</p> <p>Consents are not held from external parties to be named in the Disclosure Document.</p>	<p>Disclosure Document:</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 ensure Disclosure Document contains all required information and does not contain any misleading or deceptive statements.</p> <p>AO to ensure external legal counsel and Board review and sign off on each Disclosure Document.</p> <p>AO and/or 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/ASIC.</p> <p>Advertising Material:</p> <p>All advertising material is authorised by AO.</p> <p>A register of advertising material is to be maintained.</p> <p>All material uploaded to the RE website is authorised by AO.</p>	<p>Disclosure Document:</p> <p>CO checks appropriate sign-offs have been obtained.</p> <p>CO to review and report any discrepancies to the Committee</p> <p>The CO will review the procedures set out in this Compliance Rule on a monthly basis.</p> <p>Advertising Material:</p> <p>CO reviews advertising register every quarter to check appropriate approval was obtained for offer documents and formal reports.</p>
RE complies with Continuous Disclosure Obligations under the Corporations Act (if applicable)	RE does not comply with Continuous Disclosure Obligations and ASIC or Investors take action against	<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</p>	<p>The CO is to record in the Training Register the staff that have undergone training on the RE's Continuous Disclosure Obligations and must ensure all staff receive annual training.</p> <p>The CO is responsible for obtaining an annual report from</p>

Function	Risks	Procedures	Monitoring of procedure
	the RE.	ensuring all staff are made aware of this procedure. AO has primary responsibility for monitoring the Scheme and making continuous disclosure where required, including material changes to finance facilities in accordance with Regulatory Guides 46 or 198 where applicable.	AO confirming the Scheme has complied with its Continuous Disclosure Obligations. CO to review and report any discrepancies to the Committee.
The requirements for the RE to comply with periodic reporting to Investors	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.	AO is responsible for recording the deadlines for: (a) lodgement and dispatch of annual report; (b) lodgement of annual half yearly financial reports; and; (c) other communications with Investors required by the Corporations Act, Constitution, and where applicable the Listing Rules and for providing details of those deadlines to the CO. The CO is responsible for ensuring that the deadlines provided by AO are met. Periodic Statements are to be prepared in accordance with a Due Diligence Program that facilitates stakeholder review and verification of the Periodic Statement to ensure Periodic Statement contains all required information and does not contain any misleading or incorrect statements.	The CO is required to report on a quarterly basis to the Committee regarding the RE's compliance with its periodic reporting requirements.
Compliance with the requirements for periodic reporting to ASIC/Exchange if applicable	RE does not comply with periodic reporting requirements and is subject to action or penalties by ASIC or Exchange or claims for compensation by Investors	AO is responsible for recording the deadlines for: (a) lodgement of annual and half yearly financial reports and annual reports; (b) lodgement of audit report on Scheme, Compliance Plan and AFSL; (c) other communications	The CO is required to report on a quarterly basis to the Committee regarding the RE's compliance with its periodic reporting requirements.

Function	Risks	Procedures	Monitoring of procedure
	who suffer loss as a result.	with ASIC / Exchange required by the Corporations Act and applicable Listing Rules, and for providing details of those deadlines to the CO.	

4.12 Training and recruitment

Responsible Officer: CO/MD

Frequency of Monitoring: Monthly/Quarterly/Annually

Source of Obligation: Regulatory Guide 146; Regulatory Guide 104/105

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 by the Board 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>Appointment of other Staff will be approved by the MD after ensuring the applicant has necessary qualifications and referees as to good fame and character.</p> <p>The AFSL Responsible Managers will be requested to update the Training Register each month for any continuing relevant professional education attended to maintain and update competencies.</p> <p>Training of all Staff and AFSL Responsible Managers will be conducted periodically throughout the year and will include specific training in relation to the Compliance Plan and in relation to any Disclosure Document issued by the RE.</p>	<p>CO will maintain a Training Register for all Staff and AFSL Responsible Managers and report to the Committee 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> <p>The CO will review the procedures set out in this Compliance Rule monthly.</p>

4.13 Monitoring AFSL and authorised representatives

Responsible Officer: AO/CO

Frequency of Monitoring: Quarterly

Source of Obligation: s601FA, s601FC(1)(h), s912A(1)(b) of Corporations Act, AFSL

Function	Risks	Procedures	Monitoring of procedure
Ensure the RE complies with the conditions of its AFSL at all times and ensures the AFSL remains current.	AFSL suspended or revoked.	<p>AO reviews the Scheme's assets and accounts on a monthly basis to ensure RE is meeting its financial requirements as set out in ASIC Regulatory Guide 166 (including solvency cash needs and NTA requirements).</p> <p>In addition, a check list of all AFSL requirements is completed quarterly by the CO.</p> <p>All representatives who will be providing financial product advice to retail clients must meet the requirements of Regulatory Guide 146 if necessary prior to appointment. They must also receive training on responsibilities under the Corporations Act, industry standards and other relevant information.</p> <p>The CO maintains a Training Register for all Staff.</p> <p>AO to ensure that the engagement letter for audit of the AFSL is signed prior to commencement of the audit.</p>	<p>The CO to review AO's monthly declarations in regards to minimum Net Tangible Assets requirements and cashflow forecasts.</p> <p>The CO reports the results of the review of the AFSL requirements checklist to the Committee and Board on a quarterly basis.</p> <p>It is the CO's responsibility to ensure any AFSL ASIC reporting requirements are met.</p>

4.14 Related Party issues

Responsible Officer: AO/CO/MD

Frequency of Monitoring: Annually or as required

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

Function	Risks	Procedures	Monitoring of procedure
To ensure financial benefit is not given to the RE or a Related Party unless approved by the Board and/or disclosed to Investors.	Investors suffer loss. Detrimental to the reputation of the RE and the Scheme.	All Staff are trained in Related Party Transaction Policies when they commence employment. All Related Party transactions are subject to documented approval by either the Investors or by 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 a Staff Member wishes to purchase any interest in the Scheme they must obtain MD approval or if the Staff Member 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.	CO annually reviews the Training Register to ensure all new Staff have attended Related Party training. CO submits Register of Related Parties to the Committee on a quarterly basis. 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 Committee.
Appropriate segregation of Staff is in place to minimise any conflicts of interest.	A financial advantage is obtained through inappropriate handling of Investor money, Scheme assets or the use of confidential information.	The RE has policies in relation to conflict of interest and securities trading. All employees are required to comply with Confidentiality of Information parameters as outlined to their employment agreement.	The continuing adequacy of these policies is assessed annually by the CO. Any exceptions are reported by CO to the Committee.

4.15 Conflict of interest management

Responsible Officer: AO/CO

Frequency of Monitoring: Quarterly/Annually

Source of Obligation: s912A(1)(aa) of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
To ensure that conflicts of interest are dealt with in accordance with the Act.	<p>Investor 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 RE will maintain a Conflict of Interest Policy.</p> <p>Directors will be requested to submit at each biannual Board meeting 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 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 ensure training of employees and representatives is conducted so 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>Where a conflict of interest occurs, AO will deal with the conflict in accordance with the requirements of the Conflicts of Interest Policy.</p> <p>A register of Interest held is maintained in relation to Directors and Responsible Managers.</p> <p>The Compliance Committee will declare (if any) interest at each quarterly meeting.</p>	<p>The CO shall annually review the Conflict of Interest Policy for its adequacy.</p> <p>CO shall maintain a Conflict of Interest Register and report quarterly to the Committee.</p> <p>The CO will monitor the conflict of interest training for all new employees.</p> <p>The CO will review the procedures set out in this Compliance Rule on a quarterly basis.</p>

4.16 Complaints

Responsible Officer: AO/CO

Frequency of Monitoring: Monthly

Source of Obligation: s601GA(1)(c), s912A(2) of Corporations Act, Regulatory Guide 165

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.	Complaints are not adequately addressed and are escalated to litigation. Breach of AFSL and/or Constitution.	All complaints are referred to AO who records the details in a Complaints Register and is responsible for investigating and responding to complaints in accordance with the Complaints Handling and Dispute Resolution Policy. The Complaints Register will maintain details including; reason for complaint, the Staff Member 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. All Staff are trained in complaints handling procedures by the CO on induction and are updated on an annual basis.	The CO reports quarterly to the Committee on the Complaints Register. The Committee 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. The CO maintains a Training Register of when Staff attended complaints handling training. The Complaints Handling and Dispute Resolution Policy is reviewed on an annual basis by the CO. The CO ensures that the RE is a member of an ASIC approved external complaints resolution body at all time. The CO reviews the Complaints Register and reports any discrepancies to the Committee.

4.17 Compliance with Listing Rules

Responsible Officer: AO/CO

Frequency of Reporting: Half yearly

Function	Risks	Procedures	Monitoring of procedure
Monitor compliance with Listing Rules (if applicable).	Listing Rules are not complied with and the Exchange takes action against RE.	AO is responsible for: (a) monitoring compliance with the Listing Rules; and (b) monitoring changes to the Listing Rules and informing the Responsible Officers of relevant changes so that any impact on the Scheme can be determined and any processes updated as required.	The CO must report six monthly to the Committee on whether this Compliance Rule has been observed.

4.18 Reporting breaches

Responsible Officer: CO/AO

Frequency of Monitoring: Quarterly or following each significant breach

Source of Obligation: s601FC(1)(l), s912D of Corporations Act

Function	Risks	Procedures	Monitoring of procedure
Any breach of the Corporations Act, Constitution, or this Compliance Plan are identified, reported and rectified.	Refer to risks of non-compliance referred to in previous Compliance Rules.	<p>Breaches identified by Responsible Officers and Staff Members are to be reported to CO at the time of detection.</p> <p>Upon notification of a Breach, the CO must determine the category of the Breach and record the finding on the Breach Register.</p> <p>The CO (in conjunction with AO and/or RE Board where required) assesses whether the breach needs to be reported to ASIC and makes the notification if required.</p> <p>The Breach Register is presented to the Committee at each quarterly meeting.</p>	<p>Breach Register is reviewed each quarter by the CO to ensure breaches have been appropriately addressed and that all breaches in the previous quarter have been reported to the Committee and Board.</p> <p>CO to maintain register on Breach Reporting Policy training.</p> <p>All Staff are trained on Breach Reporting Policy by the CO on induction and are updated on an annual basis.</p> <p>The CO will review the procedures set out in this Compliance Rule on a monthly basis.</p>

4.19 Unit Pricing (where applicable)

Responsible Officer: AO/CO

Frequency of Monitoring: After each issue or redemption of units or as required.

Source of Obligation: RG 134; CO 05/26; RG 132.25

Function	Risks	Procedures	Monitoring of procedure
To ensure units are calculated and priced accurately in accordance with the Corporations Act, the Constitution, and 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 or Unit Pricing 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 Unit Pricing Policy.</p> <p>AO is responsible for ensuring that, prior to any units being issued or redeemed:</p> <ul style="list-style-type: none"> (a) the price at which units are to be issued or redeemed is calculated under the direction of the Managing Director; and (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. 	<p>After units are issued or redeemed, the CO reports to the Committee to confirm that the unit pricing procedures have been complied with (where applicable).</p> <p>The CO reviews unit pricing procedures on a quarterly basis to ensure that unit pricing is being performed in a manner consistent with the requirements of the Constitution, Corporations Act, ASIC relief and Unit Pricing Policy.</p> <p>The CO will review the procedures set out in this Compliance Rule on a monthly basis.</p>

Annexure A

Glossary

AFSL	means an Australian Financial Services Licence granted to the RE by ASIC authorising the RE to provide various financial services.
AFSL Responsible Manager	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.
AO	means one or more Administration Officer of the RE or any other person who is given responsibility for ensuring compliance with a Compliance Rule.
ASIC	means the Australian Securities and Investments Commission.
ASIC relief	means any declaration or modification made or exemption granted by ASIC at any time and continuing in force and applicable to the Scheme.
Auditor	means the auditor appointed by the RE to perform the role set out in section 3.5 of this Compliance Plan.
Board	means the Board of Directors of the RE.
Broker	means an insurance broker appointed by the RE to assist the RE in complying with its insurance obligations.
CO	means the Compliance Officer appointed by the RE in accordance with section 3.
Committee	means the Compliance Committee appointed by the RE.
Committee Member	means a member of the Committee appointed by the RE.
Company Secretary	means the Company Secretary of the RE appointed from time to time.
Compliance Plan	means this compliance plan as it applies from time to time in relation to the Scheme.
Compliance Rule	means each of the compliance tasks listed in section 4 of this Compliance Plan.
Constitution	means the constitution of the Scheme as amended from time to time.
Continuous Disclosure Obligations	means any applicable continuous disclosure or notification of material changes and significant events obligations under the Corporations Act or the Listing Rules in relation to the Scheme.
Corporations Act	means the Corporations Act 2001.
Director	means a director of the RE.
Disclosure Document	means an offer document relating to issue of units in the Scheme.
Exchange	includes the National Stock Exchange, or where relevant the Australian Securities Exchange or any similar stock market.
External Member	has the meaning given to that term in section 601JB of the Corporations Act.

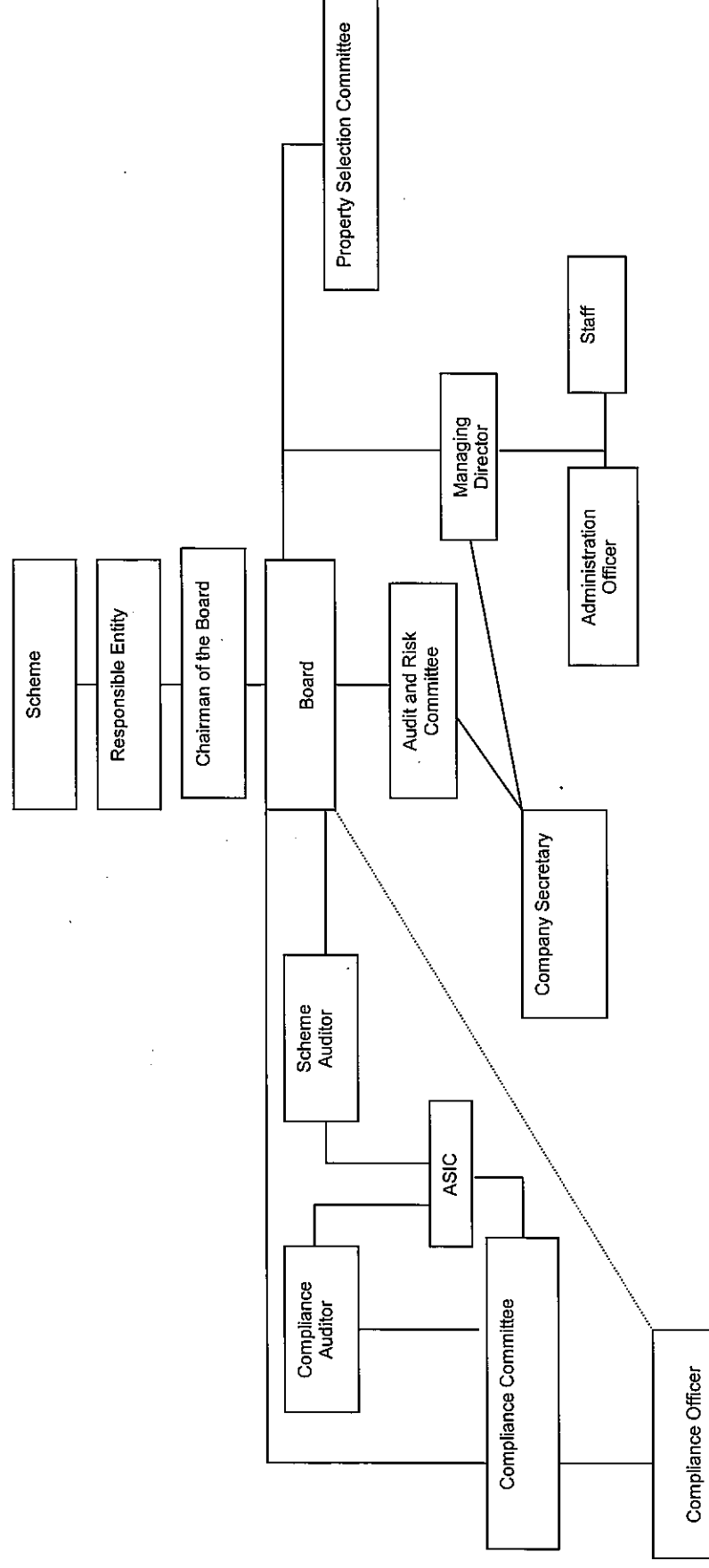
External Service Providers	means: (a) Registrars; (b) Managing Agents/Facilities Manager; and (c) other persons, providing major services as agent or delegate for the RE in relation to the Scheme from time to time.
Facilities Manager	means either an External Service Provider or suitably qualified staff member as appointed by the RE to manage maintenance and other issues relating to real property of the Scheme.
Investor	means a person holding an interest in the Scheme either as a unit holder, syndicate member or as an option holder.
Listing Rules	means the Listing Rules of an Exchange as they may apply to the Scheme from time to time or otherwise as amended, varied or waived (whether in respect of the Scheme or generally) from time to time.
Managing Agent	means an External Service Provider appointed by the RE to manage real property of the Scheme, and collect rent where required.
Managing Director	means Managing Director of the RE or equivalent appointment from time to time. where relevant the Managing Director will provide all certification to the Compliance Committee directly.
Organisational Structure	means the structure of the RE which for the time being is set out in Annexure B.
Records	means any and all documentation in relation to the Scheme.
Registrar	means either the external registrar or if none is appointed, the Company Secretary of the RE from time to time.
Related Party	in relation to the RE, has the meaning given to that term in section 228 of the Corporations Act.
RE	means the responsible entity of the Scheme, which is for the time being is APGF Management Limited ACN 090 257 480, holder of AFSL 229287.
Responsible Officer	means a Staff Member of the RE or any other person who is given responsibility for ensuring compliance with a Compliance Rule.
Scheme	means the managed investment scheme to which this Compliance Plan applies, known for the time being as the Australian Property Growth Trust ARSN 109 093 816.
Staff Member	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.

Titles used in this Compliance Plan may from time to time differ from the titles of the relevant Staff Members. The RE will designate internally which Staff Member 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



Signed by the Directors of APGF Management Limited

Signature of Director

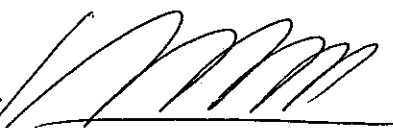


Neil Edwin Summerson

Date

2/10/2012

Signature of Director



Geoffrey Michael McMahon

Date

2/10/2012

Signature of Director



Kenneth Ross Pickard

Date

2/10/2012