

ANNUAL REPORT RETAIL MORTGAGE TRUSTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2019



ANNUAL REPORTS FOR THE FINANCIAL YEAR ENDED JUNE 2019

THE SCHEMES LISTED IN THIS BOOKLET ARE NOTED BELOW.

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Directors' Report for the financial year ended 30 June 2019

The Directors of OnePath Funds Management Limited (OPFM), the Responsible Entity of the following suspended Managed Investment Schemes (the 'Schemes'), present their report together with the financial report of the Schemes for the financial year ended 30 June 2019, and the report of the auditor on the Schemes.

1. ANZ Mortgage Fund
2. ANZ OA OnePath Income Plus Trust
3. ANZ OA OnePath Mortgage Trust
4. Income Plus Trust
5. Monthly Income Trust
6. OnePath AJ Mortgage Fund
7. OnePath Mortgage Trust No.2

Responsible Entity

The Responsible Entity of the Schemes is OnePath Funds Management Limited. The registered office and principal place of business of the Responsible Entity and the Schemes is Level 23, 242 Pitt Street, Sydney, NSW 2000.

The Directors of OnePath Funds Management Limited during or since the end of the financial year are:

Name	Position Held	Date Appointed	Date Resigned
A H Chonowitz	Independent Non-Executive Director	Appointed 1 March 2015	Resigned 31 July 2019
L M Fricke	Independent Non-Executive Director	Appointed 7 September 2017	
P G Mullin	Independent Executive Director	Appointed 1 March 2015	
S J Chapman	Independent Non-Executive Director, Chairman	Appointed 1 August 2011	

Principal activities

The Schemes are registered Managed Investment Schemes domiciled in Australia.

The Schemes invested into an unlisted unit trust up until June 2019. As at the reporting date, the Schemes invest into cash.

The Schemes did not have any employees during the year.

Review of operations and results

The results of operations of the Schemes are disclosed in the Statements of Comprehensive Income.

The Board of OnePath Funds Management Limited approved a resolution on 28 May 2015 to terminate the Schemes. As a result of this resolution the financial statements have been prepared on a basis other than going concern.

Fees paid to and investments held by the Responsible Entity or its associates

Fees paid and payable to the Responsible Entity and its associates out of the Schemes' property during the year are disclosed in Note 10.4 Responsible Entity fees.

No fees were paid out of the Schemes' property to the Directors of the Responsible Entity during the year. Related party investments held in the Schemes as at the end of the financial year are disclosed in Note 10 Related parties.

Interests in the Schemes

The movements in units on issue in the Schemes during the year are disclosed in Note 4 Net assets attributable to unitholders.

The value of the Schemes' assets and liabilities are disclosed in the Statements of Financial Position and derived using the basis set out in Note 2 Basis of preparation.

Significant changes in the state of affairs

Proposed sale of OnePath P&I business:

On 17 October 2017, Australia and New Zealand Banking Group Limited (ANZ), the ultimate parent company of OnePath Funds Management Limited (the Responsible Entity of the Schemes) announced the proposed sale of the OnePath Pension and Investments (OnePath P&I) business to IOOF Holdings Limited and Australian Wealth Management Limited (IOOF).

On 7 December 2018, the Australian Prudential Regulation Authority (APRA) announced regulatory action against IOOF. As at the reporting date, ANZ and OnePath Custodians Pty Limited (a related party of ANZ) continue to engage with IOOF to understand the actions IOOF are taking to respond to the APRA matter. OPFM continues to operate the Schemes within ANZ and there have been no changes to the operations of the Schemes.

Investments in Mortgage Pool:

The Schemes invested into the Mortgage Pool, a suspended unlisted unit trust which had a zero unit price in prior financial year. Outstanding litigation on a past loan within the Mortgage Pool investment has been resolved in the current year and as a result, the unit price of Mortgage Pool was revalued. On 3 June 2019, the Schemes redeemed their units in the Mortgage Pool. As at the reporting date, the Schemes no longer invest into the Mortgage Pool.

Schemes suspension:

The Schemes received cash from the redemption of investments in the Mortgage Pool. As a result, the Schemes commenced the redemption process. Refer to Note 4 Net assets attributable to unitholders for further detail.

Likely developments and expected results of operations

The Schemes were approved to terminate by a Board resolution on 28 May 2015. On 25 March 2019, the Board approved the commencement of a formal final termination process for the Schemes.

Further information has not been included in this report to avoid the disclosure of information that may result in unreasonable prejudice to the Schemes.

Directors' Report for the financial year ended 30 June 2019

Environmental regulation

The operations of the Schemes were not subject to any significant environmental regulation under either Commonwealth, State or Territory legislation.

Events subsequent to balance date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the Statements of Financial Position as at 30 June 2019 or on the results and cash flows of the Schemes for the financial year ended on that date.

Indemnities and insurance premiums for officers and auditor

Indemnification:

Under the Schemes' Constitutions, the Responsible Entity, including its officers and employees, is generally indemnified out of the Schemes' assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Schemes.

The Responsible Entity has not indemnified any auditor of the Schemes.

Insurance premiums:

No insurance premiums are paid out of the assets of the Schemes in relation to insurance cover for the Responsible Entity, its officers and employees or the auditor of the Schemes.

True and fair view

The financial statements have been prepared in accordance with applicable accounting standards to give a true and fair view of the state of affairs of the Schemes at the reporting date.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 34 and forms part of the Directors' Report for the financial year ended 30 June 2019.

This report is made in accordance with a resolution of the Directors of OnePath Funds Management Limited.



Director

Sydney

10 September 2019

Financial Report
Financial Statements - Statements of Financial Position
as at 30 June 2019

	Note	1. ANZ Mortgage Fund†		2. ANZ OA OnePath Income Plus Trust†		3. ANZ OA OnePath Mortgage Trust†		4. Income Plus Trust†	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Assets									
Cash and cash equivalents		433,935	-	422,693	-	662,164	-	89,604	-
Financial assets held at fair value through profit or loss	5	-	-	-	-	-	-	-	-
Total assets		433,935	-	422,693	-	662,164	-	89,604	-
Liabilities									
Payables	6	-	-	88	-	-	-	26,639	-
Distribution payable		-	-	-	-	-	-	-	-
Total liabilities		-	-	88	-	-	-	26,639	-
Represented by:									
Net assets attributable to unitholders at redemption price		433,935	-	422,605	-	662,164	-	62,965	-
Total net assets attributable to unitholders - Equity		433,935	-	422,605	-	662,164	-	62,965	-

The Statements of Financial Position should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

† The Scheme held units in a related unlisted unit trust which was valued at zero at comparative reporting date. During the year, the related unlisted unit trust's price was revalued and the Scheme redeemed its units in the trust. Refer to Note 15 Significant events during the financial period for further detail.

Financial Report
Financial Statements - Statements of Financial Position
as at 30 June 2019

	Note	5. Monthly Income Trust†		6. OnePath AJ Mortgage Fund†		7. OnePath Mortgage Trust No.2†	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Assets							
Cash and cash equivalents		262,668	-	26,979	-	333,190	-
Financial assets held at fair value through profit or loss	5	-	-	-	-	-	-
Total assets		262,668	-	26,979	-	333,190	-
Liabilities							
Payables	6	16,471	-	20	-	30,630	-
Distribution payable		-	-	-	-	-	-
Total liabilities		16,471	-	20	-	30,630	-
Represented by:							
Net assets attributable to unitholders at redemption price		246,197	-	26,959	-	302,560	-
Total net assets attributable to unitholders - Equity		246,197	-	26,959	-	302,560	-

The Statements of Financial Position should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

† The Scheme held units in a related unlisted unit trust which was valued at zero at comparative reporting date. During the year, the related unlisted unit trust's price was revalued and the Scheme redeemed its units in the trust. Refer to Note 15 Significant events during the financial period for further detail.

Financial Report
Financial Statements - Statements of Comprehensive Income
for the financial year ended 30 June 2019

	Note	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Investment income									
Unit trust distribution income		-	-	-	-	-	-	-	-
Net change in fair value of investments		436,150	-	426,254	-	669,425	-	90,271	-
Net investment income/(loss)		436,150	-	426,254	-	669,425	-	90,271	-
Expenses									
Responsible Entity fees	10.4	-	-	-	-	-	-	-	-
Operating expenses before finance costs		-	-	-	-	-	-	-	-
Profit/(loss) from operating activities		436,150	-	426,254	-	669,425	-	90,271	-
Profit/(loss) for the financial year/ Total comprehensive income		436,150	-	426,254	-	669,425	-	90,271	-

The Statements of Comprehensive Income should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

Financial Report
Financial Statements - Statements of Comprehensive Income
for the financial year ended 30 June 2019

	Note	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Investment income							
Unit trust distribution income		-	-	-	-	-	-
Net change in fair value of investments		264,339	-	27,091	-	335,228	-
Net investment income/(loss)		264,339	-	27,091	-	335,228	-
Expenses							
Responsible Entity fees	10.4	-	-	-	-	-	-
Operating expenses before finance costs		-	-	-	-	-	-
Profit/(loss) from operating activities		264,339	-	27,091	-	335,228	-
Profit/(loss) for the financial year/ Total comprehensive income		264,339	-	27,091	-	335,228	-

The Statements of Comprehensive Income should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

Financial Report
Financial Statements - Statements of Changes in Equity
for the financial year ended 30 June 2019

	Note	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Total equity at the beginning of the financial year		-	-	-	-	-	-	-	-
Reclassification due to AMIT tax regime implementation*		-	-	-	-	-	-	-	-
Profit/(loss) for the financial year/Total comprehensive income		436,150	-	426,254	-	669,425	-	90,271	-
Transactions with unitholders									
Applications		-	-	-	-	-	-	-	-
Redemptions		(2,215)	-	(3,649)	-	(7,261)	-	(27,306)	-
Distributions to unitholders		-	-	-	-	-	-	-	-
Total transactions with unitholders		(2,215)	-	(3,649)	-	(7,261)	-	(27,306)	-
Total Equity at the end of the financial year		433,935	-	422,605	-	662,164	-	62,965	-

	Note	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Total equity at the beginning of the financial year		-	-	-	-	-	-
Reclassification due to AMIT tax regime implementation*		-	-	-	-	-	-
Profit/(loss) for the financial year/Total comprehensive income		264,339	-	27,091	-	335,228	-
Transactions with unitholders							
Applications		-	-	-	-	-	-
Redemptions		(18,142)	-	(132)	-	(32,668)	-
Distributions to unitholders		-	-	-	-	-	-
Total transactions with unitholders		(18,142)	-	(132)	-	(32,668)	-
Total Equity at the end of the financial year		246,197	-	26,959	-	302,560	-

The Statements of Changes in Equity should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

* Effective from 1 July 2017, the Schemes' units have been reclassified from financial liability to equity as a result of the implementation of Attribution Managed Investment Trust ("AMIT") tax regime.

Financial Report
Financial Statements - Statements of Cash Flows
for the financial year ended 30 June 2019

	Note	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Cash flows from operating activities:									
Unit trust distribution received		-	-	-	-	-	-	-	-
Operating expenses paid		-	-	-	-	-	-	-	-
Proceeds from sale of investments		436,150	-	426,254	-	669,425	-	90,271	-
Purchase of investments		-	-	-	-	-	-	-	-
Net cash flows from/(used in) operating activities	7	436,150	-	426,254	-	669,425	-	90,271	-
Cash flows from financing activities:									
Proceeds from issue of units		-	-	-	-	-	-	-	-
Payments for redemption of units		(2,215)	-	(3,561)	-	(7,261)	-	(667)	-
Distributions paid		-	-	-	-	-	-	-	-
Net cash flows from/(used in) financing activities		(2,215)	-	(3,561)	-	(7,261)	-	(667)	-
Net increase/(decrease) in cash and cash equivalents		433,935	-	422,693	-	662,164	-	89,604	-
Cash and cash equivalents at the beginning of the financial year		-	-	-	-	-	-	-	-
Cash and cash equivalents at the end of the financial year		433,935	-	422,693	-	662,164	-	89,604	-

The Statements of Cash Flows should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

Financial Report
Financial Statements - Statements of Cash Flows
for the financial year ended 30 June 2019

	Note	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Cash flows from operating activities:							
Unit trust distribution received		-	-	-	-	-	-
Operating expenses paid		-	-	-	-	-	-
Proceeds from sale of investments		264,339	-	27,091	-	335,228	-
Purchase of investments		-	-	-	-	-	-
Net cash flows from/(used in) operating activities	7	264,339	-	27,091	-	335,228	-
Cash flows from financing activities:							
Proceeds from issue of units		-	-	-	-	-	-
Payments for redemption of units		(1,671)	-	(112)	-	(2,038)	-
Distributions paid		-	-	-	-	-	-
Net cash flows from/(used in) financing activities		(1,671)	-	(112)	-	(2,038)	-
Net increase/(decrease) in cash and cash equivalents		262,668	-	26,979	-	333,190	-
Cash and cash equivalents at the beginning of the financial year		-	-	-	-	-	-
Cash and cash equivalents at the end of the financial year		262,668	-	26,979	-	333,190	-

The Statements of Cash Flows should be read in conjunction with the Notes to the financial statements set out on pages 12 to 30.

Financial Report

Notes to the Financial Statements

for the financial year ended 30 June 2019

1. Reporting entity

The Schemes included in these financial statements are registered Managed Investment Schemes under the *Corporations Act 2001*. The financial statements of the Schemes are for the financial year ended 30 June 2019.

2. Basis of preparation

2.1 Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Schemes comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors of the Responsible Entity on 10 September 2019.

2.2 Basis of measurement

As at the reporting date cash and cash equivalents have been valued at amortised cost. In the prior year, the Schemes' underlying securities were valued on a basis other than going concern, as such realisation values equated to fair values less costs to sell and settlement value for liabilities.

The Board of OnePath Funds Management Limited approved a resolution on 28 May 2015 to terminate the Schemes. As a result of this resolution the financial statements have been prepared on a basis other than going concern.

2.3 Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Schemes' functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements which are in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 8.5 Valuation of financial instruments contains information about the estimation of fair values of financial instruments.

The Schemes have been re-assessed as at 30 June 2019 and continued to meet the definition of the investment entities under the definition of AASB 10 *Consolidated Financial Statements* as the following criteria are met:

- The Schemes obtain and manage funds for the purpose of providing investors of the Schemes with investment management services;
- The Schemes have committed to their investors that their business purposes are to invest funds solely for return from capital appreciation and investment income; and
- The Schemes measure and evaluate the performance of their investments on a fair value basis.

2.5 Changes in accounting policies

The Schemes have adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. Under the transition methods chosen, comparative information is not restated as detailed below. There was no material effect of the adoption of these standards to the Schemes for the financial year ended 30 June 2019.

**Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2019****2.5.1 AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* and is applicable for annual reporting periods beginning on or after 1 January 2018. AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities. However, it replaces the previous AASB 139 categories for the financial instruments which were 'financial assets at fair value through profit or loss (FVTPL)', 'financial assets held to maturity', 'loans and receivables' and 'available for sale' with 'fair value through profit or loss', 'amortised cost' and 'fair value through other comprehensive income (FVOCI)'. The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and the characteristics of its contractual cash flows. The Schemes' portfolios of financial assets are managed and performance is evaluated on a fair value basis. The adoption of this standard does not have a significant impact on the recognition, classification or measurement of the Schemes' investments as financial instruments previously measured as fair value through profit or loss or amortised cost under AASB 139 will continue to be presented as FVTPL or amortised cost under AASB 9.

2.5.2 AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* is applicable for reporting periods beginning on or after 1 January 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue; at a point in time and over time. The Schemes do not earn revenue to which AASB 15 applies, accordingly, the new revenue recognition rules do not have an impact on the Schemes' accounting policies or the amounts recognised in the financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Schemes have not early adopted any accounting standard.

3.1 Financial instruments**3.1.1 Recognition and initial measurement**

Financial assets and liabilities held at fair value through profit or loss are recognised initially on the trade date at which the Schemes become a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the due date they originated.

Financial assets and financial liabilities held at fair value through the profit or loss are measured initially at fair value, with transaction costs recognised in the Statements of Comprehensive Income. Financial assets or liabilities not held at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

3.1.2 Derecognition

The Schemes derecognise financial assets when the contractual rights to the cash flows from the financial assets expire or they transfer the financial assets and the transfer qualifies for derecognition in accordance with AASB 9 *Financial Instruments*.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.1.3 Classification

Financial assets and financial liabilities held at fair value through profit or loss are classified as held for trading. These include investments in units in an unlisted unit trust.

Financial assets measured at amortised cost include cash and cash equivalents. Financial liabilities measured at amortised cost include redemptions payable.

3.1.4 Measurement

The financial statements have been prepared on a basis other than going concern and in prior year the Schemes' securities were valued using realisation values, as such realisation values equated to fair values less costs to sell and settlement value for liabilities.

3.2 Net assets attributable to unitholders

Net assets attributable to unitholders represent the estimated value of equity available to unitholders upon termination.

Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2019**3.3 Terms and conditions of units**

The Schemes included in these financial statements have between one and two classes of units.

Each unit issued within each class confers upon the unitholders an equal interest in the relevant class and is of equal value. The rights, obligations and restrictions attached to each unit in each class are identical in all respects. The classes in the Schemes differ in terms of the Responsible Entity fees charged.

A unit does not confer any interest in any particular asset or investment of the Schemes. Unitholders have various rights under the applicable Constitution and the *Corporations Act 2001*, including the right to have their units redeemed, receive income distributions and attend and vote at meetings of unitholders.

3.4 Cash and cash equivalents

For the purpose of presentation in the Statements of Cash Flows, cash and cash equivalents may include cash at bank, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdrafts.

3.5 Interest

Interest income is recognised in the Statements of Comprehensive Income as it accrues, using the effective interest method of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income is recognised on a gross basis, including withholding tax, if any.

3.6 Distribution income

Income distributions from unlisted unit trusts are recognised in the Statements of Comprehensive Income on an entitlement basis.

3.7 Expenses

All expenses, including Responsible Entity fees, are recognised in the Statements of Comprehensive Income on an accruals basis.

Interest expense is interest accrued on overdraft balances held during the financial year.

3.8 Distribution and taxation

Under the Attribution Managed Investment Trust ("AMIT") tax regime effective 1 July 2017, the Schemes are not subject to income tax as taxable income (including assessable realised capital gains) is attributed in full to the unitholders. The Schemes fully attribute their taxable income which is calculated in accordance with the Schemes' Constitutions and applicable taxation legislation, to the unitholders on a fair and reasonable basis consistent with their rights. The Responsible Entity's distribution policy is to support all attributed amounts to unitholders with cash.

Financial instruments held at fair value may include unrealised capital gains. Unrealised gains that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised.

3.9 Finance costs

Equity transactions, including distributions to unitholders have been disclosed in the Statements of Changes in Equity for the financial year ended 30 June 2019. Distributions paid are included in cash flows from financing activities in the Statements of Cash Flows.

3.10 Receivables

Effective from 1 July 2018, the Schemes have adopted AASB 9 *Financial Instruments*. Receivables which were previously carried at amortised cost are now measured at transaction price and may include amounts for accrued income.

3.11 Payables

Payables may include amounts for unsettled redemptions.

Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2019

3.12 Profit/(loss) for the financial year

Profit/(loss) for the financial year is disclosed in the Statements of Comprehensive Income. Equity transactions, including distributions to unitholders have been disclosed in the Statements of Changes in Equity.

3.13 Goods and services tax

Expenses incurred by the Schemes are recognised net of the amount of GST recoverable from the ATO as Reduced Input Tax Credit.

Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in receivables in the Statements of Financial Position. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

3.14 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted by the Schemes in preparing these financial statements. None of these are expected to have a material effect on the Schemes' financial statements.

Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2019

4. Net assets attributable to unitholders

The Schemes consider their net assets attributable to unitholders as equity as each Scheme had made an irrevocable choice to be an Attribution Managed Investment Trust ("AMIT"). The Schemes are therefore no longer contractually obligated to pay distributions. Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are classified as equity where the following criteria are met:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Schemes' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Schemes, and it is not a contract settled in the Schemes' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The Schemes' units are classified as equity as they satisfied all the above criteria.

Movements in the number of units attributable to unitholders equity, of the Schemes during the year are as follows:

	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	30 June 2019 Units	30 June 2018 Units	30 June 2019 Units	30 June 2018 Units	30 June 2019 Units	30 June 2018 Units	30 June 2019 Units	30 June 2018 Units
Opening balance	153,573,930	153,573,930	333,073,614	333,073,614	232,448,509	232,448,509	75,225,675	75,225,675
Applications	-	-	-	-	-	-	-	-
Redemptions*	(779,828)	-	(2,850,458)	-	(2,520,834)	-	(22,754,973)	-
Closing balance	152,794,102	153,573,930	330,223,156	333,073,614	229,927,675	232,448,509	52,470,702	75,225,675

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2019 Units	30 June 2018 Units	30 June 2019 Units	30 June 2018 Units	30 June 2019 Units	30 June 2018 Units
Opening balance	91,151,404	91,151,404	9,675,214	9,675,214	115,595,927	115,595,927
Applications	-	-	-	-	-	-
Redemptions*	(6,255,864)	-	(47,000)	-	(11,264,824)	-
Closing balance	84,895,540	91,151,404	9,628,214	9,675,214	104,331,103	115,595,927

* The Schemes have been suspended since 24 October 2008. In the current year, as a result of the redemption of investments in the Mortgage Pool, the Schemes received cash and commenced the redemption process.

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5. Financial assets and liabilities

The Schemes held units in a suspended unlisted unit trust which was value at zero at the comparative year end. As at the reporting date, the Schemes had redeemed their units in the trust and had no financial instruments.

6. Payables

The tables below detail the payables held by the Schemes at the reporting date:

	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Redemptions payable	-	-	88	-	-	-	26,639	-
Total payables	-	-	88	-	-	-	26,639	-

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Redemptions payable	16,471	-	20	-	30,630	-
Total payables	16,471	-	20	-	30,630	-

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7. Reconciliation of cash flows from operating activities

The tables below detail the reconciliation of cash flows from operating activities for the year as follows:

	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Profit/(Loss) from operating activities	436,150	-	426,254	-	669,425	-	90,271	-
Adjustments for net realised and unrealised (gains)/losses on:								
Change in fair value of investments	(436,150)	-	(426,254)	-	(669,425)	-	(90,271)	-
Changes in operating assets and liabilities:								
Proceeds from sale of investments	436,150	-	426,254	-	669,425	-	90,271	-
Net cash flows from/(used in) operating activities	436,150	-	426,254	-	669,425	-	90,271	-

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$
Profit/(Loss) from operating activities	264,339	-	27,091	-	335,228	-
Adjustments for net realised and unrealised (gains)/losses on:						
Change in fair value of investments	(264,339)	-	(27,091)	-	(335,228)	-
Changes in operating assets and liabilities:						
Proceeds from sale of investments	264,339	-	27,091	-	335,228	-
Net cash flows from/(used in) operating activities	264,339	-	27,091	-	335,228	-

8. Financial risk management

8.1 Introduction and overview

The Schemes are exposed to a variety of financial risks from investments in financial instruments. These risks include:

- credit risk
- liquidity risk
- market risk

This note presents information about the Schemes' exposure to each of the above risks, the Schemes' objectives, policies and processes for measuring and managing risks, and the Schemes' management of unitholder funds.

8.1.1 Risk management framework

The Schemes invested into an unlisted unit trust in accordance with the PDSs up until redemption of units in the Mortgage Pool investment. As at the reporting date, the Schemes only invested into cash and cash equivalents.

8.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Schemes, resulting in a financial loss to the Schemes. As at the reporting date the main credit risk of which the Schemes are exposed, comes from the Schemes' investments in cash and cash equivalents.

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8.2.1 Management of credit risk

The Schemes' policy over credit risk was to minimise its exposure to counterparties with higher risk of default by dealing only with counterparties meeting the credit standards set out in the Schemes' PDSs. Credit risk was further minimised by managing the assets of the Schemes within credit rating limits. As at reporting date the Schemes only held cash and cash equivalents.

8.2.2 Cash and cash equivalents

The Schemes' cash and cash equivalents are held by Australia and New Zealand Banking Group Limited (ANZ). The credit rating of ANZ as determined by Standard & Poor's is A-1+ (2018: A-1+) as at reporting date. Maximum credit risk exposure from cash and cash equivalents is represented by the carrying amount on the Statements of Financial Position.

8.2.3 Settlement risk

The Schemes' activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. As at reporting date the Schemes were not exposed to settlement risk.

8.3 Liquidity risk

Liquidity risk is the risk that the Schemes will encounter difficulty in meeting obligations arising from their financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Schemes.

8.3.1 Management of liquidity risk

The Schemes' liquidity risk is managed by the Responsible Entity and the Schemes held investments in a suspended unlisted unit trust (Mortgage Pool) which was valued at zero in the comparative year end. During the year, the Mortgage Pool was revalued and the Schemes redeemed their units in the Mortgage Pool. As at 30 June 2019, the Schemes only hold cash and cash equivalents and are able to meet their obligation to the unitholders' redemption request.

8.3.2 Liquidity risk exposure

The tables below detail the financial instruments that give rise to liquidity exposure. Information is provided on a contractual basis.

	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities								
Payables								
Due for maturity in: < 1 month	-	-	88	-	-	-	26,639	-
Total payables	-	-	88	-	-	-	26,639	-
Amounts attributable to unitholders								
Redeemable upon wind up* > 1 month but < 6 months	433,935	-	422,605	-	662,164	-	62,965	-
Total amounts attributable to unitholders	433,935	-	422,605	-	662,164	-	62,965	-

* As a result of the redemption of investments in the Mortgage Pool, the Schemes previously disclosed 'Amounts attributable to unitholders – Suspended scheme' now disclosed as 'Amounts attributable to unitholders – Redeemable upon wind up'. Refer to Note 15 Significant events during the financial period for further detail.

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8.3.2 Liquidity risk exposure

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities						
Payables						
Due for maturity in: < 1 month	16,471	-	20	-	30,630	-
Total payables	16,471	-	20	-	30,630	-
Amounts attributable to unitholders						
Redeemable upon wind up* > 1 month but < 6 months	246,197	-	26,959	-	302,560	-
Total amounts attributable to unitholders	246,197	-	26,959	-	302,560	-

* As a result of the redemption of investments in the Mortgage Pool, the Schemes previously disclosed 'Amounts attributable to unitholders - Suspended scheme' now disclosed as 'Amounts attributable to unitholders - Redeemable upon wind up'. Refer to Note 15 Significant events during the financial period for further detail.

8.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing), will affect the Schemes' income or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

8.4.1 Interest rate risk

The Schemes are exposed to the risk that the value or future cash flows of their financial instruments will fluctuate as a result of changes in market interest rates. Financial instruments that would be impacted by changes in market interest rates include cash and cash equivalents.

8.4.2 Exposure and sensitivity analysis - interest rate risk

Direct interest rate risk exposure at the reporting date is disclosed in Note 8.4.3 Interest rate risk exposure and sensitivity analysis.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Profit/(loss) for the financial year/Total comprehensive income' would have been affected by changes in the relevant risk at the end of the reporting period. Management have determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Schemes operate.

The tables at Note 8.4.3 Interest rate risk exposure and sensitivity analysis set out the effect on the Schemes' 'Net assets attributable to unitholders' and 'Change in net assets attributable to unitholders/Total comprehensive income' of a reasonably possible increase or reduction of 50 basis points in interest rates at 30 June 2019 (2018: 50 basis points).

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8.4.3 Interest rate risk exposure and sensitivity analysis

The tables below detail the assets and liabilities exposed to, and sensitivity analysis on, interest rate risk.

	1. ANZ Mortgage Fund			2. ANZ OA OnePath Income Plus Trust			3. ANZ OA OnePath Mortgage Trust			4. Income Plus Trust		
	Fixed interest rate	Floating interest rate	Total	Fixed interest rate	Floating interest rate	Total	Fixed interest rate	Floating interest rate	Total	Fixed interest rate	Floating interest rate	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
30 June 2019												
Financial assets												
Cash and cash equivalents	-	433,935	433,935	-	422,693	422,693	-	662,164	662,164	-	89,604	89,604
Net exposure	-	433,935	433,935	-	422,693	422,693	-	662,164	662,164	-	89,604	89,604
30 June 2018												
Financial assets												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Net exposure	-	-	-	-	-	-	-	-	-	-	-	-
Sensitivity analysis	2019	2018		2019	2018		2019	2018		2019	2018	
	\$	\$		\$	\$		\$	\$		\$	\$	
Impact on Profit/loss from operating activities and Net assets attributable to unitholders												
Interest rate risk - increase of 50bps (2018 50bps)	2,170	-		2,113	-		3,311	-		448	-	
Interest rate risk - decrease of 50bps (2018 50bps)	(2,170)	-		(2,113)	-		(3,311)	-		(448)	-	

	5. Monthly Income Trust			6. OnePath AJ Mortgage Fund			7. OnePath Mortgage Trust No.2		
	Fixed interest rate	Floating interest rate	Total	Fixed interest rate	Floating interest rate	Total	Fixed interest rate	Floating interest rate	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
30 June 2019									
Financial assets									
Cash and cash equivalents	-	262,668	262,668	-	26,979	26,979	-	333,190	333,190
Net exposure	-	262,668	262,668	-	26,979	26,979	-	333,190	333,190
30 June 2018									
Financial assets									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Net exposure	-	-	-	-	-	-	-	-	-
Sensitivity analysis	2019	2018		2019	2018		2019	2018	
	\$	\$		\$	\$		\$	\$	
Impact on Profit/loss from operating activities and Net assets attributable to unitholders									
Interest rate risk - increase of 50bps (2018 50bps)	1,313	-		135	-		1,666	-	
Interest rate risk - decrease of 50bps (2018 50bps)	(1,313)	-		(135)	-		(1,666)	-	

8.4.4 Other price risk

At the reporting date other price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The changes in the value of the Schemes' financial instruments are recognised in the Statements of Comprehensive Income in the line item 'Net change in fair value of investments'.

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8.4.5 Exposure and Sensitivity analysis - other price risk

The other price risk exposure of financial instruments is equal to the value of financial instruments as reported in the Statements of Financial Position and in Note 5 Financial assets and liabilities.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Profit/(loss) for the financial year/Total comprehensive income' would have been affected by changes in the relevant risk at the end of the reporting period.

8.4.6 Other price risk - sensitivity analysis

The Schemes held units in a suspended unlisted unit trust which was valued at zero in the comparative year. As at the reporting date, the Schemes no longer had any financial instruments. As such, the Schemes were not exposed to other price risk.

8.5 Valuation of financial instruments

The Schemes' accounting policy on fair value measurement is discussed in Note 3.1.4 Measurement.

The Schemes measure value using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

Level 1 - Quoted price (unadjusted) in an active market for an identical instrument.

The quoted market price used for financial assets is the current bid price. The quoted market price used for financial liabilities is the current ask price.

Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs.

This category includes all instruments that use a valuation technique which includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The valuation of managed investment schemes included in Level 3 is based on the daily net asset value of the managed investment scheme provided by the investment managers.

The Schemes recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. Changes in Level 2 and 3 fair values are analysed at each reporting date and the reasons for the fair value movements are explained. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year ended 30 June 2019.

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8.5.1 Financial instruments hierarchy

8.5.1.1 Recurring fair value measurements

The Schemes invested into the Mortgage Pool, a suspended unlisted unit trust which was valued at zero at the comparative year end. The suspended unlisted unit trust was classified as Level 3 in the fair value hierarchy in the comparative year. During the current year, the Mortgage Pool was revalued and the Schemes redeemed their units in the Mortgage Pool. As at the reporting date, the Schemes no longer had any financial instruments.

8.5.1.2 Non - recurring fair value measurements

The Schemes have no assets or liabilities measured on a non - recurring basis in the current reporting period.

8.5.2 Movements of Level 3 securities

Level 3 securities held are securities valued by using inputs not derived from observable market data. Inputs are prices derived from external sources which use various valuation techniques that include unobservable inputs. Transfers are considered when the underlying conditions of the financial instruments change.

The following tables detail a reconciliation of opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

		1. ANZ Mortgage Fund†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(436,150)	-	(436,150)	-	-	-	-	-
Sales		-	-	436,150	-	436,150	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

		2. ANZ OA OnePath Income Plus Trust†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(426,254)	-	(426,254)	-	-	-	-	-
Sales		-	-	426,254	-	426,254	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

† The Scheme invested into the Mortgage Pool, a suspended unlisted unit trust which was valued at zero at the comparative year end. The suspended unlisted unit trust was classified as Level 3 in the fair value hierarchy in the comparative year. During the current year, the Mortgage Pool was revalued and the Scheme redeemed its units in the Mortgage Pool. Refer to Note 15 Significant events during the financial period for further detail.

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8.5.2 Movements of Level 3 securities

		3. ANZ OA OnePath Mortgage Trust†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(669,425)	-	(669,425)	-	-	-	-	-
Sales		-	-	669,425	-	669,425	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

		4. Income Plus Trust†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(90,271)	-	(90,271)	-	-	-	-	-
Sales		-	-	90,271	-	90,271	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

		5. Monthly Income Trust†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(264,339)	-	(264,339)	-	-	-	-	-
Sales		-	-	264,339	-	264,339	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

† The Scheme invested into the Mortgage Pool, a suspended unlisted unit trust which was valued at zero at the comparative year end. The suspended unlisted unit trust was classified as Level 3 in the fair value hierarchy in the comparative year. During the current year, the Mortgage Pool was revalued and the Scheme redeemed its units in the Mortgage Pool. Refer to Note 15 Significant events during the financial period for further detail.

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8.5.2 Movements of Level 3 securities

		6. OnePath AJ Mortgage Fund†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(27,091)	-	(27,091)	-	-	-	-	-
Sales		-	-	27,091	-	27,091	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

		7. OnePath Mortgage Trust No.2†									
		Financial assets & liabilities at fair value through profit or loss 30 June 2019					Financial assets & liabilities at fair value through profit or loss 30 June 2018				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	-	-	-	-
Total gains or losses in profit or loss*		-	-	(335,228)	-	(335,228)	-	-	-	-	-
Sales		-	-	335,228	-	335,228	-	-	-	-	-
Closing balance	8.5.1.1	-	-	-	-	-	-	-	-	-	-
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

* These amounts are included in 'Net change in fair value of investments' within the Statements of Comprehensive Income.

† The Scheme invested into the Mortgage Pool, a suspended unlisted unit trust which was valued at zero at the comparative year end. The suspended unlisted unit trust was classified as Level 3 in the fair value hierarchy in the comparative year. During the current year, the Mortgage Pool was revalued and the Scheme redeemed its units in the Mortgage Pool. Refer to Note 15 Significant events during the financial period for further detail.

8.5.3 Inputs used for Level 3 fair value measurement

The quantitative information about the significant unobservable inputs used in Level 3 fair value measurements for holdings in a suspended scheme includes:

- Valuation of underlying assets of managed investments scheme;
- Suspension of redemption; and
- Liquidity.

Each of the unobservable inputs may have an impact on the other as suspension of underlying investments could materially impact the liquidity and therefore adjustments to the fair value may be required.

The Schemes invested into the Mortgage Pool, a suspended unlisted unit trust which was valued at zero at the comparative year end. The suspended unlisted unit trust was classified as Level 3 in the fair value hierarchy in the comparative year. During the current year, the Mortgage Pool was revalued and the Schemes redeemed their units in the Mortgage Pool. As at the reporting date, the Schemes no longer had any financial instruments. Refer to Note 15 Significant events during the financial period for further detail.

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9. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Schemes:

	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
KPMG								
- Financial statement audit Paid by Responsible Entity	4,887	4,817	4,887	4,817	4,887	4,817	4,887	4,817
- Compliance and regulatory Paid by Responsible Entity	765	744	765	744	765	744	765	744
Total audit fees paid	5,652	5,561	5,652	5,561	5,652	5,561	5,652	5,561
	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2			
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$		
KPMG								
- Financial statement audit Paid by Responsible Entity	4,887	4,817	4,887	4,817	4,887	4,817		
- Compliance and regulatory Paid by Responsible Entity	765	744	765	744	765	744		
Total audit fees paid	5,652	5,561	5,652	5,561	5,652	5,561		

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10. Related parties

10.1 Responsible Entity

The Responsible Entity of the Schemes is OnePath Funds Management Limited (ABN 21 003 002 800). OnePath Funds Management Limited is a subsidiary of Australia and New Zealand Banking Group Limited (ANZ).

10.2 Key management personnel

The Schemes do not employ personnel in their own right. However, the Schemes are required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel, during or since the end of the financial year are:

Name	Position Held	Date Appointed	Date Resigned
A H Chonowitz	Independent Non-Executive Director	Appointed 1 March 2015	Resigned 31 July 2019
L M Fricke	Independent Non-Executive Director	Appointed 7 September 2017	
P G Mullin	Independent Executive Director	Appointed 1 March 2015	
S J Chapman	Independent Non-Executive Director, Chairman	Appointed 1 August 2011	

The Schemes have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the reporting period.

No director has entered into a material contract with the Schemes since the end of the previous financial year and there were no material contracts involving directors' interests existing at financial year end.

10.3 Related party transactions

All related party transactions are conducted on commercial terms and conditions.

The Directors of the Responsible Entity may also be employees and/or directors of other companies owned by ANZ. The Responsible Entity may also be involved in activities other than the business of managed investment schemes.

The Schemes have not made, guaranteed or secured, directly or indirectly, any loans to the Responsible Entity at any time during the reporting period.

No compensation is paid to the Directors of the Responsible Entity by the Schemes. From time to time the Directors of OnePath Funds Management Limited may invest or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders in the Schemes.

10.4 Responsible Entity fees

The Responsible Entity is entitled to management fees which are calculated as a proportion of net assets attributable to unitholders. All transactions with related parties are conducted on normal commercial terms and conditions. Management fees are reflected as 'Responsible Entity fees' in the Statements of Comprehensive Income. During the current and comparative years, the Schemes did not incur any responsible entity fees.

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for the financial year ended 30 June 2019

10.5 Related party investments held by the Schemes

The Schemes may purchase and sell units in other schemes managed by OnePath Funds Management Limited in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions of the Schemes.

Details of the Schemes' investments in other schemes operated by OnePath Funds Management Limited are set out in the table below:

Name of entity Name of related entity	Fair value of unit holdings*		% Interest held		Units purchased/reinvested during the period		Units redeemed during the period		Distributions received/receivable (including Return of Capital)		Number of units held	
	2019 \$	2018 \$	2019 %	2018 %	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019	2018
1. ANZ Mortgage Fund Mortgage Pool	-	-	-	12.61	-	-	444,408	-	-	-	-	75,323,457
2. ANZ OA OnePath Income Plus Trust Mortgage Pool	-	-	-	12.30	-	-	433,334	-	-	-	-	73,446,412
3. ANZ OA OnePath Mortgage Trust Mortgage Pool	-	-	-	19.36	-	-	681,908	-	-	-	-	115,577,658
4. Income Plus Trust Mortgage Pool	-	-	-	2.52	-	-	88,846	-	-	-	-	15,058,576
5. Monthly Income Trust Mortgage Pool	-	-	-	7.60	-	-	267,892	-	-	-	-	45,405,391
6. OnePath AJ Mortgage Fund Mortgage Pool	-	-	-	0.77	-	-	27,180	-	-	-	-	4,606,845
7. OnePath Mortgage Trust No.2 Mortgage Pool	-	-	-	9.62	-	-	338,910	-	-	-	-	57,442,343

* The Schemes invested into the Mortgage Pool, a suspended unlisted unit trust which was valued at zero at the comparative year. During the year, the suspended unlisted units trust was revalued and the Schemes redeemed their units in the Mortgage Pool. Refer to Note 15 Significant events during the financial period for further detail.

10.6 Units in the Schemes held by related parties

As at the reporting date, details of unit holdings in the Schemes by related party including Oasis Fund Management Limited (Trustee for Oasis Superannuation Master Trust) is set out in the table below:

Name of entity Name of related entity	Fair value of unit holdings		% Interest held		Units purchased/reinvested during the period		Units redeemed during the period		Distributions paid/payable		Number of units held	
	2019 \$	2018 \$	2019 %	2018 %	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019	2018
5. Monthly Income Trust Oasis Superannuation Master Trust (a related entity of ANZ)	145	561	0.06	0.05	-	-	-	-	-	-	50,119	50,119
7. OnePath Mortgage Trust No.2 Oasis Superannuation Master Trust (a related entity of ANZ)	2,980	11,919	0.98	0.89	-	-	-	-	-	-	1,027,531	1,027,531

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for the financial year ended 30 June 2019

10.7 ANZ Securities - Related party investments

OnePath Funds Management Limited is a subsidiary of ANZ. As such investments in securities or accounts issued by ANZ are classified as related party transactions.

The Schemes' holdings in ANZ issued securities, investments or accounts and income received from such investments are set out in the table below:

Name of entity	2019		2018	
	Value as at	Income received/ receivable	Value as at	Income received/ receivable
	30 June 2019 \$	30 June 2019 \$	30 June 2018 \$	30 June 2018 \$
1. ANZ Mortgage Fund				
Cash and cash equivalents	433,935	-	-	-
2. ANZ OA OnePath Income Plus Trust				
Cash and cash equivalents	422,693	-	-	-
3. ANZ OA OnePath Mortgage Trust				
Cash and cash equivalents	662,164	-	-	-
4. Income Plus Trust				
Cash and cash equivalents	89,604	-	-	-
5. Monthly Income Trust				
Cash and cash equivalents	262,668	-	-	-
6. OnePath AJ Mortgage Fund				
Cash and cash equivalents	26,979	-	-	-
7. OnePath Mortgage Trust No.2				
Cash and cash equivalents	333,190	-	-	-

11. Investment assets and liabilities of unconsolidated structured entities

The Schemes have no investment assets as at 30 June 2019.

12. Custodian

OnePath Funds Management Limited (ABN 21 003 002 800) is the custodian of the Schemes.

13. Commitments and contingencies

There were no commitments or contingencies for the Schemes as at the reporting date (30 June 2018: Nil).

14. Schemes Suspension

The Schemes have been suspended since 24 October 2008. In the current year, as a result of the redemption of investments in the Mortgage Pool, the Schemes received cash and commenced the redemption process.

14.1 Schemes Termination

The Schemes were approved to terminate by a Board resolution on 28 May 2015. On 25 March 2019, the Board approved the commencement of a formal final termination process for the Schemes.

15. Significant events during the financial period

Proposed sale of OnePath P&I business:

On 17 October 2017, Australia and New Zealand Banking Group Limited (ANZ), the ultimate parent company of OnePath Funds Management Limited (the Responsible Entity of the Schemes) announced the proposed sale of the OnePath Pension and Investments (OnePath P&I) business to IOOF Holdings Limited and Australian Wealth Management Limited (IOOF).

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On 7 December 2018, the Australian Prudential Regulation Authority (APRA) announced regulatory action against IOOF. As at the reporting date, ANZ and OnePath Custodians Pty Limited (a related party of ANZ) continue to engage with IOOF to understand the actions IOOF are taking to respond to the APRA matter. OPFM continues to operate the Schemes within ANZ and there have been no changes to the operations of the Schemes.

Investments in Mortgage Pool:

The Schemes invested into the Mortgage Pool, a suspended unlisted unit trust which had a zero unit price in prior financial year. Outstanding litigation on a past loan within the Mortgage Pool investment has been resolved in the current year and as a result, the unit price of Mortgage Pool was revalued. On 3 June 2019, the Schemes redeemed their units in the Mortgage Pool. As at the reporting date, the Schemes no longer invest into the Mortgage Pool.

Schemes suspension:

The Schemes received cash from the redemption of investments in the Mortgage Pool. As a result, the Schemes commenced the redemption process. Refer to Note 4 Net assets attributable to unitholders for further detail.

16. Likely developments and expected results of operations

The Schemes were approved to terminate by a Board resolution on 28 May 2015. On 25 March 2019, the Board approved the commencement of a formal final termination process for the Schemes.

Further information has not been included in this report to avoid the disclosure of information that may result in unreasonable prejudice to the Schemes.

17. Events subsequent to reporting date

There are no significant events that have occurred since the financial year ended 30 June 2019 which have a material effect on these financial statements or the Schemes' results and operations.

Financial Report Directors' Declaration

OnePath Funds Management Limited presents the Directors' Declaration in respect of the following Schemes:

1. ANZ Mortgage Fund
2. ANZ OA OnePath Income Plus Trust
3. ANZ OA OnePath Mortgage Trust
4. Income Plus Trust
5. Monthly Income Trust
6. OnePath AJ Mortgage Fund
7. OnePath Mortgage Trust No.2

In accordance with a resolution of the Directors of OnePath Funds Management Limited we state that:

In the opinion of the Directors:

1. The financial statements and notes to the financial statements of the Schemes, set out on pages 5 to 30 are in accordance with the *Corporations Act 2001*, including:
 - 1.1 giving a true and fair view of the Schemes' financial positions as at 30 June 2019 and their performance for the financial year ended on that date.
 - 1.2 complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The financial statements and notes to the financial statements of the Schemes, set out on pages 5 to 30 comply with International Financial Reporting Standards.
3. There are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.

This Declaration is made in accordance with a resolution of the Directors of OnePath Funds Management Limited.



Director

Sydney

10 September 2019



Independent Auditor's Report

To the respective unitholders of the following Schemes:

- ANZ Mortgage Fund
- ANZ OA OnePath Income Plus Trust
- ANZ OA OnePath Mortgage Trust
- Income Plus Trust
- Monthly Income Trust
- OnePath AJ Mortgage Fund
- OnePath Mortgage Trust No.2

For the purpose of this report, the term Scheme and Schemes denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

Opinions

We have audited each of the **Financial Reports** of the Schemes.

In our opinion, the accompanying Financial Report of each Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the individual Schemes comprise:

- Statement of Financial Position as at 30 June 2019;
- Statement of Comprehensive Income for the year then ended;
- Statement of Changes in Equity for the year then ended;
- Statement of Cash Flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration made by the Directors of OnePath Funds Management Limited (the Responsible Entity).

The *financial year* is the 12 months ended on 30 June 2019.

Basis for opinions

We conducted our audits in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Reports* section of our report.

We are independent of the Schemes and the Responsible Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audits of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of preparation

We draw attention to Note 2.2 to the Financial Reports, which indicates that the Financial Reports have been prepared on a basis other than going concern. On 28 May 2015 the Responsible Entity resolved to terminate the Schemes on a date subsequent to 30 June 2019. The Schemes are no longer considered going concerns. Our opinions are not modified in respect of this matter.

Other Information

Other Information is financial and non-financial information in the issuer of the respective Schemes' annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing each Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the respective Scheme or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether each of the Financial Reports as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Andrew Reeves

Partner

Sydney
10 September 2019



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of OnePath Funds Management Limited, the Responsible Entity for the following Schemes:

- ANZ Mortgage Fund
- ANZ OA OnePath Income Plus Trust
- ANZ OA OnePath Mortgage Trust
- Income Plus Trust
- Monthly Income Trust
- OnePath AJ Mortgage Fund
- OnePath Mortgage Trust No.2

I declare that, to the best of my knowledge and belief, in relation to each of the audits of the Schemes for the financial year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to each audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to each audit.

KPMG

Andrew Reeves

Partner

Sydney
10 September 2019

CONTACT DETAILS FOR THE SCHEMES

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