

**FINANCIAL REPORT  
RETAIL MORTGAGE TRUSTS**

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FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2016



## FINANCIAL REPORTS FOR THE FINANCIAL YEAR ENDED JUNE 2016.

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## Directors' Report for the financial year ended 30 June 2016

The Directors of OnePath Funds Management Limited, 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 2016, 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 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
A H Chonowitz	Non-Executive Director	Appointed 1 March 2015
P G Mullin	Executive Director	Appointed 1 March 2015
S C Brentnall	Executive Director	Appointed 1 March 2013
S J Chapman	Non-Executive Director	Appointed 1 August 2011
V S Weekes	Non-Executive Director, Chairman	Appointed 1 May 2011

### Principal activities

The Schemes are registered Managed Investment Schemes domiciled in Australia.

The Schemes invest into cash and an unlisted unit trust which has a zero unit price.

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 income distributions paid and payable by the Schemes are disclosed in the Statements of Comprehensive Income.

The income distributions payable by the Schemes are disclosed in the Statements of Financial Position.

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 non-going concern basis. On 21 September 2015, the Schemes received a return of capital distribution from the Mortgage Pool and in turn passed on this return of capital to investors. The Schemes' investment into the Mortgage Pool was reduced to zero after this distribution. Termination will not be immediate due to outstanding litigation on past loans still to be resolved within the Mortgage Pool investment.

### 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 11.4 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 11 Related parties.

### Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Schemes that occurred during the financial year.

### Likely developments and expected results of operations

Termination will not be immediate due to outstanding litigation on past loans still to be resolved.

Further information about likely developments in the operations of the Schemes and the expected results of those operations in future financial periods has not been included because disclosure of this information would be likely to result in unreasonable prejudice to the Schemes.

### 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 2016 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 auditors

Indemnification:

Under the Schemes' Constitutions the Responsible Entity, including its officers and employees, is 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.

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## **Directors' Report for the financial year ended 30 June 2016**

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 auditors 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 reporting date.

### **Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 42 and forms part of the directors' report for the financial year ended 30 June 2016.

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

A handwritten signature in black ink, appearing to read 'John Brown', written over a faint horizontal line.

**Director**

Sydney

8 September 2016

## Statements of Financial Position as at 30 June 2016

	Note	1. ANZ Mortgage Fund <sup>†</sup>		2. ANZ OA OnePath Income Plus Trust <sup>†</sup>		3. ANZ OA OnePath Mortgage Trust <sup>†</sup>		4. Income Plus Trust <sup>†</sup>	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Assets</b>									
Cash and cash equivalents		548	102,849	4,551	2,448	845	96,627	1,038	684
Receivables	5	1	877,841	7	870,751	1	1,346,873	2	178,381
Financial assets held at fair value through profit or loss	6	-	1,721,865	-	3,275,558	-	2,601,475	-	682,442
<b>Total assets</b>		<b>549</b>	<b>2,702,555</b>	<b>4,558</b>	<b>4,148,757</b>	<b>846</b>	<b>4,044,975</b>	<b>1,040</b>	<b>861,507</b>
<b>Liabilities</b>									
Bank overdraft		-	-	-	-	-	-	-	-
Payables	7	549	3,403	4,558	6,805	846	4,093	1,040	1,844
Distribution payable		-	902,226	-	817,939	-	1,343,601	-	167,797
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>549</b>	<b>905,629</b>	<b>4,558</b>	<b>824,744</b>	<b>846</b>	<b>1,347,694</b>	<b>1,040</b>	<b>169,641</b>
<b>Net assets attributable to unitholders</b>		<b>-</b>	<b>1,796,926</b>	<b>-</b>	<b>3,324,013</b>	<b>-</b>	<b>2,697,281</b>	<b>-</b>	<b>691,866</b>
Represented by:									
Net assets attributable to unitholders at redemption price		-	1,796,926	-	3,324,013	-	2,697,281	-	691,866
<b>Total net assets attributable to unitholders</b>	4	<b>-</b>	<b>1,796,926</b>	<b>-</b>	<b>3,324,013</b>	<b>-</b>	<b>2,697,281</b>	<b>-</b>	<b>691,866</b>

The Statements of Financial Position should be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 38.

† The Scheme holds units in an unlisted unit trust which was valued at zero at reporting date.

## Statements of Financial Position as at 30 June 2016

	Note	5. Monthly Income Trust <sup>†</sup>		6. OnePath AJ Mortgage Fund <sup>†</sup>		7. OnePath Mortgage Trust No.2 <sup>†</sup>	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Assets</b>							
Cash and cash equivalents		54	-	77	12,543	297	29,379
Receivables	5	-	529,061	-	53,701	-	669,366
Financial assets held at fair value through profit or loss	6	-	1,044,075	-	105,016	-	1,316,157
<b>Total assets</b>		<b>54</b>	<b>1,573,136</b>	<b>77</b>	<b>171,260</b>	<b>297</b>	<b>2,014,902</b>
<b>Liabilities</b>							
Bank overdraft		-	18,006	-	-	-	-
Payables	7	54	29,209	77	1,898	297	3,385
Distribution payable		-	501,344	-	51,917	-	667,738
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>54</b>	<b>548,559</b>	<b>77</b>	<b>53,815</b>	<b>297</b>	<b>671,123</b>
<b>Net assets attributable to unitholders</b>		<b>-</b>	<b>1,024,577</b>	<b>-</b>	<b>117,445</b>	<b>-</b>	<b>1,343,779</b>
Represented by:							
Net assets attributable to unitholders at redemption price		-	1,024,577	-	117,445	-	1,343,779
<b>Total net assets attributable to unitholders</b>	4	<b>-</b>	<b>1,024,577</b>	<b>-</b>	<b>117,445</b>	<b>-</b>	<b>1,343,779</b>

The Statements of Financial Position should be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 38.

† The Scheme holds units in an unlisted unit trust which was valued at zero at reporting date.

**Statements of Comprehensive Income  
for the financial year ended 30 June 2016**

	Note	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Investment income</b>									
Interest income		547	4,815	686	1,439	758	3,951	141	346
Unit trust distribution income		-	1,236,063	1,888	1,378,624	-	1,896,782	396	282,785
Net change in fair value of investments		(9,865)	123,440	(69,053)	255,288	(14,904)	191,110	(14,350)	52,852
Other income		-	-	2	11,112	87	13,661	171	2,592
<b>Net investment income/(loss)</b>		<b>(9,318)</b>	<b>1,364,318</b>	<b>(66,477)</b>	<b>1,646,463</b>	<b>(14,059)</b>	<b>2,105,504</b>	<b>(13,642)</b>	<b>338,575</b>
<b>Expenses</b>									
Responsible Entity fees	11.4	549	58,391	18,213	257,031	846	116,668	3,880	52,762
Interest expenses		-	-	-	-	-	-	-	-
Other expenses		-	1,036	-	159	-	-	-	6
<b>Operating expenses before finance costs</b>		<b>549</b>	<b>59,427</b>	<b>18,213</b>	<b>257,190</b>	<b>846</b>	<b>116,668</b>	<b>3,880</b>	<b>52,768</b>
<b>Profit/(loss) from operating activities</b>		<b>(9,867)</b>	<b>1,304,891</b>	<b>(84,690)</b>	<b>1,389,273</b>	<b>(14,905)</b>	<b>1,988,836</b>	<b>(17,522)</b>	<b>285,807</b>
<b>Finance costs</b>									
Distributions to unitholders		-	1,182,308	2,486	1,122,909	-	1,783,895	518	230,389
<b>Change in net assets attributable to unitholders/ Total comprehensive income</b>	<b>4</b>	<b>(9,867)</b>	<b>122,583</b>	<b>(87,176)</b>	<b>266,364</b>	<b>(14,905)</b>	<b>204,941</b>	<b>(18,040)</b>	<b>55,418</b>

The Statements of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 38.



**Statements of Comprehensive Income  
for the financial year ended 30 June 2016**

	Note	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Investment income</b>							
Interest income		132	-	77	619	297	1,348
Unit trust distribution income		-	745,021	-	75,590	-	942,559
Net change in fair value of investments		(5,982)	73,799	(602)	7,492	(7,540)	94,452
Other income		-	2,717	-	-	-	4,559
<b>Net investment income/(loss)</b>		<b>(5,850)</b>	<b>821,537</b>	<b>(525)</b>	<b>83,701</b>	<b>(7,243)</b>	<b>1,042,918</b>
<b>Expenses</b>							
Responsible Entity fees	11.4	54	80,818	77	7,381	297	57,985
Interest expenses		79	165	-	-	-	-
Other expenses		-	-	-	-	-	-
<b>Operating expenses before finance costs</b>		<b>133</b>	<b>80,983</b>	<b>77</b>	<b>7,381</b>	<b>297</b>	<b>57,985</b>
<b>Profit/(loss) from operating activities</b>		<b>(5,983)</b>	<b>740,554</b>	<b>(602)</b>	<b>76,320</b>	<b>(7,540)</b>	<b>984,933</b>
<b>Finance costs</b>							
Distributions to unitholders		-	664,072	-	68,806	-	885,871
<b>Change in net assets attributable to unitholders/ Total comprehensive income</b>	<b>4</b>	<b>(5,983)</b>	<b>76,482</b>	<b>(602)</b>	<b>7,514</b>	<b>(7,540)</b>	<b>99,062</b>

The Statements of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 38.

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**Statements of Changes in Equity  
for the financial year ended 30 June 2016**

The Schemes' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Schemes have no equity, and no items of changes in equity have been presented for the current or comparative year.

## Statements of Cash Flows for the financial year ended 30 June 2016

	Note	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Cash flows from operating activities:</b>									
Interest received		723	6,264	689	1,650	927	5,171	141	486
Unit trust distribution received		877,664	937,406	855,791	913,389	1,346,703	1,439,378	175,461	187,270
Other income received		-	-	2	11,112	87	13,661	171	2,591
Interest paid		-	-	-	-	-	-	-	-
Operating expenses paid		(3,403)	(68,995)	(19,289)	(287,834)	(4,093)	(140,162)	(4,684)	(60,332)
Proceeds from sale of investments		1,712,000	8,427,726	3,257,530	20,265,552	2,586,571	12,948,036	676,706	4,248,101
Purchase of investments		-	-	(35,358)	(978,459)	-	-	(5,300)	(369,661)
<b>Net cash flows from/(used in) operating activities</b>	<b>8</b>	<b>2,586,984</b>	<b>9,302,401</b>	<b>4,059,365</b>	<b>19,925,410</b>	<b>3,930,195</b>	<b>14,266,084</b>	<b>842,495</b>	<b>4,008,455</b>
<b>Cash flows from financing activities:</b>									
Proceeds from issue of units		-	-	8,697	95,244	6	-	767	10,813
Payments for redemption of units		-	(7,195)	(2,474)	(15,953)	(1)	(23,457)	(90)	(3,681)
Distributions paid		(902,226)	(2,015,205)	(820,368)	(1,027,821)	(1,343,601)	(1,655,355)	(168,315)	(209,831)
Return of capital paid		(1,787,059)	(7,835,846)	(3,243,117)	(19,136,311)	(2,682,381)	(13,038,836)	(674,503)	(3,901,101)
<b>Net cash flows from/(used in) financing activities</b>		<b>(2,689,285)</b>	<b>(9,858,246)</b>	<b>(4,057,262)</b>	<b>(20,084,841)</b>	<b>(4,025,977)</b>	<b>(14,717,648)</b>	<b>(842,141)</b>	<b>(4,103,800)</b>
Net increase/(decrease) in cash and cash equivalents		(102,301)	(555,845)	2,103	(159,431)	(95,782)	(451,564)	354	(95,345)
Cash and cash equivalents at the beginning of the financial year		102,849	658,694	2,448	161,879	96,627	548,191	684	96,029
<b>Cash and cash equivalents at the end of the financial year</b>		<b>548</b>	<b>102,849</b>	<b>4,551</b>	<b>2,448</b>	<b>845</b>	<b>96,627</b>	<b>1,038</b>	<b>684</b>

The Statements of Cash Flows should be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 38.

## Statements of Cash Flows for the financial year ended 30 June 2016

	Note	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Cash flows from operating activities:</b>							
Interest received		101	58	99	788	349	1,763
Unit trust distribution received		529,061	564,667	53,679	57,291	669,314	714,906
Other income received		-	2,717	-	-	-	4,559
Interest paid		(79)	(165)	-	-	-	-
Operating expenses paid		(29,178)	(80,089)	(1,898)	(7,797)	(3,385)	(68,958)
Proceeds from sale of investments		1,038,092	5,074,125	104,414	514,822	1,308,617	6,425,638
Purchase of investments		-	-	-	-	-	-
<b>Net cash flows from/(used in) operating activities</b>	<b>8</b>	<b>1,537,997</b>	<b>5,561,313</b>	<b>156,294</b>	<b>565,104</b>	<b>1,974,895</b>	<b>7,077,908</b>
<b>Cash flows from financing activities:</b>							
Proceeds from issue of units		69	918	5	57	14	132
Payments for redemption of units		-	(48)	-	-	-	(5,575)
Distributions paid		(501,294)	(485,848)	(51,917)	(87,784)	(667,738)	(757,212)
Return of capital paid		(1,018,712)	(5,102,486)	(116,848)	(540,755)	(1,336,253)	(6,468,701)
<b>Net cash flows from/(used in) financing activities</b>		<b>(1,519,937)</b>	<b>(5,587,464)</b>	<b>(168,760)</b>	<b>(628,482)</b>	<b>(2,003,977)</b>	<b>(7,231,356)</b>
Net increase/(decrease) in cash and cash equivalents		18,060	(26,151)	(12,466)	(63,378)	(29,082)	(153,448)
Cash and cash equivalents at the beginning of the financial year		(18,006)	8,145	12,543	75,921	29,379	182,827
<b>Cash and cash equivalents at the end of the financial year</b>		<b>54</b>	<b>(18,006)</b>	<b>77</b>	<b>12,543</b>	<b>297</b>	<b>29,379</b>

The Statements of Cash Flows should be read in conjunction with the Notes to the Financial Statements set out on pages 12 to 38.

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## Notes to the Financial Statements for the financial year ended 30 June 2016

### 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 2016. The Schemes' financial statements are prepared on a non-going concern basis following a resolution of the Directors to terminate the Schemes on 28 May 2015.

### 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 8 September 2016.

#### 2.2 Basis of measurement

The Schemes' underlying securities have been valued on a non-going concern basis. Liquidation values equate 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 non-going concern basis.

#### 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 9.5 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 2016 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

There were no changes in the accounting policies of the Schemes during the financial year.

### 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.

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## Notes to the Financial Statements for the financial year ended 30 June 2016

### 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 139 *Financial Instruments: Recognition and Measurement*.

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 unlisted unit trusts.

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

#### 3.1.4 Measurement

The financial statements have been prepared on a non-going concern basis and as such the Schemes' securities have been valued using liquidation values. Liquidation values equate to fair values less costs to sell and settlement value for liabilities.

#### 3.1.5 Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Schemes have a legal right to offset the amounts and they intend either to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under AASBs, e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

### 3.2 Net assets attributable to unitholders

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

### 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.

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## Notes to the Financial Statements for the financial year ended 30 June 2016

### 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 as unit trust distribution income on a present 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 current legislation the Schemes are not subject to income tax as taxable income (including assessable realised capital gains) is distributed in full to the unitholders. The Schemes fully distribute their distributable income, calculated in accordance with the Schemes' Constitutions and applicable taxation legislation, to the unitholders who are presently entitled to the income under the Constitutions.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be distributed so that the Schemes are not subject to capital gains tax.

### 3.9 Finance costs

Distributions paid and payable on units are recognised in the Statements of Comprehensive Income as finance costs and as a liability until paid. Distributions paid are included in cash flows from financing activities in the Statements of Cash Flows.

### 3.10 Receivables

Receivables are carried at amortised cost and may include amounts for unsettled sales, accrued income and other receivables such as Reduced Input Tax Credits (RITC).

Unsettled sales are amounts due from brokers for securities sold that have not been received at reporting date. Trades are recorded on trade date, and normally settle within three business days. Accrued income may include amounts for trust distributions, interest income and compensation income. Amounts are generally received within 30 days of being recorded as receivables. RITC is the amount of Goods and Service Tax (GST) recoverable from the Australian Taxation Office (ATO).

### 3.11 Payables

Payables may include amounts for unsettled purchases, accrued expenses and other payables such as GST.

Unsettled purchases are amounts due to brokers for securities purchased that have not been paid at reporting date. Trades are recorded on trade date and normally settle within three business days. Accrued expenses include Responsible Entity fees payable.

### 3.12 Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statements of Comprehensive Income.

### 3.13 Goods and services tax

Expenses incurred by the Schemes are recognised net of the amount of GST recoverable from the ATO as RITC.

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.

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## Notes to the Financial Statements for the financial year ended 30 June 2016

### 3.14 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations were available for early adoption but have not been applied by the Schemes in these Financial Statements:

- AASB 9 *Financial Instruments (and applicable amendments)* replacing AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 is applicable for annual reporting periods beginning on or after 1 January 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until periods commencing 1 January 2018 but is available for early adoption. When adopted, there will be no impact of the standard on the Schemes' accounting for financial instruments as movements in the fair value of investments and derivatives will continue to be recognised in the Statements of Comprehensive Income in the periods in which they occur.
- AASB 15 *Revenue from Contracts with Customers*. AASB 15 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 model features a contract based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This is likely to have a minimal impact to the Schemes if any, due to the nature of the revenue (investment) not falling within the scope of the standard.

Management is continuing to assess the impact of the above accounting standards.



## Notes to the Financial Statements for the financial year ended 30 June 2016

### 4. Net assets attributable to unitholders

The Schemes consider net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

Movements in the number of units and net assets attributable to unitholders 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 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
Opening balance	1,796,926	9,517,384	3,324,013	22,114,669	2,697,281	15,554,553	691,866	4,530,417
Applications	-	-	8,754	95,244	6	17	767	10,813
Redemptions	-	(7,195)	(2,474)	(15,953)	(1)	(23,394)	(90)	(3,681)
Return of capital distributions	(1,787,059)	(7,835,846)	(3,243,117)	(19,136,311)	(2,682,381)	(13,038,836)	(674,503)	(3,901,101)
Change in net assets attributable to unitholders	(9,867)	122,583	(87,176)	266,364	(14,905)	204,941	(18,040)	55,418
<b>Closing balance</b>	<b>-</b>	<b>1,796,926</b>	<b>-</b>	<b>3,324,013</b>	<b>-</b>	<b>2,697,281</b>	<b>-</b>	<b>691,866</b>
	30 June 2016 Units	30 June 2015 Units	30 June 2016 Units	30 June 2015 Units	30 June 2016 Units	30 June 2015 Units	30 June 2016 Units	30 June 2015 Units
Opening balance	153,573,930	153,723,665	332,413,564	329,603,863	232,448,042	232,883,132	75,151,439	74,810,281
Applications	-	-	885,156	3,304,639	514	3,622	84,248	422,525
Redemptions	-	(149,735)	(225,106)	(494,938)	(47)	(438,712)	(10,012)	(81,367)
<b>Closing balance</b>	<b>153,573,930</b>	<b>153,573,930</b>	<b>333,073,614</b>	<b>332,413,564</b>	<b>232,448,509</b>	<b>232,448,042</b>	<b>75,225,675</b>	<b>75,151,439</b>
	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2			
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$		
Opening balance	1,024,577	6,049,711	117,445	650,629	1,343,779	7,718,861		
Applications	118	918	5	57	14	132		
Redemptions	-	(48)	-	-	-	(5,575)		
Return of capital distributions	(1,018,712)	(5,102,486)	(116,848)	(540,755)	(1,336,253)	(6,468,701)		
Change in net assets attributable to unitholders	(5,983)	76,482	(602)	7,514	(7,540)	99,062		
<b>Closing balance</b>	<b>-</b>	<b>1,024,577</b>	<b>-</b>	<b>117,445</b>	<b>-</b>	<b>1,343,779</b>		
	30 June 2016 Units	30 June 2015 Units	30 June 2016 Units	30 June 2015 Units	30 June 2016 Units	30 June 2015 Units		
Opening balance	91,140,772	91,120,478	9,674,880	9,673,549	115,594,694	115,669,591		
Applications	10,632	24,579	334	1,452	1,233	4,758		
Redemptions	-	(4,285)	-	(121)	-	(79,655)		
<b>Closing balance</b>	<b>91,151,404</b>	<b>91,140,772</b>	<b>9,675,214</b>	<b>9,674,880</b>	<b>115,595,927</b>	<b>115,594,694</b>		

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 5. Receivables

The tables below detail the receivables 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 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
Unit trust distributions receivable	-	877,664	-	869,570	-	1,346,703	-	178,379
Interest receivable	1	177	7	10	1	170	2	2
Other receivables	-	-	-	1,171	-	-	-	-
<b>Total receivables</b>	<b>1</b>	<b>877,841</b>	<b>7</b>	<b>870,751</b>	<b>1</b>	<b>1,346,873</b>	<b>2</b>	<b>178,381</b>

  

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
Unit trust distributions receivable	-	529,061	-	53,679	-	669,314
Interest receivable	-	-	-	22	-	52
Other receivables	-	-	-	-	-	-
<b>Total receivables</b>	<b>-</b>	<b>529,061</b>	<b>-</b>	<b>53,701</b>	<b>-</b>	<b>669,366</b>

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 6. Financial assets and liabilities

The tables below detail the categories of the financial assets and liabilities 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†		5. Monthly Income Trust†		6. OnePath AJ Mortgage Fund†	
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Financial assets held at fair value through profit or loss</b>												
<b>Held for trading</b>												
Unlisted unit trusts	-	1,721,865	-	3,275,558	-	2,601,475	-	682,442	-	1,044,075	-	105,016
<b>Total financial assets held at fair value through profit or loss</b>	<b>-</b>	<b>1,721,865</b>	<b>-</b>	<b>3,275,558</b>	<b>-</b>	<b>2,601,475</b>	<b>-</b>	<b>682,442</b>	<b>-</b>	<b>1,044,075</b>	<b>-</b>	<b>105,016</b>
<b>Comprising:</b>												
<b>Unlisted unit trusts</b>												
Related unlisted unit trusts	-	1,721,865	-	3,275,558	-	2,601,475	-	682,442	-	1,044,075	-	105,016
<b>Total unlisted unit trusts</b>	<b>-</b>	<b>1,721,865</b>	<b>-</b>	<b>3,275,558</b>	<b>-</b>	<b>2,601,475</b>	<b>-</b>	<b>682,442</b>	<b>-</b>	<b>1,044,075</b>	<b>-</b>	<b>105,016</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>-</b>	<b>1,721,865</b>	<b>-</b>	<b>3,275,558</b>	<b>-</b>	<b>2,601,475</b>	<b>-</b>	<b>682,442</b>	<b>-</b>	<b>1,044,075</b>	<b>-</b>	<b>105,016</b>
<b>7. OnePath Mortgage Trust No.2†</b>												
	30 June 2016 \$	30 June 2015 \$										
<b>Financial assets held at fair value through profit or loss</b>												
<b>Held for trading</b>												
Unlisted unit trusts	-	1,316,157										
<b>Total financial assets held at fair value through profit or loss</b>	<b>-</b>	<b>1,316,157</b>										
<b>Comprising:</b>												
<b>Unlisted unit trusts</b>												
Related unlisted unit trusts	-	1,316,157										
<b>Total unlisted unit trusts</b>	<b>-</b>	<b>1,316,157</b>										
<b>Total financial assets held at fair value through profit or loss</b>	<b>-</b>	<b>1,316,157</b>										

† The Scheme holds units in an unlisted unit trust which was valued at zero at reporting date.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 7. 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 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
Responsible Entity fees payable	549	1,657	4,558	6,805	846	3,280	1,040	1,416
Other payables	-	1,746	-	-	-	813	-	428
<b>Total payables</b>	<b>549</b>	<b>3,403</b>	<b>4,558</b>	<b>6,805</b>	<b>846</b>	<b>4,093</b>	<b>1,040</b>	<b>1,844</b>

  

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
Responsible Entity fees payable	54	28,157	77	1,785	297	1,631
Other payables	-	1,052	-	113	-	1,754
<b>Total payables</b>	<b>54</b>	<b>29,209</b>	<b>77</b>	<b>1,898</b>	<b>297</b>	<b>3,385</b>

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 8. 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 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>8.1 Profit/(Loss) from operating activities</b>	(9,867)	1,304,891	(84,690)	1,389,273	(14,905)	1,988,836	(17,522)	285,807
<b>Adjustments for net realised and unrealised (gains)/losses on:</b>								
Change in fair value of investments	9,865	(123,440)	69,053	(255,288)	14,904	(191,110)	14,350	(52,852)
<b>Changes in operating assets and liabilities:</b>								
Proceeds from sale of investments	1,712,000	8,427,726	3,257,530	20,265,552	2,586,571	12,948,036	676,706	4,248,101
Purchase of investments	-	-	(35,358)	(978,459)	-	-	(5,300)	(369,661)
Net change in receivables	877,840	(297,208)	870,744	(97,058)	1,346,872	(456,184)	178,379	(22,402)
Net change in payables	(2,854)	(9,568)	(2,247)	(43,034)	(3,247)	(23,494)	(804)	(8,363)
Income reinvested	-	-	(15,667)	(355,576)	-	-	(3,314)	(72,175)
<b>Net cash flows from/(used in) operating activities</b>	<b>2,586,984</b>	<b>9,302,401</b>	<b>4,059,365</b>	<b>19,925,410</b>	<b>3,930,195</b>	<b>14,266,084</b>	<b>842,495</b>	<b>4,008,455</b>
<b>8.2 Non-cash financing and investing activities</b>								
Distributions reinvested by unitholders in additional scheme units	-	-	57	-	-	80	-	-
Trust income reinvested	-	-	15,667	355,576	-	-	3,314	72,175
	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2			
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015		
	\$	\$	\$	\$	\$	\$		
<b>8.1 Profit/(Loss) from operating activities</b>	(5,983)	740,554	(602)	76,320	(7,540)	984,933		
<b>Adjustments for net realised and unrealised (gains)/losses on:</b>								
Change in fair value of investments	5,982	(73,799)	602	(7,492)	7,540	(94,452)		
<b>Changes in operating assets and liabilities:</b>								
Proceeds from sale of investments	1,038,092	5,074,125	104,414	514,822	1,308,617	6,425,638		
Purchase of investments	-	-	-	-	-	-		
Net change in receivables	529,061	(180,327)	53,701	(18,130)	669,366	(227,238)		
Net change in payables	(29,155)	760	(1,821)	(416)	(3,088)	(10,973)		
Income reinvested	-	-	-	-	-	-		
<b>Net cash flows from/(used in) operating activities</b>	<b>1,537,997</b>	<b>5,561,313</b>	<b>156,294</b>	<b>565,104</b>	<b>1,974,895</b>	<b>7,077,908</b>		
<b>8.2 Non-cash financing and investing activities</b>								
Distributions reinvested by unitholders in additional scheme units	50	-	-	-	-	-		
Trust income reinvested	-	-	-	-	-	-		

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## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9. Financial risk management

#### 9.1 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.

##### 9.1.1 Risk management framework

The Schemes maintain positions in financial instruments in accordance with the PDSs or investment mandates. The Schemes' investment portfolios comprise cash and unlisted unit trusts.

The Schemes' investment managers have been given a discretionary authority to manage the assets in line with the Schemes' investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored on a daily basis. In instances where the portfolio has diverged from target asset allocations, the investment managers are obliged to take action to rebalance the portfolio in line with the established targets, within prescribed time limits.

#### 9.2 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. It arises principally from cash and cash equivalents.

##### 9.2.1 Management of credit risk

The Schemes' policy over credit risk is 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 is further minimised by managing the assets of the Schemes within credit rating limits.

##### 9.2.2 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+ (2015: 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.

##### 9.2.3 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.

##### 9.2.4 Past due and impaired assets

No financial assets carried at amortised cost were past due or impaired either at 30 June 2016 or 30 June 2015.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.3 Liquidity risk

Liquidity risk is the risk that the Schemes will encounter difficulty in meeting obligations arising from its 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.

#### 9.3.1 Management of liquidity risk

The Schemes' liquidity risk is managed by the Responsible Entity and as at 30 June 2016, the Schemes hold investments in a suspended unlisted unit trust. As a result, the Schemes may not be able to liquidate their investments due to redemption restrictions.

#### 9.3.2 Liquidity risk exposure

The tables below detail the financial instruments currently in a liability position based 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 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Non-derivative financial liabilities</b>								
<b>Bank overdrafts</b>								
Due for maturity in: < 1 month	-	-	-	-	-	-	-	-
<b>Total bank overdrafts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payables</b>								
Due for maturity in: < 1 month	549	905,629	4,558	824,744	846	1,347,694	1,040	169,641
<b>Total payables</b>	<b>549</b>	<b>905,629</b>	<b>4,558</b>	<b>824,744</b>	<b>846</b>	<b>1,347,694</b>	<b>1,040</b>	<b>169,641</b>
<b>Amounts payable to unitholders</b>								
Suspended schemes	-	1,796,926	-	3,324,013	-	2,697,281	-	691,866
<b>Total amounts payable to unitholders</b>	<b>-</b>	<b>1,796,926</b>	<b>-</b>	<b>3,324,013</b>	<b>-</b>	<b>2,697,281</b>	<b>-</b>	<b>691,866</b>

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.3.2 Liquidity risk exposure

	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Non-derivative financial liabilities</b>						
<b>Bank overdrafts</b>						
Due for maturity in: < 1 month	-	18,006	-	-	-	-
<b>Total bank overdrafts</b>	<b>-</b>	<b>18,006</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payables</b>						
Due for maturity in: < 1 month	54	530,553	77	53,815	297	671,123
<b>Total payables</b>	<b>54</b>	<b>530,553</b>	<b>77</b>	<b>53,815</b>	<b>297</b>	<b>671,123</b>
<b>Amounts payable to unitholders</b>						
Suspended schemes	-	1,024,577	-	117,445	-	1,343,779
<b>Total amounts payable to unitholders</b>	<b>-</b>	<b>1,024,577</b>	<b>-</b>	<b>117,445</b>	<b>-</b>	<b>1,343,779</b>

### 9.4 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.

#### 9.4.1 Management of market risk

The Schemes' strategy for the management of market risk is driven by each Scheme's investment objectives.

#### 9.4.2 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.

#### 9.4.3 Exposure and sensitivity analysis - interest rate risk

Direct interest rate risk exposure at reporting date is disclosed in Note 9.4.4 Interest rate risk exposure and sensitivity analysis.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Changes in net assets attributable to unitholders/Total comprehensive income' would have been affected by changes in the relevant risk variable at the end of the reporting period. Management have determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Schemes operate.

The tables at Note 9.4.4 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 100 basis points in interest rates at 30 June 2016 (2015: 100 basis points).





## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.4.5 Other price risk

At 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'.

### 9.4.6 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 6 Financial assets and liabilities.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Changes in net assets attributable to unitholders/Total comprehensive income' would have been affected by changes in the relevant risk variable at the end of the reporting period. Management has determined that a movement in market prices of 10% is possible, considering the economic environment in which the Schemes operate.

The tables at Note 9.4.7 Other price risk - sensitivity analysis set out the effect on the Schemes' 'Net assets attributable to unitholders' and the 'Change in net assets attributable to unitholders/Total Comprehensive Income' of a possible increase or decrease in market prices of 10% (2015: 10%).

### 9.4.7 Other price risk - sensitivity analysis

At reporting date the Schemes' other price risk sensitivity analysis is detailed in the tables below:

	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Impact on Profit/loss from operating activities and Net assets attributable to unitholders</b>								
Price risk - increase of 10%*	-	172,187	-	327,556	-	260,148	-	68,244
	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2			
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$		
<b>Impact on Profit/loss from operating activities and Net assets attributable to unitholders</b>								
Price risk - increase of 10%*	-	104,408	-	10,502	-	131,616		

\* A decrease will have an equal and opposite effect on the Profit/loss from operating activities and Net assets attributable to unitholders.

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## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5 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 2 and 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 2016.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5.1 Financial instruments hierarchy

#### 9.5.1.1 Recurring fair value measurements

The tables below classify financial instruments by the level in the fair value hierarchy.

	Note	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Financial assets held at fair value through profit or loss</b>									
<b>Listed securities:</b>									
Level 1		-	-	-	-	-	-	-	-
Level 2		-	-	-	-	-	-	-	-
Level 3		-	-	-	-	-	-	-	-
<b>Interest bearing securities:</b>									
Level 1		-	-	-	-	-	-	-	-
Level 2		-	-	-	-	-	-	-	-
Level 3		-	-	-	-	-	-	-	-
<b>Unlisted unit trusts:</b>									
Level 1		-	-	-	-	-	-	-	-
Level 2		-	-	-	1,591,187	-	-	-	334,481
Level 3		-	1,721,865	-	1,684,371	-	2,601,475	-	347,961
<b>Derivative assets:</b>									
Level 1		-	-	-	-	-	-	-	-
Level 2		-	-	-	-	-	-	-	-
Level 3		-	-	-	-	-	-	-	-
<b>Total financial assets held at fair value through profit or loss</b>	<b>6</b>	<b>-</b>	<b>1,721,865</b>	<b>-</b>	<b>3,275,558</b>	<b>-</b>	<b>2,601,475</b>	<b>-</b>	<b>682,442</b>

	Note	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>Financial assets held at fair value through profit or loss</b>							
<b>Listed securities:</b>							
Level 1		-	-	-	-	-	-
Level 2		-	-	-	-	-	-
Level 3		-	-	-	-	-	-
<b>Interest bearing securities:</b>							
Level 1		-	-	-	-	-	-
Level 2		-	-	-	-	-	-
Level 3		-	-	-	-	-	-
<b>Unlisted unit trusts:</b>							
Level 1		-	-	-	-	-	-
Level 2		-	-	-	-	-	-
Level 3		-	1,044,075	-	105,016	-	1,316,157
<b>Derivative assets:</b>							
Level 1		-	-	-	-	-	-
Level 2		-	-	-	-	-	-
Level 3		-	-	-	-	-	-
<b>Total financial assets held at fair value through profit or loss</b>	<b>6</b>	<b>-</b>	<b>1,044,075</b>	<b>-</b>	<b>105,016</b>	<b>-</b>	<b>1,316,157</b>

#### 9.5.1.2 Non - recurring fair value measurements

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

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5.2 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 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	1,721,865	-	1,721,865	-	-	10,026,151	-	10,026,151
Total gains or losses in profit or loss*		-	-	(9,865)	-	(9,865)	-	-	123,440	-	123,440
Settlements		-	-	(1,712,000)	-	(1,712,000)	-	-	(8,427,726)	-	(8,427,726)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>1,721,865</b>	-	<b>1,721,865</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	(9,865)	-	(9,865)	-	-	123,440	-	123,440

\* 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 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	1,684,371	-	1,684,371	-	-	9,772,727	-	9,772,727
Total gains or losses in profit or loss*		-	-	(9,650)	-	(9,650)	-	-	119,397	-	119,397
Settlements		-	-	(1,674,721)	-	(1,674,721)	-	-	(8,207,753)	-	(8,207,753)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>1,684,371</b>	-	<b>1,684,371</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	(9,650)	-	(9,650)	-	-	119,397	-	119,397

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

		3. ANZ OA OnePath Mortgage Trust									
		Financial assets & liabilities at fair value through profit or loss 30 June 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
	Note	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	2,601,475	-	2,601,475	-	-	15,358,401	-	15,358,401
Total gains or losses in profit or loss*		-	-	(14,904)	-	(14,904)	-	-	191,110	-	191,110
Settlements		-	-	(2,586,571)	-	(2,586,571)	-	-	(12,948,036)	-	(12,948,036)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>2,601,475</b>	-	<b>2,601,475</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	(14,904)	-	(14,904)	-	-	191,110	-	191,110

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

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5.2 Movements of Level 3 securities

4. Income Plus Trust											
	Note	Financial assets & liabilities at fair value through profit or loss 30 June 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
		Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	347,961	-	347,961	-	-	2,006,314	-	2,006,314
Total gains or losses in profit or loss*		-	-	(1,994)	-	(1,994)	-	-	24,467	-	24,467
Settlements		-	-	(345,967)	-	(345,967)	-	-	(1,682,820)	-	(1,682,820)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>347,961</b>	-	<b>347,961</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	(1,994)	-	(1,994)	-	-	24,467	-	24,467

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

5. Monthly Income Trust											
	Note	Financial assets & liabilities at fair value through profit or loss 30 June 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
		Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	1,044,075	-	1,044,075	-	-	6,044,401	-	6,044,401
Total gains or losses in profit or loss*		-	-	(5,982)	-	(5,982)	-	-	73,799	-	73,799
Settlements		-	-	(1,038,093)	-	(1,038,093)	-	-	(5,074,125)	-	(5,074,125)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>1,044,075</b>	-	<b>1,044,075</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	(5,982)	-	(5,982)	-	-	73,799	-	73,799

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

6. OnePath AJ Mortgage Fund											
	Note	Financial assets & liabilities at fair value through profit or loss 30 June 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
		Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	105,016	-	105,016	-	-	612,346	-	612,346
Total gains or losses in profit or loss*		-	-	(602)	-	(602)	-	-	7,492	-	7,492
Settlements		-	-	(104,414)	-	(104,414)	-	-	(514,822)	-	(514,822)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>105,016</b>	-	<b>105,016</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	(602)	-	(602)	-	-	7,492	-	7,492

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

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5.2 Movements of Level 3 securities

		7. OnePath Mortgage Trust No.2									
		Financial assets & liabilities at fair value through profit or loss 30 June 2016					Financial assets & liabilities at fair value through profit or loss 30 June 2015				
		Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Interest bearing securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	1,316,157	-	1,316,157	-	-	7,647,343	-	7,647,343
Total gains or losses in profit or loss*		-	-	(7,540)	-	(7,540)	-	-	94,452	-	94,452
Settlements		-	-	(1,308,617)	-	(1,308,617)	-	-	(6,425,638)	-	(6,425,638)
<b>Closing balance</b>		-	-	-	-	-	-	-	<b>1,316,157</b>	-	<b>1,316,157</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>		-	-	<b>(7,540)</b>	-	<b>(7,540)</b>	-	-	<b>94,452</b>	-	<b>94,452</b>

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

### 9.5.3 Inputs used for Level 3 fair value measurement

The tables below summarise the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Type	Valuation Approach	Key Unobservable Inputs	Range	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust	
				Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$
				30 June 2016	30 June 2015	30 June 2016	30 June 2015
Holdings in suspended schemes	Latest available trade price	Valuation of underlying assets of managed investments scheme Suspension of redemption Liquidity	0 - 100%	-	1,721,865	-	1,684,371

  

Type	Valuation Approach	Key Unobservable Inputs	Range	3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
				Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$
				30 June 2016	30 June 2015	30 June 2016	30 June 2015
Holdings in suspended schemes	Latest available trade price	Valuation of underlying assets of managed investments scheme Suspension of redemption Liquidity	0 - 100%	-	2,601,475	-	347,961

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5.3 Inputs used for Level 3 fair value measurement

Type	Valuation Approach	Key Unobservable Inputs	Range	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund	
				Fair Value \$	Fair Value \$	Fair Value \$	Fair Value \$
				30 June 2016	30 June 2015	30 June 2016	30 June 2015

Holdings in suspended schemes	Latest available trade price	Valuation of underlying assets of managed investments scheme Suspension of redemption Liquidity	0 - 100%	-	1,044,075	-	105,016
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Type	Valuation Approach	Key Unobservable Inputs	Range	7. OnePath Mortgage Trust No.2	
				Fair Value \$	Fair Value \$
				30 June 2016	30 June 2015

Holdings in suspended schemes	Latest available trade price	Valuation of underlying assets of managed investments scheme Suspension of redemption Liquidity	0 - 100%	-	1,316,157
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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.



## Notes to the Financial Statements for the financial year ended 30 June 2016

### 9.5.4 Level 3 sensitivity analysis of unobservable inputs

Although the Responsible Entity of the Schemes believes that its estimated values of financial instrument are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used as reasonably possible alternative assumptions by 10% upwards (favourable) or downwards (unfavourable) would have the following effects on profit or loss:

Impact on fair value of Level 3 securities	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
	Favourable \$	Unfavourable \$	Favourable \$	Unfavourable \$	Favourable \$	Unfavourable \$	Favourable \$	Unfavourable \$
30 June 2016								
Listed securities	-	-	-	-	-	-	-	-
Interest bearing securities	-	-	-	-	-	-	-	-
Unlisted unit trusts	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
30 June 2015								
Listed securities	-	-	-	-	-	-	-	-
Interest bearing securities	-	-	-	-	-	-	-	-
Unlisted unit trusts	172,187	(172,187)	168,437	(168,437)	260,148	(260,148)	34,796	(34,796)
Derivative financial instruments	-	-	-	-	-	-	-	-
Impact on fair value of Level 3 securities	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2			
	Favourable \$	Unfavourable \$	Favourable \$	Unfavourable \$	Favourable \$	Unfavourable \$		
30 June 2016								
Listed securities	-	-	-	-	-	-		
Interest bearing securities	-	-	-	-	-	-		
Unlisted unit trusts	-	-	-	-	-	-		
Derivative financial instruments	-	-	-	-	-	-		
30 June 2015								
Listed securities	-	-	-	-	-	-		
Interest bearing securities	-	-	-	-	-	-		
Unlisted unit trusts	104,407	(104,407)	10,502	(10,502)	131,616	(131,616)		
Derivative financial instruments	-	-	-	-	-	-		

### 9.5.5 Valuation processes

The Responsible Entity's Wealth Investment Governance Forum reviews monthly valuations of the financial instruments.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 10. 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 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$
<b>KPMG</b>								
– Financial statement audit Paid by Responsible Entity	4,819	4,806	4,819	4,806	4,819	4,806	4,819	4,806
– Compliance and regulatory Paid by Responsible Entity	784	780	784	780	784	780	784	780
<b>Total audit fees paid</b>	<b>5,603</b>	<b>5,586</b>	<b>5,603</b>	<b>5,586</b>	<b>5,603</b>	<b>5,586</b>	<b>5,603</b>	<b>5,586</b>
	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2			
	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$	30 June 2016 \$	30 June 2015 \$		
<b>KPMG</b>								
– Financial statement audit Paid by Responsible Entity	4,819	4,806	4,819	4,806	4,819	4,806		
– Compliance and regulatory Paid by Responsible Entity	784	780	784	780	784	780		
<b>Total audit fees paid</b>	<b>5,603</b>	<b>5,586</b>	<b>5,603</b>	<b>5,586</b>	<b>5,603</b>	<b>5,586</b>		

### 11. Related parties

#### 11.1 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).

#### 11.2 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
A H Chonowitz	Non-Executive Director	Appointed 1 March 2015
P G Mullin	Executive Director	Appointed 1 March 2015
S C Brentnall	Executive Director	Appointed 1 March 2013
S J Chapman	Non-Executive Director	Appointed 1 August 2011
V S Weekes	Non-Executive Director, Chairman	Appointed 1 May 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.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 11.3 Related party transactions

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

The Directors of the Responsible Entity may also be 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.

### 11.4 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. Fees received by the Responsible Entity for the year ended 30 June 2016 are as follows:

	Total management fees paid and payable to the RE during the financial year	
	2016 \$	2015 \$
1. ANZ Mortgage Fund - Series 1	549	30,805
1. ANZ Mortgage Fund - Series 2	-	27,586
2. ANZ OA OnePath Income Plus Trust - Pool Class <sup>†</sup>	-	-
2. ANZ OA OnePath Income Plus Trust - Retail Class	18,213	257,031
3. ANZ OA OnePath Mortgage Trust	846	116,668
4. Income Plus Trust - Pool Class <sup>†</sup>	-	-
4. Income Plus Trust - Retail Class	3,880	52,762
5. Monthly Income Trust	54	80,818
6. OnePath AJ Mortgage Fund	77	7,381
7. OnePath Mortgage Trust No.2	297	57,985

† This is a feeless class/scheme and any fees charged are indirect.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 11.5 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	
	2016 \$	2015 \$	2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016	2015
<b>1. ANZ Mortgage Fund</b>												
Mortgage Pool	-	1,721,865	12.61	12.61	-	-	-	7,228	1,715,025	9,656,561	75,323,457	75,323,457
<b>2. ANZ OA OnePath Income Plus Trust</b>												
ANZ Australian Cash Fund	-	485,633	-	0.04	3,278	237,314	489,285	3,407,664	1,888	37,869	-	482,011
ANZ OA OnePath Blue Chip Imputation Trust	-	627,683	-	0.13	44,908	568,950	621,340	4,787,133	-	86,923	-	565,157
ANZ OA OnePath Property Securities Trust	-	477,871	-	0.22	2,838	527,771	472,183	3,863,002	-	48,709	-	291,769
Mortgage Pool	-	1,684,371	12.30	12.30	-	-	-	-	1,672,287	9,412,876	73,446,412	73,446,412
<b>3. ANZ OA OnePath Mortgage Trust</b>												
Mortgage Pool	-	2,601,475	19.36	19.36	-	-	-	23,192	2,631,565	14,821,625	115,577,658	115,577,658
<b>4. Income Plus Trust</b>												
ANZ Australian Cash Fund	-	100,964	-	0.01	685	94,397	101,727	705,340	396	7,781	-	100,211
ANZ OA OnePath Blue Chip Imputation Trust	-	133,885	-	0.03	7,337	156,172	130,565	1,000,241	-	17,954	-	120,549
ANZ OA OnePath Property Securities Trust	-	99,632	-	0.05	592	149,024	98,446	817,458	-	9,967	-	60,831
Mortgage Pool	-	347,961	2.52	2.52	-	-	-	-	342,866	1,929,904	15,058,576	15,058,576
<b>5. Monthly Income Trust</b>												
Mortgage Pool	-	1,044,075	7.60	7.60	-	-	-	-	1,033,826	5,819,145	45,405,391	45,405,391
<b>6. OnePath AJ Mortgage Fund</b>												
Mortgage Pool	-	105,016	0.77	0.77	-	-	-	-	104,892	590,412	4,606,845	4,606,845
<b>7. OnePath Mortgage Trust No.2</b>												
Mortgage Pool	-	1,316,157	9.62	9.62	-	-	-	5,574	1,307,893	7,362,623	57,442,343	57,442,343

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 11.6 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	2016		2015	
	Value as at	Income received/ receivable	Value as at	Income received/ receivable
	30 June 2016 \$	30 June 2016 \$	30 June 2015 \$	30 June 2015 \$
<b>1. ANZ Mortgage Fund</b>				
Cash and cash equivalents	548	547	102,849	4,815
<b>2. ANZ OA OnePath Income Plus Trust</b>				
Cash and cash equivalents	4,551	616	2,448	1,439
<b>3. ANZ OA OnePath Mortgage Trust</b>				
Cash and cash equivalents	845	735	96,627	3,951
<b>4. Income Plus Trust</b>				
Cash and cash equivalents	1,038	128	684	346
<b>5. Monthly Income Trust<sup>†‡</sup></b>				
Cash and cash equivalents	54	42	(18,006)	(165)
<b>6. OnePath AJ Mortgage Fund</b>				
Cash and cash equivalents	77	76	12,543	619
<b>7. OnePath Mortgage Trust No.2</b>				
Cash and cash equivalents	297	294	29,379	1,348

<sup>†</sup> Negative income relates to interest expense incurred on the bank account.

<sup>‡</sup> Negative balances relate to bank overdraft position.

## Notes to the Financial Statements for the financial year ended 30 June 2016

### 12. Investment assets and liabilities of unconsolidated structured entities

The tables below describe the types of the investments of the underlying assets of the unconsolidated structured entities.

Investment Asset	Financial Statement Caption	1. ANZ Mortgage Fund		2. ANZ OA OnePath Income Plus Trust		3. ANZ OA OnePath Mortgage Trust		4. Income Plus Trust	
		Fair Value \$	Exposure %	Fair Value \$	Exposure %	Fair Value \$	Exposure %	Fair Value \$	Exposure %
<b>30 June 2016</b>									
Cash and Enhanced Cash	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Equity	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Fixed Interest	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Mortgage	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Property	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Derivatives	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Alternative Assets	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-
<b>30 June 2015</b>									
Cash and Enhanced Cash	Financial assets held at fair value through profit or loss	1,721,865	100.00%	1,746,739	53.33%	2,601,475	100.00%	361,069	52.90%
Equity	Financial assets held at fair value through profit or loss	-	-	616,207	18.81%	-	-	131,361	19.25%
Fixed Interest	Financial assets held at fair value through profit or loss	-	-	461,431	14.09%	-	-	95,932	14.06%
Mortgage	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Property	Financial assets held at fair value through profit or loss	-	-	451,181	13.77%	-	-	94,080	13.79%
Derivatives	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
Alternative Assets	Financial assets held at fair value through profit or loss	-	-	-	-	-	-	-	-
<b>Total</b>		<b>1,721,865</b>	<b>100.00%</b>	<b>3,275,558</b>	<b>100.00%</b>	<b>2,601,475</b>	<b>100.00%</b>	<b>682,442</b>	<b>100.00%</b>

  

Investment Asset	Financial Statement Caption	5. Monthly Income Trust		6. OnePath AJ Mortgage Fund		7. OnePath Mortgage Trust No.2	
		Fair Value \$	Exposure %	Fair Value \$	Exposure %	Fair Value \$	Exposure %
<b>30 June 2016</b>							
Cash and Enhanced Cash	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Equity	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Fixed Interest	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Mortgage	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Property	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Derivatives	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Alternative Assets	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-
<b>30 June 2015</b>							
Cash and Enhanced Cash	Financial assets held at fair value through profit or loss	1,044,075	100.00%	105,016	100.00%	1,316,157	100.00%
Equity	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Fixed Interest	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Mortgage	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Property	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Derivatives	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
Alternative Assets	Financial assets held at fair value through profit or loss	-	-	-	-	-	-
<b>Total</b>		<b>1,044,075</b>	<b>100.00%</b>	<b>105,016</b>	<b>100.00%</b>	<b>1,316,157</b>	<b>100.00%</b>

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## **Notes to the Financial Statements for the financial year ended 30 June 2016**

The above tables list the value and the percentage exposure to each investment asset as at 30 June 2016. The Schemes' investment assets are units in the Mortgage Pool which were valued at zero as at 30 June 2016.

### **13. Custodian**

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

### **14. Commitments and contingencies**

There were no commitments or contingencies for the Schemes as at the reporting date (30 June 2015: Nil).

### **15. Schemes Suspension**

The Schemes have been suspended since 24 October 2008.

#### **15.1 Mortgage Pool and Schemes investing into the Mortgage Pool**

On 28 May 2015, the Board of OnePath Funds Management Limited approved a resolution to terminate the Mortgage Pool.

### **16. Events subsequent to reporting date**

There are no significant events that have occurred since the financial year ended 30 June 2016 which have a material effect on these financial statements or the Schemes' results and operations.

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## 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 38 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 2016 and their performance, as represented by the results of their operations and cash flows for the financial year ended on that date.
  - 1.2 complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulation 2001*.
  - 1.3 complying with International Financial Reporting Standards as indicated in Note 2.1.
2. There are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.
3. The financial statements and notes to the financial statements of the Schemes, set out on pages 5 to 38 are prepared in accordance with the provisions of the Schemes' Constitutions.

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



**Director**

Sydney

8 September 2016





## Independent Auditor's Report

To the unitholders of the following Schemes ('the 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

### Report on the financial report

We have audited the accompanying financial report of the Schemes, which comprises the Statements of Financial Position as at 30 June 2016, and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended on that date, Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

#### *Directors' responsibility for the financial report*

The Directors of OnePath Funds Management Limited ('the Responsible Entity') are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2.1, the Directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Schemes' preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schemes' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Schemes' financial positions, and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



## Independent Auditor's Report

### *Auditor's opinion*

In our opinion:

(a) the financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Schemes' financial positions as at 30 June 2016 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.1.

### **Basis of Preparation**

Without modifying our opinion we draw attention to Note 2.2 of the financial report which describes the basis of preparation. The financial report has been prepared on a non-going concern basis as on 28 May 2015 the Responsible Entity resolved to terminate the Schemes on a date subsequent to year-end.

KPMG

Michael O Connell

*Partner*

Sydney  
8 September 2016



## 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 Schemes:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

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

KPMG

Michael O Connell

*Partner*

Sydney

8 September 2016

## CONTACT DETAILS FOR THE SCHEMES

### CUSTOMER SERVICES

 13 38 63 weekdays between 8.30am and 6.30pm (AEST)

 [customer@onepath.com.au](mailto:customer@onepath.com.au)

### ADVISER SERVICES

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### AUDITOR

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