

**ANNUAL REPORTS
RETAIL MORTGAGE TRUSTS**

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2020



ANNUAL REPORTS FOR THE FINANCIAL YEAR ENDED JUNE 2020

THE SCHEMES LISTED IN THIS BOOKLET ARE NOTED BELOW.

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Directors' Report for the financial year ended 30 June 2020

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 2020, and the report of 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
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. As at reporting date, the registered office and principal place of business of the Responsible Entity and the Schemes is Level 6, 161 Collins Street, Melbourne, VIC 3000.

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

| Name | Position Held | Date Appointed | Date Resigned |
|----------------|--|----------------------------|--------------------------|
| S J Chapman | Independent Non-Executive Director, Chairman | Appointed 1 August 2011 | Resigned 31 January 2020 |
| A H Chonowitz | Independent Non-Executive Director | Appointed 1 March 2015 | Resigned 31 July 2019 |
| M A Da Silva | Executive Director | Appointed 31 January 2020 | |
| L M Fricke | Independent Non-Executive Director | Appointed 7 September 2017 | Resigned 31 January 2020 |
| P G Mullin | Independent Executive Director | Appointed 1 March 2015 | Resigned 31 January 2020 |
| J Selak | Independent Non-Executive Director, Chairman | Appointed 31 January 2020 | |
| M A Somerville | Independent Non-Executive Director | Appointed 31 January 2020 | |

Principal activities

The Schemes are registered Managed Investment Schemes domiciled in Australia.

As at the reporting date, the Schemes solely 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 9.4 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 9 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

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 (OPFM) (the Responsible Entity of the Schemes) announced the proposed sale of the OnePath Pensions and Investments (OnePath P&I) business to IOOF Holdings Limited and Australian Wealth Management Limited (IOOF).

On 9 December 2019, the Australian Prudential Regulation Authority (APRA) issued its approval for the OnePath P&I sale to IOOF. The sale of OnePath Funds Management Limited and transfer of ownership of the Responsible Entity of the Schemes to IOOF was completed on 31 January 2020. As a result, new Directors were appointed to OPFM Board effective 31 January 2020. In addition, the registered office and principal place of business of the Responsible Entity and the Schemes were changed from Level 23, 242 Pitt Street, Sydney, NSW 2000 to Level 6, 161 Collins Street, Melbourne, VIC 3000.

Effective 1 February 2020, ANZ ceased to be a related party to the Schemes. Refer to Note 9 Related parties for further detail.

As at 30 June 2020, OPFM continued to operate the Schemes and there have been no changes to the operations of the Schemes.

This significant event did not impact individual unitholder balances or units.

Coronavirus (COVID-19) pandemic impacts:

The Coronavirus has created market volatility and uncertainty for the global economy.

OPFM continues to operate the Schemes in accordance with the provisions of each Scheme's Constitution.

The Schemes solely invest into cash and cash equivalents and as a result the market volatility had minimal impact on the Schemes.

Directors' Report for the financial year ended 30 June 2020

Likely developments and expected results of operations

The Schemes were approved to be terminated 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 and this process is ongoing.

Further information has not been included in this report to avoid the disclosure of information that may 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

Since 30 June 2020, the associated economic impacts of COVID-19, on macroeconomic conditions which may indirectly impact the Schemes, remain uncertain.

No other significant event has 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 2020 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 28 and forms part of the Directors' Report for the financial year ended 30 June 2020.

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



**John Selak
Director**

Melbourne

7 September 2020

Financial Report
Financial Statements - Statements of Financial Position
as at 30 June 2020

| | Note | 1. ANZ Mortgage Fund | | 2. ANZ OA OnePath Income Plus Trust | | 3. ANZ OA OnePath Mortgage Trust | | 4. Income Plus Trust | |
|--|------|----------------------|--------------------|-------------------------------------|--------------------|----------------------------------|--------------------|----------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Assets | | | | | | | | | |
| Cash and cash equivalents | | 88,947 | 433,935 | 55,511 | 422,693 | 92,735 | 662,164 | 9,315 | 89,604 |
| Total assets | | 88,947 | 433,935 | 55,511 | 422,693 | 92,735 | 662,164 | 9,315 | 89,604 |
| Liabilities | | | | | | | | | |
| Payables | 5 | 257 | - | - | 88 | 87 | - | - | 26,639 |
| Total liabilities | | 257 | - | - | 88 | 87 | - | - | 26,639 |
| Represented by: | | | | | | | | | |
| Net assets attributable to unitholders at redemption price | | 88,690 | 433,935 | 55,511 | 422,605 | 92,648 | 662,164 | 9,315 | 62,965 |
| Total net assets attributable to unitholders - Equity | | 88,690 | 433,935 | 55,511 | 422,605 | 92,648 | 662,164 | 9,315 | 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 24.

Financial Report
Financial Statements - Statements of Financial Position
as at 30 June 2020

| | Note | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|--|------|-------------------------|--------------------|-----------------------------|--------------------|--------------------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Assets | | | | | | | |
| Cash and cash equivalents | | 45,350 | 262,668 | 4,917 | 26,979 | 48,102 | 333,190 |
| Total assets | | 45,350 | 262,668 | 4,917 | 26,979 | 48,102 | 333,190 |
| Liabilities | | | | | | | |
| Payables | 5 | - | 16,471 | - | 20 | - | 30,630 |
| Total liabilities | | - | 16,471 | - | 20 | - | 30,630 |
| Represented by: | | | | | | | |
| Net assets attributable to unitholders at redemption price | | 45,350 | 246,197 | 4,917 | 26,959 | 48,102 | 302,560 |
| Total net assets attributable to unitholders - Equity | | 45,350 | 246,197 | 4,917 | 26,959 | 48,102 | 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 24.

Financial Report
Financial Statements - Statements of Comprehensive Income
for the financial year ended 30 June 2020

| | Note | 1. ANZ Mortgage Fund | | 2. ANZ OA OnePath Income Plus Trust | | 3. ANZ OA OnePath Mortgage Trust | | 4. Income Plus Trust | |
|---|------|----------------------|--------------------|-------------------------------------|--------------------|----------------------------------|--------------------|----------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Investment 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 | 9.4 | - | - | - | - | - | - | - | - |
| Operating expenses | | - | - | - | - | - | - | - | - |
| 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 24.

Financial Report
Financial Statements - Statements of Comprehensive Income
for the financial year ended 30 June 2020

| | Note | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|---|------|-------------------------|--------------------|-----------------------------|--------------------|--------------------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Investment 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 | 9.4 | - | - | - | - | - | - |
| Operating expenses | | - | - | - | - | - | - |
| 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 24.

Financial Report
Financial Statements - Statements of Changes in Equity
for the financial year ended 30 June 2020

| | Note | 1. ANZ Mortgage Fund | | 2. ANZ OA OnePath Income Plus Trust | | 3. ANZ OA OnePath Mortgage Trust | | 4. Income Plus Trust | |
|--|------|----------------------|--------------------|-------------------------------------|--------------------|----------------------------------|--------------------|----------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Total equity at the beginning of the financial year | | 433,935 | - | 422,605 | - | 662,164 | - | 62,965 | - |
| Profit/(loss) for the financial year/Total comprehensive income | | - | 436,150 | - | 426,254 | - | 669,425 | - | 90,271 |
| Transactions with unitholders | | | | | | | | | |
| Redemptions | | (345,245) | (2,215) | (367,094) | (3,649) | (569,516) | (7,261) | (53,650) | (27,306) |
| Total transactions with unitholders | | (345,245) | (2,215) | (367,094) | (3,649) | (569,516) | (7,261) | (53,650) | (27,306) |
| Total Equity at the end of the financial year | | 88,690 | 433,935 | 55,511 | 422,605 | 92,648 | 662,164 | 9,315 | 62,965 |

| | Note | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|--|------|-------------------------|--------------------|-----------------------------|--------------------|--------------------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Total equity at the beginning of the financial year | | 246,197 | - | 26,959 | - | 302,560 | - |
| Profit/(loss) for the financial year/Total comprehensive income | | - | 264,339 | - | 27,091 | - | 335,228 |
| Transactions with unitholders | | | | | | | |
| Redemptions | | (200,847) | (18,142) | (22,042) | (132) | (254,458) | (32,668) |
| Total transactions with unitholders | | (200,847) | (18,142) | (22,042) | (132) | (254,458) | (32,668) |
| Total Equity at the end of the financial year | | 45,350 | 246,197 | 4,917 | 26,959 | 48,102 | 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 24.

Financial Report
Financial Statements - Statements of Cash Flows
for the financial year ended 30 June 2020

| | Note | 1. ANZ Mortgage Fund | | 2. ANZ OA OnePath Income Plus Trust | | 3. ANZ OA OnePath Mortgage Trust | | 4. Income Plus Trust | |
|---|----------|----------------------|--------------------|-------------------------------------|--------------------|----------------------------------|--------------------|----------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Cash flows from operating activities: | | | | | | | | | |
| Proceeds from sale of investments | | - | 436,150 | - | 426,254 | - | 669,425 | - | 90,271 |
| Net cash flows from/(used in) operating activities | 6 | - | 436,150 | - | 426,254 | - | 669,425 | - | 90,271 |
| Cash flows from financing activities: | | | | | | | | | |
| Payments for redemption of units | | (344,988) | (2,215) | (367,182) | (3,561) | (569,429) | (7,261) | (80,289) | (667) |
| Net cash flows from/(used in) financing activities | | (344,988) | (2,215) | (367,182) | (3,561) | (569,429) | (7,261) | (80,289) | (667) |
| Net increase/(decrease) in cash and cash equivalents | | (344,988) | 433,935 | (367,182) | 422,693 | (569,429) | 662,164 | (80,289) | 89,604 |
| Cash and cash equivalents at the beginning of the financial year | | 433,935 | - | 422,693 | - | 662,164 | - | 89,604 | - |
| Cash and cash equivalents at the end of the financial year | | 88,947 | 433,935 | 55,511 | 422,693 | 92,735 | 662,164 | 9,315 | 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 24.

Financial Report
Financial Statements - Statements of Cash Flows
for the financial year ended 30 June 2020

| | Note | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|---|----------|-------------------------|--------------------|-----------------------------|--------------------|--------------------------------|--------------------|
| | | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ | 30 June 2020 \$ | 30 June 2019 \$ |
| Cash flows from operating activities: | | | | | | | |
| Proceeds from sale of investments | | - | 264,339 | - | 27,091 | - | 335,228 |
| Net cash flows from/(used in) operating activities | 6 | - | 264,339 | - | 27,091 | - | 335,228 |
| Cash flows from financing activities: | | | | | | | |
| Payments for redemption of units | | (217,318) | (1,671) | (22,062) | (112) | (285,088) | (2,038) |
| Net cash flows from/(used in) financing activities | | (217,318) | (1,671) | (22,062) | (112) | (285,088) | (2,038) |
| Net increase/(decrease) in cash and cash equivalents | | (217,318) | 262,668 | (22,062) | 26,979 | (285,088) | 333,190 |
| Cash and cash equivalents at the beginning of the financial year | | 262,668 | - | 26,979 | - | 333,190 | - |
| Cash and cash equivalents at the end of the financial year | | 45,350 | 262,668 | 4,917 | 26,979 | 48,102 | 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 24.

Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2020**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 2020.

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 7 September 2020.

2.2 Basis of measurement

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.

As at the reporting date, cash and cash equivalents have been valued at amortised cost which equates to realisation value.

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.

The dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, may result in the application of future judgement within those identified areas. Refer to Note 14 Significant events during the financial period for further detail.

Note 7.5 Valuation of financial instruments contains information about the estimation of fair values of financial instruments.

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.

**Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2020****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 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.

3.2 Net assets attributable to unitholders

Net assets attributable to unitholders represent the estimated value of equity 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. Bank overdrafts are shown in current liabilities on the Statement of Financial Position but are included within cash and cash equivalents for cash flow purposes.

3.5 Interest

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

3.6 Expenses

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

Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2020

3.7 Distribution and taxation

Under the Attribution Managed Investment Trust ("AMIT") tax regime, 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 or losses. Unrealised gains or losses that are recognised as 'profit or loss from operating activities' are transferred to net assets attributable to unitholders and are not assessable and do not impact distributions until realised.

3.8 Payables

Payables may include amounts for unsettled redemptions.

3.9 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.

3.10 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.

3.11 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 July 2020, 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 2020

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 2020 Units | 30 June 2019 Units | 30 June 2020 Units | 30 June 2019 Units | 30 June 2020 Units | 30 June 2019 Units | 30 June 2020 Units | 30 June 2019 Units |
| Opening 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 |
| Redemptions | (121,565,029) | (779,828) | (286,792,205) | (2,850,458) | (197,748,626) | (2,520,834) | (44,708,399) | (22,754,973) |
| Closing balance | 31,229,073 | 152,794,102 | 43,430,951 | 330,223,156 | 32,179,049 | 229,927,675 | 7,762,303 | 52,470,702 |

| | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|------------------------|-------------------------|-----------------------|-----------------------------|-----------------------|--------------------------------|-----------------------|
| | 30 June 2020 Units | 30 June 2019 Units | 30 June 2020 Units | 30 June 2019 Units | 30 June 2020 Units | 30 June 2019 Units |
| Opening balance | 84,895,540 | 91,151,404 | 9,628,214 | 9,675,214 | 104,331,103 | 115,595,927 |
| Redemptions | (69,257,685) | (6,255,864) | (7,872,176) | (47,000) | (87,743,899) | (11,264,824) |
| Closing balance | 15,637,855 | 84,895,540 | 1,756,038 | 9,628,214 | 16,587,204 | 104,331,103 |

Financial Report
Notes to the Financial Statements
for the financial year ended 30 June 2020

5. 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 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Redemptions payable | 257 | - | - | 88 | 87 | - | - | 26,639 |
| Total payables | 257 | - | - | 88 | 87 | - | - | 26,639 |

| | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|-----------------------|-------------------------|---------------|-----------------------------|--------------|--------------------------------|---------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Redemptions payable | - | 16,471 | - | 20 | - | 30,630 |
| Total payables | - | 16,471 | - | 20 | - | 30,630 |

6. 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 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 |

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for the financial year ended 30 June 2020**7. Financial risk management****7.1 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.

7.1.1 Risk management framework

As at the reporting date, the Schemes only invested into cash and cash equivalents.

7.2 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.

7.2.1 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.

7.2.2 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+ (2019: 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.

7.2.3 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.

7.3 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.

7.3.1 Management of liquidity risk

The Schemes' liquidity risk is managed by the Responsible Entity. As at 30 June 2020, the Schemes only hold cash and cash equivalents and are able to meet their obligation to the unitholders' redemption request.

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7.3.2 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 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Non-derivative financial liabilities | | | | | | | | |
| Payables | | | | | | | | |
| Due for maturity in: < 1 month | 257 | - | - | 88 | 87 | - | - | 26,639 |
| Total payables | 257 | - | - | 88 | 87 | - | - | 26,639 |
| Amounts attributable to unitholders | | | | | | | | |
| On call amounts | 88,690 | 433,935 | 55,511 | 422,605 | 92,648 | 662,164 | 9,315 | 62,965 |
| Total amounts attributable to unitholders | 88,690 | 433,935 | 55,511 | 422,605 | 92,648 | 662,164 | 9,315 | 62,965 |

| | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | |
|--|-------------------------|----------------|-----------------------------|---------------|--------------------------------|----------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | | | | | | |
| On call amounts | 45,350 | 246,197 | 4,917 | 26,959 | 48,102 | 302,560 |
| Total amounts attributable to unitholders | 45,350 | 246,197 | 4,917 | 26,959 | 48,102 | 302,560 |

7.4 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.

7.4.1 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.

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7.4.2 Exposure and sensitivity analysis - interest rate risk

Direct interest rate risk exposure at the reporting date is disclosed in Note 7.4.3 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 100 basis points is reasonably possible, considering the economic environment in which the Schemes operate.

The tables at Note 7.4.3 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 100 basis points in interest rates at 30 June 2020 (2019: 50 basis points).

7.4.3 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 2020 | | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | | |
| Cash and cash equivalents | - | 88,947 | 88,947 | - | 55,511 | 55,511 | - | 92,735 | 92,735 | - | 9,315 | 9,315 |
| Net exposure | - | 88,947 | 88,947 | - | 55,511 | 55,511 | - | 92,735 | 92,735 | - | 9,315 | 9,315 |
| 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 |
| Sensitivity analysis | 2020 | 2019 | | 2020 | 2019 | | 2020 | 2019 | | 2020 | 2019 | |
| | \$ | \$ | | \$ | \$ | | \$ | \$ | | \$ | \$ | |
| Impact on Profit/loss from operating activities and Net assets attributable to unitholders | | | | | | | | | | | | |
| Interest rate risk - increase of 100bps (2019: 50bps) | 889 | 2,170 | | 555 | 2,113 | | 927 | 3,311 | | 93 | 448 | |
| Interest rate risk - decrease of 100bps (2019: 50bps) | (889) | (2,170) | | (555) | (2,113) | | (927) | (3,311) | | (93) | (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 2020 | | | | | | | | | | | | |
| Financial assets | | | | | | | | | | | | |
| Cash and cash equivalents | - | 45,350 | 45,350 | - | 4,917 | 4,917 | - | 48,102 | 48,102 | | | |
| Net exposure | - | 45,350 | 45,350 | - | 4,917 | 4,917 | - | 48,102 | 48,102 | | | |
| 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 | | | |
| Sensitivity analysis | 2020 | 2019 | | 2020 | 2019 | | 2020 | 2019 | | | | |
| | \$ | \$ | | \$ | \$ | | \$ | \$ | | | | |
| Impact on Profit/loss from operating activities and Net assets attributable to unitholders | | | | | | | | | | | | |
| Interest rate risk - increase of 100bps (2019: 50bps) | 453 | 1,313 | | 49 | 135 | | 481 | 1,666 | | | | |
| Interest rate risk - decrease of 100bps (2019: 50bps) | (453) | (1,313) | | (49) | (135) | | (481) | (1,666) | | | | |

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7.4.4 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'.

7.4.5 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. 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.

As at 30 June 2020, the Schemes had no investments in any financial assets. As such, the Schemes were not exposed to other price risk.

7.5 Valuation of financial instruments

As at the reporting date, the Schemes no longer had any financial instruments. As such, there was no measurement of financial instruments' valuation.

8. 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 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| KPMG | | | | | | | | |
| - Financial statement audit Paid by Responsible Entity | 4,767 | 4,887 | 4,767 | 4,887 | 4,767 | 4,887 | 4,767 | 4,887 |
| - Compliance and regulatory Paid by Responsible Entity | 850 | 765 | 850 | 765 | 850 | 765 | 850 | 765 |
| Total audit fees paid | 5,617 | 5,652 | 5,617 | 5,652 | 5,617 | 5,652 | 5,617 | 5,652 |
| | 5. Monthly Income Trust | | 6. OnePath AJ Mortgage Fund | | 7. OnePath Mortgage Trust No.2 | | | |
| | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | | |
| KPMG | | | | | | | | |
| - Financial statement audit Paid by Responsible Entity | 4,767 | 4,887 | 4,767 | 4,887 | 4,767 | 4,887 | | |
| - Compliance and regulatory Paid by Responsible Entity | 850 | 765 | 850 | 765 | 850 | 765 | | |
| Total audit fees paid | 5,617 | 5,652 | 5,617 | 5,652 | 5,617 | 5,652 | | |

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9. Related parties

9.1 Responsible Entity

The Responsible Entity of the Schemes is OnePath Funds Management Limited (ABN 21 003 002 800). OnePath Funds Management Limited (OPFM) was a subsidiary of Australia and New Zealand Banking Group Limited (ANZ) up until 31 January 2020. Effective 1 February 2020 OPFM became a subsidiary of IOOF Holdings Limited (IOOF) and ANZ ceased to be a related party to the Schemes.

9.2 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 |
|----------------|--|----------------------------|--------------------------|
| S J Chapman | Independent Non-Executive Director, Chairman | Appointed 1 August 2011 | Resigned 31 January 2020 |
| A H Chonowitz | Independent Non-Executive Director | Appointed 1 March 2015 | Resigned 31 July 2019 |
| M A Da Silva | Executive Director | Appointed 31 January 2020 | |
| L M Fricke | Independent Non-Executive Director | Appointed 7 September 2017 | Resigned 31 January 2020 |
| P G Mullin | Independent Executive Director | Appointed 1 March 2015 | Resigned 31 January 2020 |
| J Selak | Independent Non-Executive Director, Chairman | Appointed 31 January 2020 | |
| M A Somerville | Independent Non-Executive Director | Appointed 31 January 2020 | |

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.

9.3 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 IOOF. 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.

During the year there was no compensation paid directly by the Schemes to the Directors of the Responsible Entity. From 1 July 2019 to 31 January 2020, Directors compensation was paid by a subsidiary of Australia and New Zealand Banking Group Limited. Effective from 1 February 2020, Directors compensation was paid by IOOF Service Co Pty Ltd (a wholly owned subsidiary of IOOF Holdings Ltd, the ultimate parent company of OPFM).

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.

9.4 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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9.5 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 | |
|---|------------------------------|------------|-----------------|-----------|--|------------|----------------------------------|------------|---|------------|----------------------|------|
| | 2020 \$ | 2019 \$ | 2020 % | 2019 % | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 | 2019 |
| 1. ANZ Mortgage Fund Mortgage Pool | - | - | - | - | - | - | - | 444,408 | - | - | - | - |
| 2. ANZ OA OnePath Income Plus Trust Mortgage Pool | - | - | - | - | - | - | - | 433,334 | - | - | - | - |
| 3. ANZ OA OnePath Mortgage Trust Mortgage Pool | - | - | - | - | - | - | - | 681,908 | - | - | - | - |
| 4. Income Plus Trust Mortgage Pool | - | - | - | - | - | - | - | 88,846 | - | - | - | - |
| 5. Monthly Income Trust Mortgage Pool | - | - | - | - | - | - | - | 267,892 | - | - | - | - |
| 6. OnePath AJ Mortgage Fund Mortgage Pool | - | - | - | - | - | - | - | 27,180 | - | - | - | - |
| 7. OnePath Mortgage Trust No.2 Mortgage Pool | - | - | - | - | - | - | - | 338,910 | - | - | - | - |

* In the comparative period, the Schemes redeemed their units in the Mortgage Pool, an unlisted unit trust. As at the comparative period end the Schemes no longer held investments in the Mortgage Pool.

9.6 Units in the Schemes held by related parties

As at the reporting date, details of unit holdings in the Schemes by Oasis Fund Management Limited (Trustee for Oasis Superannuation Master Trust) 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 paid/payable | | Number of units held | |
|---|-----------------------------|------------|-----------------|-----------|--|------------|----------------------------------|------------|----------------------------|------------|----------------------|-----------|
| | 2020 \$ | 2019 \$ | 2020 % | 2019 % | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ | 2020 | 2019 |
| 5. Monthly Income Trust Oasis Superannuation Master Trust (wholly owned subsidiary of IOOF)† | - | 145 | - | 0.06 | - | - | 145 | - | - | - | - | 50,119 |
| 7. OnePath Mortgage Trust No.2 Oasis Superannuation Master Trust (wholly owned subsidiary of IOOF)† | - | 2,980 | - | 0.98 | - | - | 2,980 | - | - | - | - | 1,027,531 |

† Effective 1 February 2020, Oasis Superannuation Master Trust's RSE Licensee, Oasis Funds Management Limited, became a wholly owned subsidiary of IOOF.

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9.7 ANZ Securities - Related party investments

OnePath Funds Management Limited was a subsidiary of ANZ up until 31 January 2020. Effective 1 February 2020, OPFM became a subsidiary of IOOF and ANZ ceased to be a related party to the Schemes.

As at reporting date, the Schemes have no other investments in IOOF securities.

The Schemes' cash and cash investments are held by ANZ bank accounts. Up until 31 January 2020 these investments were classified as related party investments and as such the table below details the ANZ bank accounts value, income received and receivable from the cash and cash equivalents for the financial period up to 31 January 2020.

| Name of entity | 2020 | | 2019 | |
|--|-----------------------|--------------------------------|--------------------|--------------------------------|
| | Value as at | Income received/ receivable | Value as at | Income received/ receivable |
| | 31 January 2020 \$ | 31 January 2020 \$ | 30 June 2019 \$ | 30 June 2019 \$ |
| 1. ANZ Mortgage Fund | | | | |
| Cash and cash equivalents | 112,108 | - | 433,935 | - |
| 2. ANZ OA OnePath Income Plus Trust | | | | |
| Cash and cash equivalents | 63,079 | - | 422,693 | - |
| 3. ANZ OA OnePath Mortgage Trust | | | | |
| Cash and cash equivalents | 111,812 | - | 662,164 | - |
| 4. Income Plus Trust | | | | |
| Cash and cash equivalents | 11,137 | - | 89,604 | - |
| 5. Monthly Income Trust | | | | |
| Cash and cash equivalents | 50,666 | - | 262,668 | - |
| 6. OnePath AJ Mortgage Fund | | | | |
| Cash and cash equivalents | 5,593 | - | 26,979 | - |
| 7. OnePath Mortgage Trust No.2 | | | | |
| Cash and cash equivalents | 59,889 | - | 333,190 | - |

10. Investment assets and liabilities of unconsolidated structured entities

The Schemes have no investment assets as at 30 June 2020.

11. Custodian

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

12. Commitments and contingencies

There were no commitments or contingencies for the Schemes as at the reporting date (30 June 2019: Nil).

13. Schemes Termination

The Schemes have been suspended since 24 October 2008 and were approved to be terminated 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. During the period, the redemptions were processed to return capital to unitholders. The termination process is ongoing.

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14. Significant events during the financial period

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 (OPFM) (the Responsible Entity of the Schemes) announced the proposed sale of the OnePath Pensions and Investments (OnePath P&I) business to IOOF Holdings Limited and Australian Wealth Management Limited (IOOF).

On 9 December 2019, the Australian Prudential Regulation Authority (APRA) issued its approval for the OnePath P&I sale to IOOF. The sale of OnePath Funds Management Limited and transfer of ownership of the Responsible Entity of the Schemes to IOOF was completed on 31 January 2020. As a result, new Directors were appointed to OPFM Board effective 31 January 2020. In addition, the registered office and principal place of business of the Responsible Entity and the Schemes were changed from Level 23, 242 Pitt Street, Sydney, NSW 2000 to Level 6, 161 Collins Street, Melbourne, VIC 3000.

Effective 1 February 2020, ANZ ceased to be a related party to the Schemes. Refer to Note 9 Related parties for further detail.

As at 30 June 2020, OPFM continued to operate the Schemes and there have been no changes to the operations of the Schemes.

This significant event did not impact individual unitholder balances or units.

Coronavirus (COVID-19) pandemic impacts:

The Coronavirus has created market volatility and uncertainty for the global economy.

OPFM continues to operate the Schemes in accordance with the provisions of each Scheme's Constitution.

The Schemes solely invest into cash and cash equivalents and as a result the market volatility had minimal impact on the Schemes.

15. Likely developments and expected results of operations

The Schemes were approved to be terminated 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 and this process is ongoing.

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

16. Events subsequent to reporting date

Since 30 June 2020, the associated economic impacts of COVID-19, on macroeconomic conditions which may indirectly impact the Schemes, remain uncertain.

No other significant event has 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 2020 or on the results and cash flows of the Schemes for the financial year ended on that date.

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 24 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 2020 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 24 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.



John Selak
Director

Melbourne

7 September 2020



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 2020 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 2020;
- Statement of Comprehensive Income, Statement of Changes in Equity and 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 2020.

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 (including Independence Standards)* (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 2020. 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 opinion on the Financial Reports does not cover the Other Information and, accordingly, we do 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 gives 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
7 September 2020



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 the audit of the Schemes for the financial year ended 30 June 2020 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

KPMG

AR

Andrew Reeves

Partner

Sydney

7 September 2020

CONTACT DETAILS FOR THE SCHEMES

CUSTOMER SERVICES

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