

# Financial Reports (Consolidated)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

BOOKLET 4



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## Directors' Report for the financial year ended 30 June 2013

The Directors of OnePath Funds Management Limited, the Responsible Entity of the following Managed Investment Schemes (the 'Schemes'), present the consolidated financial reports of the Schemes and their controlled entities (the 'Consolidated Entities') for the financial year ended 30 June 2013 and the auditor's report thereon.

Parent
ANZ OA OnePath Property Securities Trust ANZ Listed Property Trust Fund
Subsidiary
ANZ OA SG Hiscock Property Trust OneAnswer SG Hiscock Property Trust SG Hiscock Professional Property Fund

The above table states the consolidated entity structures as at reporting date.

### 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.

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

Name	Date Appointed	Date Resigned
C T Brackenrig	Appointed 5 May 2011	
S C Brentnall	Appointed 1 March 2013	
S J Chapman	Appointed 1 August 2011	
C M McDowell	Appointed 15 February 2012	Resigned 1 February 2013
V S Weekes	Appointed 1 May 2011	

### Principal activities

The Schemes are registered Managed Investment Schemes domiciled in Australia.

The investment activities of the Schemes continue to be in accordance with the investment policies of the Schemes, as outlined in the investment mandates, and investments in each class of asset were maintained within the stated asset allocation ranges. The key asset categories are cash, equities and unit trusts.

The Schemes did not have any employees during the year.

### Review of operations and results

The Schemes continue to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of each Schemes' Constitution.

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

The income distributions payable by each of the Consolidated Entities are disclosed in the Consolidated Statements of Financial Position.

The income distributions paid by each of the Consolidated Entities are disclosed in the Consolidated Statements of Comprehensive Income.

### 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 Scheme property during the year are disclosed in Note 12.4 Responsible Entity fees.

No fees were paid out of Scheme 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 12.6 Units in the Schemes held by related parties.

### Significant changes in the state of affairs

Name changes of Schemes:

During the financial year, the following Schemes had their names changed as indicated in the following table:

Previous name of Scheme	New name of Scheme
ANZ OA Challenger Property Trust Challenger Professional Property Fund	ANZ OA SG Hiscock Property Trust SG Hiscock Professional Property Fund

Other than what has been disclosed above, there have been no significant changes in the Schemes' state of affairs for the financial year end 30 June 2013.

### Likely developments and expected results of operations

The Schemes will continue to pursue their investment policy as outlined in the investment mandates. The results of the Schemes will be affected by a number of factors, including the performance of investment markets in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information about the likely developments regarding the operations of the Schemes and the expected results of those operations in future financial periods has not been included in this report because disclosure of the 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 Consolidated Statements of Financial Position as at 30 June 2013 or on the results and cash flows of the Schemes for the financial year ended on that date.

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## **Directors' Report for the financial year ended 30 June 2013**

### **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 Scheme's 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 auditors of the Schemes.

### **True and fair view**

The Consolidated 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 37 and forms part of the directors' report for the financial year ended 30 June 2013.

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



**Director**

Sydney

9 September 2013

**Consolidated Statements of Financial Position  
as at 30 June 2013**

	Note	ANZ OA OnePath Property Securities Trust (Consolidated Entity) <sup>†</sup>		ANZ OA SG Hiscock Property Trust (Consolidated Entity) <sup>†</sup>	
		30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
		\$	\$	\$	\$
<b>Assets</b>					
Cash and cash equivalents		2,731,112	2,722,313	475,737	984,052
Receivables	6	6,584,414	4,747,151	2,499,518	1,798,217
Financial assets held at fair value through profit or loss	7.1	295,581,257	272,701,214	46,521,942	43,410,392
<b>Total assets</b>		<b>304,896,783</b>	<b>280,170,678</b>	<b>49,497,197</b>	<b>46,192,661</b>
<b>Liabilities</b>					
Bank overdraft		-	-	1,071,088	1,155,290
Payables	8	127,464	24,005	18,464	17,300
Distribution payable		3,857,380	5,828,868	375,066	319,694
Distribution payable to external unitholders of the Scheme		977,413	1,677,828	680,024	623,577
Amounts payable to external unitholders of the Scheme		59,865,775	76,025,695	14,148,244	15,402,945
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>64,828,032</b>	<b>83,556,396</b>	<b>16,292,886</b>	<b>17,518,806</b>
<b>Net assets attributable to unitholders</b>		<b>240,068,751</b>	<b>196,614,282</b>	<b>33,204,311</b>	<b>28,673,855</b>
Represented by:					
Net assets attributable to unitholders at redemption price		240,552,333	196,959,518	33,204,311	28,673,855
Adjustment arising from different unit pricing and accounting valuation		(483,582)	(345,236)	-	-
<b>Total net assets attributable to unitholders</b>	<b>5</b>	<b>240,068,751</b>	<b>196,614,282</b>	<b>33,204,311</b>	<b>28,673,855</b>

The Consolidated Statements of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 9 to 34.

† Refer to Note 19 'Restatement of Prior Year Comparatives' for details of the prior period restatement.

**Consolidated Statements of Comprehensive Income  
for the financial year ended 30 June 2013**

	Note	ANZ OA OnePath Property Securities Trust (Consolidated Entity) <sup>†</sup>		ANZ OA SG Hiscock Property Trust (Consolidated Entity) <sup>†</sup>	
		30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
		\$	\$	\$	\$
<b>Investment income</b>					
Dividend income		-	385,290	-	-
Interest income		119,203	121,090	8,755	9,885
Unit trust distribution income		15,973,254	24,031,911	2,556,175	2,510,527
Net change in fair value of investments		39,432,231	(31,858,524)	7,746,114	1,105,131
Security lending income		10,308	16,441	-	-
Other income		13,075	4,160	-	17,963
<b>Net investment income/(loss)</b>		<b>55,548,071</b>	<b>(7,299,632)</b>	<b>10,311,044</b>	<b>3,643,506</b>
<b>Expenses</b>					
Responsible Entity fees		299,310	318,125	258,306	222,250
Interest expense		-	142	225	2,912
Other expenses		266,092	891,391	3,368	7,180
<b>Operating expenses before finance costs</b>		<b>565,402</b>	<b>1,209,658</b>	<b>261,899</b>	<b>232,342</b>
<b>Profit/(loss) from operating activities</b>		<b>54,982,669</b>	<b>(8,509,290)</b>	<b>10,049,145</b>	<b>3,411,164</b>
<b>Finance costs</b>					
Distributions to unitholders		8,394,970	16,817,649	1,259,059	1,488,497
Distribution paid and payable to external unitholders of the Scheme		2,558,822	5,539,941	1,043,883	814,410
Change in amounts payable to external unitholders of the Scheme		9,491,849	4,633,668	2,413,539	-
<b>Change in net assets attributable to unitholders/ Total comprehensive income</b>	<b>5</b>	<b>34,537,028</b>	<b>(35,500,548)</b>	<b>5,332,664</b>	<b>1,108,257</b>

The Consolidated Statements of Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 9 to 34.

† Refer to Note 19 'Restatement of Prior Year Comparatives' for details of the prior period restatement.

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**Consolidated Statements of Changes in Equity  
for the financial year ended 30 June 2013**

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.

**Consolidated Statements of Cash Flows  
for the financial year ended 30 June 2013**

	Note	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
		30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
		\$	\$	\$	\$
<b>Cash flows from operating activities:</b>					
Dividends received		87,045	298,247	-	-
Interest received		115,203	119,855	8,613	9,552
Unit trust distribution received		15,509,865	24,808,175	1,905,413	2,664,727
Other income		19,705	82,461	1,056	-
FX gains/losses		-	(321,153)	-	-
Interest paid		-	(142)	(23)	(2,912)
Operating expenses paid		(565,209)	(1,215,734)	(262,390)	(212,249)
Proceeds from sale of investments		221,140,443	257,407,879	6,339,916	42,952,406
Purchase of investments		(202,555,645)	(255,555,927)	(2,678,628)	(38,015,537)
<b>Net cash flows from/(used in) operating activities</b>	<b>9</b>	<b>33,751,407</b>	<b>25,623,661</b>	<b>5,313,957</b>	<b>7,395,987</b>
<b>Cash flows from financing activities:</b>					
Proceeds from issue of units		59,511,006	587,346,471	4,029,898	46,291,596
Payments for redemption of units		(93,144,893)	(618,046,246)	(9,649,514)	(52,980,211)
Distributions paid		(108,721)	(116,390)	(118,454)	(142,404)
<b>Net cash flows from/(used in) financing activities</b>		<b>(33,742,608)</b>	<b>(30,816,165)</b>	<b>(5,738,070)</b>	<b>(6,831,019)</b>
Net increase/(decrease) in cash and cash equivalents		8,799	(5,192,504)	(424,113)	564,968
Effect of exchange rate fluctuations on cash and cash equivalents		-	(2,682)	-	-
Cash acquired/(disposed)		-	5,549,767	-	(380,864)
Cash and cash equivalents at the beginning of the financial year		2,722,313	2,367,732	(171,238)	(355,342)
<b>Cash and cash equivalents at the end of the financial year</b>		<b>2,731,112</b>	<b>2,722,313</b>	<b>(595,351)</b>	<b>(171,238)</b>

The Consolidated Statements of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 9 to 34.

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## **Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013**

### **1. Reporting entity**

The Schemes included in these Consolidated Financial Statements are registered Managed Investment Schemes under the Corporations Act 2001. The Consolidated Financial Statements of the Schemes are for the financial year ended 30 June 2013 and comprise the Schemes and their controlled entities (together referred to as the 'Consolidated Entities').

### **2. Basis of preparation**

#### **2.1 Statement of compliance**

The Consolidated 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 Consolidated Financial Statements of the Schemes comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The Consolidated Financial Statements were approved by the Board of Directors of the Responsible Entity on 9 September 2013.

#### **2.2 Basis of measurement**

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value and financial instruments classified as loans and receivables and financial liabilities other than those at fair value through profit or loss which are measured at amortised cost.

#### **2.3 Functional and presentation currency**

The Consolidated Financial Statements are presented in Australian dollars, which is the Scheme's functional currency.

#### **2.4 Use of estimates and judgements**

The preparation of the Consolidated 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 10.5 Valuation of financial instruments contains information about the estimation of fair values of financial instruments.

#### **2.5 Going concern**

The Consolidated Financial Statements have been prepared on a going concern basis.

#### **2.6 Changes in accounting policies**

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

### **3. Basis of consolidation**

#### **3.1 Subsidiaries**

Subsidiaries are entities controlled by the Parent Schemes. Control exists when the Parent of the Scheme has the power to govern the financial and operating policies of another Scheme so as to obtain benefits from its activities. This will generally be when the Parent Scheme has greater than 50% of the units in another Scheme. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that the control ceases.

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## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

Units in the subsidiary schemes are classified as a liability and as such the subsidiary units held by external unitholders (i.e. non scheme unitholders) are classified as 'Amounts payable to external unitholders of the Scheme' on the Consolidated Statements of Financial Position and changes in the amounts payable to unitholders are recorded as 'Finance costs' in the Consolidated Statements of Comprehensive Income.

### 3.2 Transactions eliminated on consolidation

Intra-scheme balances, and any unrealised gains and losses or income and expenses arising from intra-scheme transactions, are eliminated in preparing these consolidated financial statements.

### 4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

The Schemes have not early adopted any accounting standard.

#### 4.1 Financial instruments

##### 4.1.1 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 Consolidated 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.

##### 4.1.2 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.

##### 4.1.3 Classification

Financial assets and financial liabilities held at fair value through profit or loss are classified as held for trading. These include investments in equity instruments and units in unlisted managed investment schemes.

Financial assets measured at amortised cost include cash and cash equivalents, balances due from brokers and accounts receivable. Financial liabilities measured at amortised cost include balances due to brokers and accounts payable.

##### 4.1.4 Measurement

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Consolidated Statements of Comprehensive Income.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Financial liabilities arising from the redeemable units issued by the Schemes are carried at the redemption amount representing the investors' rights to the residual interest in the Scheme's assets, effectively the fair value at the reporting date.

##### 4.1.5 Fair value measurement principles

The Schemes included in these Consolidated Financial Statements invested into a variety of assets, including cash, equities and unit trusts. Generally, valuation information is obtained from third party industry standard service providers to ensure that the most recent security prices are obtained. The prices used to value investments include, but are not limited to:

- independent prices obtained for each security;

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## **Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013**

- quoted 'bid' prices on long securities and quoted 'ask' prices on securities sold short;
- redemption prices published by the relevant Responsible Entity, for investments into unlisted unit trusts.

For certain investments, prices cannot be obtained from the above sources. In these instances, valuations obtained from service providers are estimated through the use of valuation models which are consistent with accepted industry practice and incorporate the best available information regarding assumptions that market participants would use when pricing the assets and liabilities. Irrespective of the method used by third party industry standard service providers to obtain valuations, prices achieved in actual transactions may be different.

If the fair value of the financial instrument is estimated through valuation models, valuation techniques include the use of recent arm's length market transactions, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow techniques or other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is the market rate at the reporting date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the reporting date.

### **4.1.6 Offsetting**

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statements of Financial Position when, and only when, the Schemes have a legal right to offset the amounts and it intends 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.

### **4.2 Net assets attributable to unitholders**

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Schemes are required to distribute their distributable income. The units can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units from the Schemes.

### **4.3 Terms and conditions of units**

The Schemes included in these Consolidated Financial Statements have between one and three 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 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.

### **4.4 Cash and cash equivalents**

For the purpose of presentation in the Consolidated Statements of Cash Flows, cash and cash equivalents includes 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.

### **4.5 Interest**

Interest income is recognised in the Consolidated 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.

### **4.6 Dividend income**

Dividend income relating to exchange-traded equity investments is recognised in the Consolidated Statements of Comprehensive Income on the ex-dividend date.

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## **Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013**

In some cases, the Schemes may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Schemes recognise the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

### **4.7 Unlisted unit trust distributions**

Income distributions from private equity investments and other managed investment schemes are recognised in the Consolidated Statements of Comprehensive Income as unit trust distribution income on a present entitlement basis.

### **4.8 Expenses**

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

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

### **4.9 Foreign exchange gains and losses**

Foreign exchange gains and losses on financial assets and financial liabilities held at fair value through profit or loss are recognised together with other changes in the fair value. Included in the profit or loss line item are net foreign exchange gains or losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss.

### **4.10 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.

### **4.11 Finance costs**

Distributions paid and payable on units are recognised in the Consolidated 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 Consolidated Statements of Cash Flows.

### **4.12 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 dividends, 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).

### **4.13 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.

### **4.14 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 Consolidated Statements of Comprehensive Income as finance costs.

### **4.15 Goods and services tax**

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

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## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

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

### 4.16 Comparative information

Comparative figures are, where appropriate, reclassified or restated so as to be comparable with figures in the current financial year.

### 4.17 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 Consolidated Financial Statements:

- *AASB 9 Financial Instruments (December 2009)* replacing *AASB 139 Financial Instruments: Recognition and Measurement*. AASB 9 is applicable for annual reporting periods beginning on or after 1 January 2015.
- *AASB 10 Consolidated Financial Statements*. AASB 10 is applicable for reporting periods beginning on or after 1 January 2013.
- *AASB 12 Disclosure of Interest in Other Entities*. AASB 12 is applicable for reporting periods beginning on or after 1 January 2013.
- *AASB 13 Fair Value Measurement*. AASB 13 is applicable for reporting periods beginning on or after 1 January 2013.
- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities. AASB 2012-2 is applicable for reporting periods beginning on or after 1 January 2013.
- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities. AASB 2012-3 is applicable for reporting periods beginning on or after 1 January 2014.

Management is currently assessing the impact of the above accounting standards.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 5. Net assets attributable to unitholders

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

The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Schemes' underlying assets on a daily basis by the Responsible Entity. Under the terms of each Schemes' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

Movements in the number of units and net assets attributable to unitholders of the Schemes during the year are as follows:

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013 \$	30 June 2012 \$	30 June 2013 \$	30 June 2012 \$
Opening balance	196,614,282	527,717,000	28,673,855	31,050,957
Applications	69,320,359	181,662,479	4,354,262	2,740,121
Redemptions	(60,402,918)	(477,264,649)	(5,156,470)	(6,225,480)
Change in net assets attributable to unitholders	34,537,028	(35,500,548)	5,332,664	1,108,257
<b>Closing balance</b>	<b>240,068,751</b>	<b>196,614,282</b>	<b>33,204,311</b>	<b>28,673,855</b>
	30 June 2013 Units	30 June 2012 Units	30 June 2013 Units	30 June 2012 Units
Opening balance	194,116,403	503,697,829	32,752,374	39,437,425
Applications	53,685,341	173,105,366	3,594,691	3,248,515
Redemptions	(52,512,549)	(482,686,792)	(5,453,915)	(9,933,566)
<b>Closing balance</b>	<b>195,289,195</b>	<b>194,116,403</b>	<b>30,893,150</b>	<b>32,752,374</b>

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 6. Receivables

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

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
	\$	\$	\$	\$
Dividends receivable	-	87,044	-	-
Unit trust distribution receivable	5,105,217	4,641,827	1,185,969	1,013,032
Interest receivable	8,983	4,983	476	333
Outstanding settlements receivable	1,454,447	-	1,302,036	774,426
Other receivables	15,767	13,297	11,037	10,426
<b>Total receivables</b>	<b>6,584,414</b>	<b>4,747,151</b>	<b>2,499,518</b>	<b>1,798,217</b>

### 7. Financial assets and liabilities

The tables below detail the categories of the financial assets and liabilities held by the Schemes at the reporting date:

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
	\$	\$	\$	\$
<b>7.1 Financial assets held at fair value through profit or loss</b>				
<b>Held for trading</b>				
Listed securities	295,581,257	272,701,214	-	-
Unlisted unit trusts	-	-	46,521,942	43,410,392
<b>Total financial assets held at fair value through profit or loss</b>	<b>295,581,257</b>	<b>272,701,214</b>	<b>46,521,942</b>	<b>43,410,392</b>
<b>Comprising:</b>				
<b>Listed securities</b>				
Listed equities	2,264,303	-	-	-
Listed property trusts	293,316,954	272,701,214	-	-
<b>Total listed securities</b>	<b>295,581,257</b>	<b>272,701,214</b>	<b>-</b>	<b>-</b>
<b>Unlisted unit trusts</b>				
Related unlisted unit trusts	-	-	2,617,488	-
Unrelated unlisted unit trusts	-	-	43,904,454	43,410,392
<b>Total unlisted unit trusts</b>	<b>-</b>	<b>-</b>	<b>46,521,942</b>	<b>43,410,392</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>295,581,257</b>	<b>272,701,214</b>	<b>46,521,942</b>	<b>43,410,392</b>

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 8. Payables

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

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
	\$	\$	\$	\$
Outstanding settlements payable	104,471	-	-	-
Responsible Entity fees payable	22,993	24,005	16,846	17,277
Other payables	-	-	1,618	23
<b>Total payables</b>	<b>127,464</b>	<b>24,005</b>	<b>18,464</b>	<b>17,300</b>

### 9. Reconciliation of cash flows from operating activities

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

	Note	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
		30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
		\$	\$	\$	\$
<b>9.1 Profit/(Loss) from operating activities</b>		54,982,669	(8,509,290)	10,049,145	3,411,164
<b>Adjustments for net realised and unrealised (gain)/loss on:</b>					
Change in fair value of investments		(39,432,231)	31,858,524	(7,746,114)	(1,105,131)
Foreign exchange gain/(loss)		-	55,448	-	-
<b>Changes in operating assets and liabilities:</b>					
Proceeds from sale of financial instruments held at fair value through profit or loss		221,140,445	257,407,879	6,339,916	42,952,406
Purchase of financial instruments held at fair value at fair value through profit or loss		(202,555,648)	(255,555,927)	(2,678,628)	(38,015,537)
Net change in receivables		(382,816)	(25,535,265)	(651,521)	(1,505,052)
Net change in payable		(1,012)	(6,218)	1,159	(31,676)
Income reinvested		-	25,908,510	-	1,689,813
<b>Net cash flows from/(used in) operating activities</b>		<b>33,751,407</b>	<b>25,623,661</b>	<b>5,313,957</b>	<b>7,395,987</b>
<b>9.2 Non-cash financing and investing activities</b>					
Distributions reinvested by unitholders in additional trust units		22,571,616	65,538,940	4,596,262	2,224,848
Trust income reinvested		9,054,641	22,106,612	3,001,326	2,463,184
Other Non-cash financing and investing activities (in-specie transfers)	12.3	-	494,945,129	-	28,479,826

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## **Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013**

### **10. Financial risk management**

#### **10.1 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.

##### **10.1.1 Risk management framework**

The Schemes investment portfolio comprises cash, equities and unit trusts.

The Schemes' investment manager has 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 Schemes' investment manager is obliged to take action to rebalance the portfolio in line with the established targets, within prescribed time limits.

#### **10.2 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 and receivable balances.

##### **10.2.1 Management of credit risk**

The Schemes' policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Schemes' Product Disclosure Statements and by taking collateral. Credit risk is further minimised by managing the assets of the Schemes within credit rating limits.

##### **10.2.2 Cash and cash equivalents**

The Scheme's cash and cash equivalents are held mainly by Australian and New Zealand Banking Group Limited or J.P Morgan Chase Bank, National Association (JP Morgan). The credit rating of these banking institutions are AA- and A+, respectively, as at reporting date.

##### **10.2.3 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.

##### **10.2.4 Past due and impaired assets**

No financial assets carried at amortised cost were past due or impaired either at 30 June 2013 or 30 June 2012.

##### **10.2.5 Credit risk exposure**

The carrying amount of cash and cash equivalents and receivables represent the maximum exposure to credit risk.

#### **10.3 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.

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## **Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013**

### **10.3.1 Management of liquidity risk**

The Schemes' policy and the investment managers' approach to managing liquidity is to have sufficient liquidity to meet their liabilities, including estimated redemptions of units, as and when due, without incurring undue losses.

The Schemes' investment mandates allow for the daily creation and cancellation of units and they are therefore exposed to the liquidity risk of meeting unitholder redemptions at each redemption date.

The Schemes' listed securities are considered to be readily realisable as they are actively traded on exchanges.

The Schemes' hold investments in unlisted investment schemes, which may be subject to redemption restrictions. As a result, the Schemes may not be able to liquidate some of their investments in these instruments in due time in order to meet their liquidity requirements. The Schemes' liquidity risk is managed on a daily basis and the investment managers' approach are in accordance with investment mandates. Daily monitoring of cash flow and liquidity levels is conducted to ensure appropriate and timely action can be taken to unitholder interests. In addition to monitoring daily cash flows the Schemes' portfolio of assets are maintained within defined mandate limits and monitoring these positions is part of liquidity risk management.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 10.3.2 Liquidity risk exposure

The tables below detail the financial instruments currently in a liability position based on expected maturity rather than on a contractual basis, as the contractual maturities for such contracts are not considered to be essential to the understanding of the timing of cash flows based on the Schemes' investment strategies.

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
	\$	\$	\$	\$
<b>Non-derivative financial liabilities</b>				
<b>Bank overdrafts</b>				
Due for maturity in: < 1 month	-	-	1,071,088	1,155,290
<b>Total bank overdrafts</b>	<b>-</b>	<b>-</b>	<b>1,071,088</b>	<b>1,155,290</b>
<b>Payables</b>				
Due for maturity in: < 1 month	4,962,257	7,530,701	1,073,554	960,572
<b>Total payables</b>	<b>4,962,257</b>	<b>7,530,701</b>	<b>1,073,554</b>	<b>960,572</b>
<b>Amounts payable to unitholders</b>				
On call amounts	299,934,526	272,639,977	47,352,555	44,076,800
<b>Total amounts payable to unitholders</b>	<b>299,934,526</b>	<b>272,639,977</b>	<b>47,352,555</b>	<b>44,076,800</b>

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## **Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013**

### **10.4 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 fair 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.

#### **10.4.1 Management of market risk**

The Schemes' strategy for the management of market risk is driven by the Scheme's investment objectives. The Schemes' market risk is managed on a daily basis by the investment manager in accordance with the investment guidelines of each of the Schemes' investment mandates.

#### **10.4.2 Interest rate risk**

The Schemes are exposed to the risk that the fair 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.

The Schemes' interest rate risk is managed on a daily basis by the investment manager in accordance with the defined investment process and within the guidelines and restrictions outlined in the Schemes' investment mandates. The Schemes are monitored for mandate compliance. Where the interest rate risk exposure moves outside the Schemes mandate restrictions or guidelines, the investment manager will rebalance the portfolios.

#### **10.4.3 Exposure and sensitivity analysis - interest rate risk**

Direct interest rate risk exposure at reporting date is disclosed in Note 10.4.4 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 point is reasonably possible, considering the economic environment in which the Schemes operate.

The tables at Note 10.4.4 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 2013 (2012: 100 basis points).

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 10.4.4 Interest rate risk exposure and sensitivity analysis

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

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)			ANZ OA SG Hiscock Property Trust (Consolidated Entity)		
	Fixed interest rate \$	Floating interest rate \$	Total \$	Fixed interest rate \$	Floating interest rate \$	Total \$
<b>30 June 2013</b>						
<b>Financial assets</b>						
Cash and cash equivalents	-	2,731,112	2,731,112	-	475,737	475,737
<b>Financial liabilities</b>						
Bank overdraft	-	-	-	-	(1,071,088)	(1,071,088)
<b>Net exposure</b>	<b>-</b>	<b>2,731,112</b>	<b>2,731,112</b>	<b>-</b>	<b>(595,351)</b>	<b>(595,351)</b>
<b>30 June 2012 Restated</b>						
<b>Financial assets</b>						
Cash and cash equivalents	-	2,722,313	2,722,313	-	984,052	984,052
<b>Financial liabilities</b>						
Bank overdraft	-	-	-	-	(1,155,290)	(1,155,290)
<b>Net exposure</b>	<b>-</b>	<b>2,722,313</b>	<b>2,722,313</b>	<b>-</b>	<b>(171,238)</b>	<b>(171,238)</b>
<b>Sensitivity analysis</b>	2013	2012 Restated		2013	2012 Restated	
<b>Impact on Profit/loss on operating activities and Net assets attributable to unitholders</b>						
Interest rate risk - increase of 100bp (2012 100bp)	27,311	27,223		(5,953)	(1,712)	
Interest rate risk - decrease of 100bp (2012 100bp)	(27,311)	(27,223)		5,953	1,712	

### 10.4.5 Currency risk

The Scheme is not subject to currency risk as its financial instruments are all denominated in Australian dollars (2012: Nil).

### 10.4.6 Other price risk

At reporting date other price risk is the risk that the fair 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 Schemes' financial instruments which are carried at fair value have any change in the fair value of investments recognised in the Consolidated Statements of Comprehensive Income in the line item 'Net change in fair value of investments'.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 10.4.7 Exposure and Sensitivity analysis - other price risk

The other price risk exposure of financial instruments is equal to the fair value of financial instruments as reported in the Consolidated Statements of Financial Position and in Note 7 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 10.4.8 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% (2012: 10%).

### 10.4.8 Other price risk - sensitivity analysis

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

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013	30 June 2012 Restated	30 June 2013	30 June 2012 Restated
<b>Impact on Profit/loss from operating activities and Net assets attributable to unitholders</b>				
Price risk - increase of 10%*	29,558,126	27,270,122	4,652,194	4,341,040

\*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 Consolidated Financial Statements for the financial year ended 30 June 2013

### 10.5 Valuation of financial instruments

The Schemes accounting policy on fair value measurement is discussed in Note 4.1.5 Fair value measurement principles.

The Schemes measures fair 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.

**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 require 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.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 10.5.1 Financial instruments hierarchy

The tables below analyse financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Note	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
		30 June 2013 \$	30 June 2012 Restated \$	30 June 2013 \$	30 June 2012 Restated \$
<b>Financial assets held at fair value through profit or loss</b>					
<b>Listed securities:</b>					
Level 1		295,580,666	272,650,542	-	-
Level 2		-	-	-	-
Level 3		591	50,672	-	-
<b>Debt securities:</b>					
Level 1		-	-	-	-
Level 2		-	-	-	-
Level 3		-	-	-	-
<b>Unlisted unit trusts:</b>					
Level 1		-	-	-	-
Level 2		-	-	46,521,942	43,410,392
Level 3		-	-	-	-
<b>Derivative assets:</b>					
Level 1		-	-	-	-
Level 2		-	-	-	-
Level 3		-	-	-	-
<b>Total financial assets held at fair value through profit or loss</b>	<b>7.1</b>	<b>295,581,257</b>	<b>272,701,214</b>	<b>46,521,942</b>	<b>43,410,392</b>

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 10.6 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.

For level 3 assets and liabilities the fair value is calculated using unobservable inputs for which there is no reasonable alternative, as such a sensitivity analysis has not been calculated.

The following tables show a reconciliation of beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

ANZ OA OnePath Property Securities Trust (Consolidated Entity)											
	Note	Financial assets & liabilities at fair value through profit or loss 2013					Financial assets & liabilities at fair value through profit or loss 2012				
		Listed equities \$	Debt securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Restated				
							Listed equities \$	Debt securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		50,672	-	-	-	50,672	-	-	-	-	
Total gains or losses in profit or loss*		-	-	-	-	-	-	-	-	-	
Purchases		4,158	-	-	-	4,158	50,672	-	-	50,672	
Sales		(4,158)	-	-	-	(4,158)	-	-	-	-	
Settlements		(50,081)	-	-	-	(50,081)	-	-	-	-	
Transfers in/(out) of Level 3		-	-	-	-	-	-	-	-	-	
<b>Closing balance</b>	<b>10.5.1</b>	<b>591</b>	-	-	-	<b>591</b>	<b>50,672</b>	-	-	<b>50,672</b>	
<b>Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>		-	-	-	-	-	-	-	-	-	

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

### 11. Auditor's remuneration

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

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)		ANZ OA SG Hiscock Property Trust (Consolidated Entity)	
	30 June 2013 \$	30 June 2012 \$	30 June 2013 \$	30 June 2012 \$
<b>KPMG</b>				
- Financial statement audit				
Paid by Responsible Entity	8,504	3,839	8,504	7,325
- Compliance and regulatory				
Paid by Responsible Entity	1,076	425	1,076	850
<b>Total audit fees paid to KPMG</b>	<b>9,580</b>	<b>4,264</b>	<b>9,580</b>	<b>8,175</b>

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## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 12. Related parties

#### 12.1 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 Australian and New Zealand Banking Group Limited (ANZ).

#### 12.2 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	Date Appointed	Date Resigned
C T Brackenrig	Appointed 5 May 2011	
S C Brentnall	Appointed 1 March 2013	
S J Chapman	Appointed 1 August 2011	
C M McDowell	Appointed 15 February 2012	Resigned 1 February 2013
V S Weekes	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.

#### 12.3 Related party transactions

All related party transactions are conducted on normal 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.

OnePath Funds Management Limited may approve an in-specie transfer of assets of a related scheme to or from the Schemes, in exchange for unitholdings of the Schemes. Amounts of in-specie transfer of assets are disclosed in Note 9 Reconciliation of cash flows from operating activities.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 12.4 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 Consolidated Statements of Comprehensive Income. Fees received by the Responsible Entity for the year ended 30 June 2013 are as follows:

	Total fair value of management fees paid and payable to the RE during the financial year	
	2013 \$	2012 \$
ANZ OA OnePath Property Securities Trust - Pool Class <sup>†</sup>	-	-
ANZ OA OnePath Property Securities Trust - Retail Class	298,386	317,997
ANZ OA OnePath Property Securities Trust - Select Class	924	128
ANZ OA SG Hiscock Property Trust - Pool Class <sup>†</sup>	-	-
ANZ OA SG Hiscock Property Trust - Retail Class	103,944	112,113
ANZ OA SG Hiscock Property Trust - Select Class	104	11
OneAnswer SG Hiscock Property Trust - Pool Class <sup>†</sup>	-	-
OneAnswer SG Hiscock Property Trust - Retail Class	56,087	52,301

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

### 12.5 Related party investments held by the Schemes

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

Details of the Scheme's 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		Units purchased/reinvested during the period		Units redeemed during the period		Distributions received/receivable		Number of units held	
	2013 \$	2012 \$	2013 %	2012 %	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013	2012
<b>ANZ OA OnePath Property Securities Trust</b>												
ANZ Listed Property Trust Fund	239,089,747	196,735,505	80.00	72.17	63,187,382	215,360,807	55,422,830	25,179,797	8,614,099	9,123,024	361,886,828	354,505,350
<b>ANZ OA SG Hiscock Property Trust</b>												
OneAnswer SG Hiscock Property Trust	33,184,245	28,477,288	70.61	66.00	2,475,053	28,810,087	3,100,442	575,474	1,359,124	346,596	24,917,103	25,373,137

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 12.6 Units in the Schemes held by related parties

Details of holdings in the Schemes by OnePath Funds Management Limited and other Schemes operated by OnePath Funds Management Limited are set out below:

Name of entity Name of related entity	Fair value of unit holdings		% Interest		Units purchased/reinvested during the period		Units redeemed during the period		Distributions paid/payable		Number of units held	
	2013 \$	2012 \$	2013 %	2012 %	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013	2012
<b>ANZ Listed Property Trust Fund</b>												
ANZ OA OnePath Conservative Trust	-	4,057,405	-	1.49	89,725	8,977,638	4,371,116	5,632,345	-	333,608	-	7,311,196
ANZ OA OnePath Income Trust	776,472	573,438	0.26	0.21	333,065	1,681,761	294,959	1,181,828	34,697	59,437	1,175,270	1,033,300
ANZ OA OnePath Property Securities Trust	239,089,747	196,735,505	80.00	72.17	63,187,382	215,360,807	55,422,830	25,179,797	8,614,099	9,123,024	361,886,828	354,505,350
OnePath Capital Guaranteed Trust	53,021,921	62,815,486	17.74	23.04	2,810,570	121,763,842	23,875,000	67,090,878	2,288,591	5,394,185	80,254,110	113,189,665
OnePath Wholesale Capital Stable Trust	5,968,430	8,426,199	2.00	3.09	474,263	21,058,408	4,200,900	12,846,380	235,535	669,315	9,033,830	15,183,495
<b>ANZ OA OnePath Property Securities Trust</b>												
ANZ OA OnePath Income Plus Trust	9,521,213	16,321,517	3.70	7.59	1,570,741	15,061,994	10,630,113	37,711,569	459,321	1,575,646	7,225,679	14,731,988
ANZ Property Securities Trust	85,387,366	80,782,562	33.18	37.56	6,207,856	85,276,983	16,987,444	7,261,547	3,438,811	3,731,204	64,800,749	72,915,264
Heine Property Securities Fund	23,529,809	21,588,996	9.14	10.04	1,368,118	21,304,955	3,781,083	433,473	961,441	982,186	17,856,848	19,486,475
Income Plus Trust	1,951,826	3,381,453	0.76	1.57	611,396	3,357,156	2,512,203	7,972,044	95,975	325,432	1,481,247	3,052,138
OnePath Wholesale Property Securities Trust	3,111,182	3,006,764	1.21	1.40	195,843	3,132,749	636,959	227,329	123,708	138,431	2,361,086	2,713,940
Property Securities Trust	12,895,343	17,975,661	5.01	8.36	4,132,632	22,127,366	12,560,066	4,800,399	620,532	851,965	9,786,317	16,225,037
OnePath Life Limited (wholly owned subsidiary of ANZ)	94,460,948	43,655,033	36.11	19.70	56,077,614	19,384,657	11,774,908	51,027,498	2,533,966	3,533,171	70,509,568	38,249,264
<b>ANZ OA SG Hiscock Property Trust</b>												
OnePath Life Limited (wholly owned subsidiary of ANZ)	28,316,765	23,500,260	67.04	62.31	5,118,253	3,406,040	4,731,159	4,600,857	1,131,169	1,270,759	20,711,662	20,406,626
<b>OneAnswer SG Hiscock Property Trust</b>												
ANZ OA SG Hiscock Property Trust	33,184,245	28,477,288	70.61	66.00	2,475,053	28,810,087	3,100,442	575,474	1,359,124	346,596	24,917,103	25,373,137
OnePath Life Limited (wholly owned subsidiary of ANZ)	6,736,616	8,212,874	14.15	18.80	839,191	852,949	3,698,035	5,820,736	311,310	519,099	4,994,155	7,229,643

### 12.7 ANZ Securities - Related party investments

OnePath Funds Management Limited is a subsidiary of Australian and New Zealand Banking Group Limited. As such investments in securities issued by ANZ are classified as related party transactions.

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

Name of entity	2013		2012	
	Value as at 30 June 2013	Income received 30 June 2013	Value as at 30 June 2012	Income received 30 June 2012
<b>OneAnswer SG Hiscock Property Trust<sup>†</sup></b>				
Cash and cash equivalents	(370,976)	1,860	(376,604)	3,040
<b>ANZ OA SG Hiscock Property Trust</b>				
Cash and cash equivalents	305,016	4,293	170,338	5,788
<b>ANZ OA OnePath Property Securities Trust</b>				
Cash and cash equivalents	938,424	27,810	1,374,933	26,001

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

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 13. Ownership

The following table details the Parent's ownership interest in the subsidiaries:

Parent Subsidiary	% Holding	
	30 June 2013	30 June 2012
<b>ANZ OA OnePath Property Securities Trust</b>		
ANZ Listed Property Trust Fund	80.00%	66.60%
<b>ANZ OA SG Hiscock Property Trust</b>		
OneAnswer SG Hiscock Property Trust	71.21%	55.23%
SG Hiscock Professional Property Fund	95.66%	62.75%

### 14. Financial information of Parent Schemes

The financial information of the Parent Schemes are detailed in the table below:

	ANZ OA OnePath Property Securities Trust		ANZ OA SG Hiscock Property Trust	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	\$	\$	\$	\$

#### Financial Position

##### Assets

Current assets <sup>(1)</sup>	4,859,377	5,731,650	766,396	524,537
Financial assets held at fair value through profit or loss	239,089,747	196,735,505	32,821,056	28,477,287
<b>Total assets</b>	<b>243,949,124</b>	<b>202,467,155</b>	<b>33,587,452</b>	<b>29,001,824</b>

##### Liabilities

Current liabilities <sup>(2)</sup>	3,880,373	5,852,873	383,141	327,969
Financial liabilities held at fair value through profit or loss	-	-	-	-
Net assets attributable to unitholders <sup>(3)</sup>	240,068,751	196,614,282	33,204,311	28,673,855
<b>Total liabilities</b>	<b>243,949,124</b>	<b>202,467,155</b>	<b>33,587,452</b>	<b>29,001,824</b>

#### Financial Performance

<b>Change in net assets attributable to unitholders/ Total comprehensive income</b>	<b>34,537,028</b>	<b>(35,500,548)</b>	<b>5,332,664</b>	<b>1,108,257</b>
-------------------------------------------------------------------------------------	-------------------	---------------------	------------------	------------------

(1) The amount presented as 'Current assets' does not include 'Financial assets held at fair value through profit or loss' of the parent entity. While these assets are liquid and could be sold within twelve months, the amount expected to be sold within twelve months cannot be reliably determined.

(2) The amount presented as 'Current liabilities' does not include 'Financial liabilities held at fair value through profit or loss' of the parent entity. While these liabilities are liquid and could be recouped within twelve months, the amount expected to be recouped within twelve months cannot be reliably determined.

(3) Liabilities of the parent entity include 'Net assets attributable to unitholders', which in accordance with Australian Accounting Standards, has been classified as a liability of the parent. This amount has been classified separately as the actual amount expected to be settled within twelve months cannot be reliably determined.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 15. Acquisition of subsidiary - current financial year

For the current period there were no acquisitions for the Parent Entities.

#### 15.1 Acquisition of subsidiary - prior financial year

The table below details the effect of Parent's acquisitions in the prior financial year:

Parent	ANZ OA OnePath Property Securities Trust	ANZ OA SG Hiscock Property Trust	ANZ OA SG Hiscock Property Trust
Subsidiary	ANZ Listed Property Trust Fund	SG Hiscock Professional Property Fund	OneAnswer SG Hiscock Property Trust
<b>Acquisition</b>			
Date of acquisition	31 March 2012	30 June 2012	30 June 2012
Units acquired	100,000	100,000	100,000
Additional % acquired to gain control	5.00	5.00	5.00
Consideration paid \$	150,000	150,000	150,000
<b>Assets and liabilities</b>			
Cash	\$ 6,619,542	\$ 39,288	\$ (380,864)
Receivables	54,336	535,768	1,254,846
Investments	269,047,763	41,204,436	38,916,236
Sundry creditors and other accruals	-	(4,935)	(4,090)
Net assets	275,721,641	41,774,557	39,786,128
<b>Profit contribution</b>	6,311,495	-	-
<b>Consolidated effect</b>			
Consolidated revenue	5,126,424	178,204	578,278

### 16. Disposal of subsidiaries - current financial year

There were no disposals of subsidiaries in the current period.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 16.1 Disposal of subsidiaries - prior financial year

The net assets of the subsidiary that was disposed of in the prior year are detailed in the table below:

Parent	ANZ OA OnePath Property Securities Trust
<b>Subsidiary</b>	Pooled Property Fund
<b>Deconsolidation</b>	
Date of deconsolidation	30 November 2011
<b>Assets and liabilities</b>	
Cash	\$ 25,748
Receivables	-
Investments	221,333,180
Sundry creditors and other accruals	-
Net assets	221,358,928
<b>Realised gain/(loss) on disposal of subsidiary</b>	<b>(54,859,122)</b>

### 17. Custodian

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

### 18. Commitments and contingencies

There were no commitments or contingencies for the Schemes as at the reporting date (2012: Nil).

### 19. Restatement of prior year Comparatives

At 30 June 2012, two schemes were not consolidated in the Consolidated Entity's financial statements, rather they were recognised as investments at fair value through profit or loss. Adjustments to the comparative balances presented in the Consolidated Statements of Financial Position, Consolidated Statements of Comprehensive Income and Consolidated Statements of Cash Flows have been applied accordingly. There has been no change to the Net Assets attributable to unitholders balance and has no impact on the opening retained earnings of the Schemes.

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

The table below details the restatement of each line item affected in the Consolidated Statements of Financial Position, Consolidated Statements of Comprehensive Income and Consolidated Statements of Cash flows.

### Consolidated Statements of Financial Position

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)			ANZ OA SG Hiscock Property Trust (Consolidated Entity)		
	30 June 2012 Previously presented \$	Adjustments \$	30 June 2012 Restated \$	30 June 2012 Previously presented \$	Adjustments \$	30 June 2012 Restated \$
<b>Assets</b>						
Cash and cash equivalents	1,368,580	1,353,733	2,722,313	170,338	813,714	984,052
Receivables	4,363,070	384,081	4,747,151	1,262,449	535,768	1,798,217
Financial assets held at fair value through profit or loss	196,735,505	75,965,709	272,701,214	41,443,541	1,966,851	43,410,392
<b>Total assets</b>	<b>202,467,155</b>	<b>77,703,523</b>	<b>280,170,678</b>	<b>42,876,328</b>	<b>3,316,333</b>	<b>46,192,661</b>
<b>Liabilities</b>						
Bank overdraft	-	-	-	380,864	774,426	1,155,290
Payables	24,005	-	24,005	12,365	4,935	17,300
Distribution payable	5,828,868	-	5,828,868	319,694	-	319,694
Distribution payable to external unitholders of the Scheme	-	1,677,828	1,677,828	117,176	506,401	623,577
Amounts payable to external unitholders of the Scheme	-	76,025,695	76,025,695	13,372,374	2,030,571	15,402,945
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>5,852,873</b>	<b>77,703,523</b>	<b>83,556,396</b>	<b>14,202,473</b>	<b>3,316,333</b>	<b>17,518,806</b>
<b>Net assets attributable to unitholders</b>	<b>196,614,282</b>	<b>-</b>	<b>196,614,282</b>	<b>28,673,855</b>	<b>-</b>	<b>28,673,855</b>
Represented by:						
Net assets attributable to unitholders at redemption price	196,614,282	345,236	196,959,518	28,673,855	-	28,673,855
Adjustment arising from different unit pricing and accounting valuation	-	(345,236)	(345,236)	-	-	-
<b>Total net assets attributable to unitholders</b>	<b>196,614,282</b>	<b>-</b>	<b>196,614,282</b>	<b>28,673,855</b>	<b>-</b>	<b>28,673,855</b>

### Consolidated Statements of Comprehensive Income

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)			ANZ OA SG Hiscock Property Trust (Consolidated Entity)		
	30 June 2012 Previously presented \$	Adjustments \$	30 June 2012 Restated \$	30 June 2012 Previously presented \$	Adjustments \$	30 June 2012 Restated \$
<b>Investment income</b>						
Dividend income	298,245	87,045	385,290	-	-	-
Interest income	98,229	22,861	121,090	9,885	-	9,885
Unit trust distribution income	22,792,397	1,239,514	24,031,911	2,510,527	-	2,510,527
Net change in fair value of investments	(37,711,354)	5,852,830	(31,858,524)	1,105,131	-	1,105,131
Security lending income	15,804	637	16,441	-	-	-
Other income	4,160	-	4,160	17,963	-	17,963
<b>Net investment income/(loss)</b>	<b>(14,502,519)</b>	<b>7,202,887</b>	<b>(7,299,632)</b>	<b>3,643,506</b>	<b>-</b>	<b>3,643,506</b>
<b>Expenses</b>						
Responsible Entity fees	318,125	-	318,125	222,250	-	222,250
Interest expense	142	-	142	2,912	-	2,912
Other expenses	-	891,391	891,391	7,180	-	7,180
<b>Operating expenses before finance costs</b>	<b>318,267</b>	<b>891,391</b>	<b>1,209,658</b>	<b>232,342</b>	<b>-</b>	<b>232,342</b>
<b>Profit/(loss) from operating activities</b>	<b>(14,820,786)</b>	<b>6,311,496</b>	<b>(8,509,290)</b>	<b>3,411,164</b>	<b>-</b>	<b>3,411,164</b>
<b>Finance costs</b>						
Distribution to unitholders	16,817,649	-	16,817,649	1,488,497	-	1,488,497
Distribution paid and payable to external unitholders of the Scheme	3,862,113	1,677,828	5,539,941	814,410	-	814,410
Changes in amounts payable to external unitholders of the Scheme	-	4,633,668	4,633,668	-	-	-
<b>Change in net assets attributable to unitholders/ Total comprehensive income</b>	<b>(35,500,548)</b>	<b>6,311,496</b>	<b>(35,500,548)</b>	<b>1,108,257</b>	<b>-</b>	<b>1,108,257</b>

## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### Consolidated Statements of Cash Flow

	ANZ OA OnePath Property Securities Trust (Consolidated Entity)			ANZ OA SG Hiscock Property Trust (Consolidated Entity)		
	30 June 2012 Previously presented \$	Adjustments \$	30 June 2012 Restated \$	30 June 2012 Previously presented \$	Adjustments \$	30 June 2012 Restated \$
<b>Cash flows from operating activities:</b>						
Dividends received	298,246	1	298,247	-	-	-
Interest received	89,500	30,355	119,855	9,552	-	9,552
Unit trust distribution received	23,859,925	948,250	24,808,175	2,664,727	-	2,664,727
Other income	-	82,461	82,461	-	-	-
FX gains/losses	(280,398)	(40,755)	(321,153)	-	-	-
Interest paid	(142)	-	(142)	(2,912)	-	(2,912)
Operating expenses paid	(324,343)	(891,391)	(1,215,734)	(212,249)	-	(212,249)
Proceeds from sale of investments	257,129,198	278,681	257,407,879	42,952,406	-	42,952,406
Purchase of investments	(240,337,597)	(15,218,330)	(255,555,927)	(38,015,537)	-	(38,015,537)
<b>Net cash flows from/(used in) operating activities</b>	<b>40,434,389</b>	<b>(14,810,728)</b>	<b>25,623,661</b>	<b>7,395,987</b>	<b>-</b>	<b>7,395,987</b>
<b>Cash flows from financing activities:</b>						
Proceeds from issue of units	577,801,551	9,544,920	587,346,471	46,291,596	-	46,291,596
Payments for redemption of units	(618,046,246)	-	(618,046,246)	(52,980,211)	-	(52,980,211)
Distributions paid	(116,390)	-	(116,390)	(142,404)	-	(142,404)
<b>Net cash flows from/(used in) financing activities</b>	<b>(40,361,085)</b>	<b>9,544,920</b>	<b>(30,816,165)</b>	<b>(6,831,019)</b>	<b>-</b>	<b>(6,831,019)</b>
Net increase/(decrease) in cash and cash equivalents	73,304	(5,265,808)	(5,192,504)	564,968	-	564,968
Effect of exchange rate fluctuations on cash and cash equivalents	(2,682)	-	(2,682)	-	-	-
Cash acquired/(disposed)	(1,069,774)	6,619,541	5,549,767	(420,152)	39,288	(380,864)
Cash and cash equivalents at the beginning of the financial year	2,367,732	-	2,367,732	(355,342)	-	(355,342)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,368,580</b>	<b>1,353,733</b>	<b>2,722,313</b>	<b>(210,526)</b>	<b>39,288</b>	<b>(171,238)</b>

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## Notes to the Consolidated Financial Statements for the financial year ended 30 June 2013

### 20. Significant events during the financial period

Name changes of Schemes:

During the financial year, the following Schemes had their names changed as indicated in the following table:

Previous name of Scheme	New name of Scheme
ANZ OA Challenger Property Trust	ANZ OA SG Hiscock Property Trust
Challenger Professional Property Fund	SG Hiscock Professional Property Fund

Other than what has been disclosed above, there have been no significant changes in the Schemes' state of affairs for the financial year end 30 June 2013.

### 21. Events subsequent to reporting date

There have been no events subsequent to reporting date which have a material effect on the financial statements.

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## Directors' Declaration

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

ANZ OA OnePath Property Securities Trust  
ANZ OA SG Hiscock Property Trust

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

In the opinion of the Directors:

1. The Consolidated Financial Statements and notes of the Schemes, set out on pages 5 to 34 are in accordance with the Corporations Act 2001, including:
  - 1.1 giving a true and fair view of each of the Scheme's financial position as at 30 June 2013 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 Consolidated Financial Statements and notes of the Schemes, set out on pages 5 to 34 are prepared in accordance with the provisions of the Scheme's Constitutions.

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



**Director**

Sydney

9 September 2013



## Independent Auditor's Report

To the unitholders of the following Schemes and their controlled entities ('the Schemes'):

ANZ OA OnePath Property Securities Trust  
ANZ OA SG Hiscock Property Trust

### Report on the financial reports

We have audited the accompanying Consolidated Financial Reports of the Schemes, which comprise the Consolidated Statements of Financial Position as at 30 June 2013, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows for the year ended on that date, Notes 1 to 21 comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Schemes, comprising the Schemes and the entities they controlled at 30 June 2013 or from time to time during the financial year.

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

The directors of OnePath Funds Management Limited ('the Responsible Entity') are responsible for the preparation of the Consolidated Financial Reports 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 Consolidated Financial Reports that are free from material misstatement, whether due to fraud or error. In Note 2, the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the Consolidated Financial Statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the Consolidated Financial Reports based on our audits. We conducted our audits 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 Consolidated Financial Reports are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Reports. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Reports, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Schemes' preparation of the Consolidated Financial Reports that give 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 Consolidated Financial Reports.

We performed the procedures to assess whether in all material respects the Consolidated Financial Reports present 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 Scheme's financial position, 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*.

#### *Auditor's opinion*

In our opinion:

(a) the consolidated financial reports of the Schemes are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Schemes' financial positions as at 30 June 2013 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 consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

KPMG

P Ruiz

Partner

Sydney  
9 September 2013



## 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 2013, 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

P Ruiz

*Partner*

Sydney  
9 September 2013

## 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



1800 649 618 for use by financial advisers only



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### Responsible Entity

OnePath Funds Management Limited  
ABN 21 003 002 800  
AFSL 238342

### Custodian

OnePath Funds Management Limited  
242 Pitt Street  
Sydney NSW 2000

### Auditor

KPMG  
10 Shelley Street  
Sydney NSW 2000