

Financial Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

ANZ CASH PLUS FUND

ARSN 088 880 906





Financial Statements for the financial year ended 30 June 2012

Name _____ ARSN
ANZ Cash Plus Fund _____ 088 880 906

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Directors' Report for the financial year ended 30 June 2012

The Directors of OnePath Funds Management Limited ('OnePath Funds Management'), the Responsible Entity of ANZ Cash Plus Fund ('the Scheme'), present their report together with the financial reports of the Scheme, for the financial year ended 30 June 2012.

Principal activities

The investment activities of the Scheme continue to be in accordance with the investment policy as outlined in the Information Memorandum of the Scheme.

The Scheme continues to invest in cash and a wide range of securities including fixed and floating interest rate securities and and derivative contracts.

Directors of the Responsible Entity

The Directors of OnePath Funds Management, the Responsible Entity, during or since the end of the financial year are:

Name	Date Appointed	Date Resigned
P D Barrett	Appointed 20 April 2011	Resigned 15 February 2012
C T Brackenrig	Appointed 5 May 2011	
S J Chapman	Appointed 1 August 2011	
G J Kelly	Appointed 30 November 2009	Resigned 31 August 2011
C M McDowell	Appointed 15 February 2012	
G B Meyer	Appointed 22 February 2007	Resigned 31 August 2011
V S Weekes	Appointed 1 May 2011	

Lead auditor's independence declaration

The lead auditor's independence declaration for the financial year ended 30 June 2012 is set out on page 32.

Significant events after reporting date

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect the Scheme's operations in future financial years, the results of those operations or the state of affairs in future financial years.

Likely developments and expected results

The Scheme will continue to invest in the manner specified in this Directors' Report under the heading of 'Principal activities'. Further information about likely developments in the operations of the Scheme and the expected results of those operations in future financial periods has not been included because disclosure of this information would be likely to result in unreasonable prejudice to the Scheme.

Scheme information

The Scheme is an Australian registered managed investment Scheme. The Responsible Entity of the Scheme is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at:

Level 13, 347 Kent Street
Sydney NSW 2000

Environmental regulation

The operations of the Scheme are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Review of operations and results

The Scheme continues to invest in accordance its Information Memorandum.

The results of operations of the Scheme is disclosed in the Statement of Comprehensive Income.

The income distributions paid by the Scheme are disclosed in the Statement of Comprehensive Income.

The income distributions payable by the Scheme are disclosed in the Statement of Financial Position.

Indemnification and insurance of directors and officers

The Responsible Entity's Constitution permits the Responsible Entity to indemnify each officer or employee of the Responsible Entity against liabilities (so far as permitted under applicable law) incurred in the execution and discharge of the officer's or employee's duties. It is the Responsible Entity's policy that its employees should not incur liability for acting in the course of their employment legally, within the policies of the Responsible Entity and provided that they act in good faith.

Under the policy, the Responsible Entity will indemnify employees against any liability they incur in carrying out their role. The indemnity protects employees and former employees who incur a liability when acting as an employee or officer of the Responsible Entity, another corporation or other body at the request of the Responsible Entity or a related body corporate.

The indemnity is subject to applicable law and will not apply in respect of any liability arising from:

- a claim by the Responsible Entity
- a claim by a related body corporate
- serious misconduct, gross negligence, or a lack of good faith
- illegal, dishonest or fraudulent conduct; or
- material non-compliance with the Responsible Entity's policies or discretions.

**Directors' Report
for the financial year ended 30 June 2012 (continued)**

Australia and New Zealand Banking Group Limited (ANZ), the ultimate parent of the Responsible Entity, has entered into Indemnity Deeds with each of the Directors, with certain secretaries and former Directors of the Responsible Entity, and with certain employees and other individuals who act as directors or officers of the Responsible Entity or of a related body corporate or of another company. To the extent permitted by law, the Responsible Entity indemnifies the individual for all liabilities, including costs, damages and expenses incurred in their capacity as an officer of the company to which they have been appointed.

Fees paid to and investments held by the Responsible Entity

All fees paid to OnePath Funds Management by the Scheme and all investments held by OnePath Funds Management in the Scheme are disclosed in Note 9. Related parties.

Significant changes in the state of affairs

There has been no significant change in the Scheme's state of affairs for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors:

OnePath Funds Management Limited

ABN 21 003 002 800
AFSL 238342

A handwritten signature in black ink, appearing to read 'C. Dural', with a long horizontal line extending to the right and ending in a small hook.**Director**

Sydney
10 September 2012

**Statement of Comprehensive Income
for the financial year ended 30 June 2012**

	Note	ANZ Cash Plus Fund	
		30 June 2012 \$	30 June 2011 \$
Investment income			
Interest income		3,118,310	6,642,858
Net change in fair value of investments		3,135,020	6,624,798
Other income		-	129,375
Net investment income/(loss)		6,253,330	13,397,031
Expenses			
Responsible Entity fees		359,712	571,762
Interest expense		17,782	153
Other expenses		-	43,778
Operating expenses before finance costs		377,494	615,693
Profit/(loss) from operating activities		5,875,836	12,781,338
Finance costs			
Distributions to unitholders		5,705,391	4,312,952
Change in net assets attributable to unitholders/ Total comprehensive income	8	170,445	8,468,386

The Statement of Comprehensive Income needs to be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 29.

**Statement of Financial Position
as at 30 June 2012**

	Note	ANZ Cash Plus Fund	
		30 June 2012 \$	30 June 2011 \$
Assets			
Cash and cash equivalents	4	973,999	6,451,560
Receivables	5	449,825	527,748
Financial assets held at fair value through profit and loss	6.1	121,970,103	126,241,950
Total assets		123,393,927	133,221,258
Liabilities			
Payables	7	40,683	31,907
Distribution payable		230,823	490,162
Financial liabilities held at fair value through profit and loss	6.2	1,222,663	-
Total liabilities (excluding net assets attributable to unitholders)		1,494,169	522,069
Net assets attributable to unitholders		121,899,758	132,699,189
Represented by:			
Net assets attributable to unitholders at redemption price		121,963,854	132,864,128
Adjustment arising from different unit pricing and accounting valuation		(64,096)	(164,939)
Total net assets attributable to unitholders	8	121,899,758	132,699,189

The Statement of Financial Position needs to be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 29.

**Statement of Changes in Equity
for the financial year ended 30 June 2012**

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As such the Scheme has no equity, and no items of changes in equity have been presented for the current or comparative period.

**Statement of Cash Flows
for the financial year ended 30 June 2012**

	Note	ANZ Cash Plus Fund	
		30 June 2012 \$	30 June 2011 \$
Cash flows from operating activities:			
Interest received		3,271,763	6,989,581
Other income (including FX gains/losses)		13,554	142,093
Interest paid		(17,782)	(153)
Operating expenses paid		(354,174)	(671,429)
Net cash flows from/(used in) operating activities	3	2,913,361	6,460,092
Cash flows from investing activities:			
Proceeds from sale of investments		319,684,793	485,699,597
Purchase of investments		(311,141,110)	(356,100,371)
Net cash flows from/(used in) investing activities		8,543,683	129,599,226
Cash flows from financing activities:			
Proceeds from issue of units		102,267,201	-
Payments for redemption of units		(114,839,773)	(128,901,796)
Distributions paid		(4,362,033)	(3,962,506)
Return of capital paid		-	(5,322,676)
Net cash flows from/(used in) financing activities		(16,934,605)	(138,186,978)
Net increase/(decrease) in cash and cash equivalents		(5,477,561)	(2,127,660)
Cash and cash equivalents at the beginning of the financial year		6,451,560	8,579,220
Cash and cash equivalents at the end of the financial year	4	973,999	6,451,560

The Statement of Cash Flows needs to be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 29.

Notes to the Financial Statements for the financial year ended 30 June 2012

1. Significant accounting policies

The Scheme included in these Financial Statements is a registered managed investment Scheme under the Corporations Act 2001.

These Financial Statements are for the year ended 30 June 2012.

1.1 Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations), adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. These Financial Statements also comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

These Financial Statements were approved by the Directors of the Responsible Entity on 10 September 2012.

1.2 Basis of preparation

These Financial Statements are presented in Australian dollars and are prepared on historical cost basis with the exception of financial assets and liabilities classified as held for trading, including derivatives, which are measured at fair value, and receivables and payables which are measured at amortised cost.

The preparation of a financial report in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied.

The 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 following standards and amendments were available for early adoption but have not been applied by the Scheme in these 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 2013.
- *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.

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

1.3 Income and expenses

1.3.1 Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

1.3.1.1 Interest income

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method, this also applies to premiums and discounts paid on interest bearing instruments. Interest income is recognised on a gross basis, including withholding tax, if any.

1.3.2 Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accrual basis. 'Responsible Entity fees' are management fees paid to the Responsible Entity of the Scheme, these expenses are accounted for on an accruals basis. Included in 'Interest expense' is interest accrued on overdraft balances held during the period.

1.4 Change in net assets attributable to unitholders/Total comprehensive income

Non-distributable income, which includes unrealised changes in the fair value of investments, net capital losses, accrued income not yet assessable and non-deductible expenses, is reflected in the Statement of Comprehensive Income as 'Change in net assets attributable to unitholders/Total comprehensive income'.

1.5 Financial assets and liabilities held at fair value

The majority of the Scheme's net assets attributable to unitholders are financial instruments held at fair value and therefore the accounting policies relating to the valuation of financial assets and liabilities held at fair value are significant.

1.5.1 Classification

Financial assets and financial liabilities are classified as held for trading. These include investments in interest bearing securities and derivative financial instruments.

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

1. Significant accounting policies (continued)

1.5.2 Recognition/derecognition

The Scheme recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Scheme has transferred substantially all risks and rewards of ownership.

1.5.3 Measurement

Financial assets and financial liabilities are initially recorded in the Statement of Financial Position at fair value. All transaction costs for financial assets and financial liabilities are recognised directly in the Statement of Comprehensive Income.

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

1.5.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

In the normal course of business the Scheme enter into transactions in various derivative financial instruments. In accordance with the master netting agreements the following derivatives are settled net, futures, swaps and options. Forward currency contracts are settled gross.

1.5.5 Valuation

The Scheme included in these Financial Statements invest into a variety of assets, including cash, fixed and floating rate interest securities and derivatives contracts. 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;
- quoted 'bid' prices on long securities and quoted 'ask' prices on securities sold short.

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 or 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, option pricing models 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.

1.5.5.1 Derivative financial instruments

A derivative financial instrument is a contract which is settled at a future date and whose value is derived from one or more underlying price, index, or other variable. They include swaps, forwards, futures and options. Derivatives are considered to be part of the investment process with the use of derivatives an essential part of a Scheme's portfolio management.

Derivatives are recognised at cost on the date on which a derivative contract is entered into and subsequently measured at fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models.

In the normal course of business the Scheme enters into transactions in various derivative financial instruments with certain risks.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

1.6 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and money market investments readily convertible to cash.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.7 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) and application monies receivable from unitholders.

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.

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

1. Significant accounting policies (continued)

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 GST recoverable from the ATO.

1.8 Payables

Payables are carried at amortised cost and may include amounts for unsettled purchases, accrued expenses and other payables such as GST and redemption monies owing by the Scheme.

Unsettled purchases are amounts due to brokers for securities purchased that has not been paid at reporting date. Trades are recorded on trade date and normally settle within three business days.

Accrued expenses includes management fees payable.

1.9 Valuation of net assets attributable to unitholders

In accordance with AASB 132, unitholders' funds are classified as a financial liability and disclosed as such in the Statement of Financial Position, being referred to as 'Net assets attributable to unitholders'. The units can be put back to the Scheme at any time for cash equal to the proportionate share of the Scheme's net asset values. The value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the Statement of Financial Position date if unitholders exercised their right to put the units back to the Scheme. Changes in the value of this financial liability are recognised in the Statement of Comprehensive Income.

1.9.1 Unit prices

Unit prices are determined in accordance with the Constitution of the Scheme and are calculated as the net assets attributable to unitholders, less estimated costs, divided by the number of units on issue in each class.

1.9.2 Redeemable units

All redeemable units issued by the Scheme provide unitholders with the right to require redemption for cash and give rise to a financial liability. In accordance with the Constitution, the Scheme is contractually obliged to redeem units at redemption price, which includes an allowance for transaction costs that would be incurred by the Scheme on disposal of assets required to fund the redemptions. Where a transaction cost factor has been incurred, there will be a difference between the carrying amount of the net assets of the Scheme (excluding the unitholders' funds classified as a financial liability) and the contractual amount payable to unitholders which is based on the redemption price. The 'Adjustment arising from different unit pricing and accounting valuation' is presented in the Statement of Financial Position as part of the 'Net assets attributable to unitholders'.

1.10 Distributions paid and payable

In accordance with the Constitution, the Scheme fully distributes its net income to unitholders. The distributions are determined by reference to the net taxable income of the Scheme.

Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised.

Realised capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains. Distributions paid and payable to unitholders are recognised in the Statement of Comprehensive Income as 'Finance costs'. Distributions paid are included in the Statement of Cash Flows as 'Net cash flows from /(used in) financing activities'.

1.11 Foreign currency gains and losses

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currency, are translated at the rates of exchange ruling at the reporting date. Unrealised foreign exchange gains or losses, arising on translation of assets and liabilities denominated in foreign currency at reporting date, are recognised as part of the 'Net change in fair value of investments' in the Statement of Comprehensive Income. Realised gains and losses on amounts denominated in foreign currencies are also brought to account as part of 'Net change in fair value of investments' in the Statement of Comprehensive Income and as part of 'Other income' in the Statement of Cash Flows.

1.12 Taxation

Under current legislation the Scheme is not subject to income tax as taxable income (including assessed realised capital gains) is distributed in full to the unitholders.

1.13 Goods and Services Tax (GST)

Expenses incurred by the Scheme are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC).

Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis.

1.14 Comparative information

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

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)****1. Significant accounting policies (continued)****1.15 Terms and conditions of units**

Each unit issued confers upon the unitholder an equal interest in the Scheme and is of equal value. The rights, obligations and restrictions attached to each unit in each class are identical in all respects. All units in the Scheme are of the same class and therefore carry equal rights. A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed
- receive income distributions
- attend and vote at meetings of unitholders
- participate in the termination and winding up of the Scheme.

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)**

2. Auditors' remuneration

	Note	ANZ Cash Plus Fund	
		30 June 2012	30 June 2011
		\$	\$
KPMG			
– Financial statement audit Paid by RE		2,783	2,385
– Compliance and regulatory Paid by RE		425	268
Total audit fees		3,208	2,653

3. Reconciliation of cash flows from operating activities

	Note	ANZ Cash Plus Fund	
		30 June 2012	30 June 2011
		\$	\$
3.1 Profit/(Loss) from operating activities		5,875,836	12,781,338
Adjustments for net realised and unrealised (gain)/loss on:			
Change in fair value of investments		(3,135,020)	(6,624,798)
Foreign exchange gain/(loss)		-	(1,824)
Changes in operating assets and liabilities:			
Interest, dividends and other receivables		167,007	361,265
Accrued expenses		5,538	(55,889)
Net cash flows from/(used in) operating activities		2,913,361	6,460,092
3.2 Non-cash financing and investing activities			
Distributions reinvested by unitholders in additional trust units		1,602,698	-

4. Cash and cash equivalents

	Note	ANZ Cash Plus Fund	
		30 June 2012	30 June 2011
		\$	\$
Cash at bank		973,999	3,334,294
Money market securities – related entity*		-	3,117,266
Cash and cash equivalents at the end of the financial year		973,999	6,451,560

* Related entity money market securities are held in ANZ 11AM Account or term deposits issued by ANZ.

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)**

5. Receivables

	Note	ANZ Cash Plus Fund	
		30 June 2012	30 June 2011
		\$	\$
Interest receivable		278,344	431,798
Future and swap deposits		171,481	85,633
Other receivables		-	10,317
Total receivables		449,825	527,748

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

6. Financial assets and liabilities

	ANZ Cash Plus Fund	
	30 June 2012 \$	30 June 2011 \$
6.1 Financial assets held at fair value through profit and loss		
Held for trading		
Interest bearing securities	120,794,359	126,239,183
Derivative assets	1,175,744	2,767
Total financial assets held at fair value through profit and loss	121,970,103	126,241,950
Interest bearing securities		
Floating rate notes	43,069,095	68,682,518
Bank accepted bills	77,725,264	57,556,665
Total interest bearing securities	120,794,359	126,239,183
Derivative assets		
Futures	127,285	2,767
Interest rate swaps	1,048,459	-
Total derivative assets	1,175,744	2,767
Total financial assets held at fair value through profit and loss	121,970,103	126,241,950
6.2 Financial liabilities held at fair value through profit and loss		
Held for trading		
Derivative liabilities	1,222,663	-
Total financial liabilities held at fair value through profit and loss	1,222,663	-
Comprising:		
Derivative liabilities		
Futures	156,540	-
Interest rate swaps	1,066,123	-
Total derivative liabilities	1,222,663	-
Total financial liabilities held at fair value through profit and loss	1,222,663	-

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)**

7. Payables

	ANZ Cash Plus Fund	
	30 June 2012	30 June 2011
	\$	\$
Responsible Entity fee payable	27,103	31,907
Other payables	13,580	-
Total payables	40,683	31,907

8. Net assets attributable to unitholders

	ANZ Cash Plus Fund	
	30 June 2012	30 June 2011
	\$	\$
Opening balance	132,699,189	257,639,250
Applications	103,869,897	-
Redemptions	(114,839,773)	(128,901,796)
Return of Capital distributions	-	(4,506,651)
Change in net assets attributable to unitholders	170,445	8,468,386
Closing balance	121,899,758	132,699,189

	30 June 2012	30 June 2011
	Units	Units
Opening balance	133,950,492	264,942,740
Applications	104,920,998	-
Redemptions	(116,015,699)	(130,992,248)
Closing balance	122,855,791	133,950,492

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)**

The Scheme considers its 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 Scheme is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets on a regular basis by the Responsible Entity. Under the terms of the Scheme's constitution, 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.

Return of capital distributions represents a return of surplus liquidity to unitholders. Unitholders receive prorated share of the capital payments based on the amount of surplus liquidity available.

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

9. Related parties

OnePath Funds Management is the Responsible Entity of ANZ Cash Plus Fund. The ultimate controlling entity of OnePath Funds Management is ANZ. During the year the Scheme held cash with ANZ on an arms length basis, refer to 'Note 4 Cash and Cash Equivalents' for balances. ANZ does not guarantee the deposits or liabilities of OnePath Funds Management or its registered Schemes. The key management personnel (KMP) of the Scheme have been defined as their Responsible Entity.

OnePath Funds Management is the Responsible Entity of the Scheme. The following persons held office as Directors of OnePath Funds Management during or since the end of the financial year:

Name	Date Appointed	Date Resigned
P D Barrett	Appointed 20 April 2011	Resigned 15 February 2012
C T Brackenrig	Appointed 5 May 2011	
S J Chapman	Appointed 1 August 2011	
G J Kelly	Appointed 30 November 2009	Resigned 31 August 2011
C M McDowell	Appointed 15 February 2012	
G B Meyer	Appointed 22 February 2007	Resigned 31 August 2011
V S Weekes	Appointed 1 May 2011	

9.1 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. OnePath Funds Management may also be involved in activities other than the business of managed investment schemes.

The Scheme has 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 directors of the Responsible Entity by the Scheme.

From time to time the directors of OnePath Funds Management may invest or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders in the Scheme.

9.2 Responsible Entity Fees

Where applicable, management fees (reflected as 'Responsible Entity fees' in the Statement of Comprehensive Income) are paid to the Responsible Entity of the Scheme for the financial year.

The Responsible Entity receives all management fees which have been deducted from the Scheme during the year. The rate of remuneration paid to the Responsible Entity for its services is provided for in the Scheme's Constitution and is calculated on the total gross assets, as indicated in the table on the following page.

Transactions between the Scheme and the Responsible Entity result from normal dealings with that company as the Scheme's Responsible Entity. The Responsible Entity is an Australian Financial Services Licence holder AFSL 238342. Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive fees. The fees received by the Responsible Entity for the year ended 30 June 2012 are as follows:

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)**

9. Related parties (continued)

9.2.1 Responsible Entity Fees

	Responsible entity fee % per annum	Total fair value of management fees paid and payable to RE during the financial year	
		2012 \$	2011 \$
ANZ Cash Plus Fund	0.28	359,712	571,762

9.3 Amounts payable to the Responsible Entity

Where applicable, amounts payable to the Responsible Entity as at 30 June 2012 are disclosed in Note 7.

9.3.1 Related party investments held by the Scheme

As at 30 June 2012, the Scheme held no investments either in the Responsible Entity or in any Scheme managed by the Responsible Entity.

9.3.2 Related party investments held by the Scheme - ANZ Securities

Name of entity Name of ANZ Security	Fair value		Income received	
	2012 \$	2011 \$	2012 \$	2011 \$
ANZ Cash Plus Fund				
ANZ FRN 12JUL13	2,742,804	2,752,956	153,318	184,055
ANZ NCD 13AUG12	6,970,085	-	-	-
ANZ NCD 20JUL12	9,980,486	-	-	-
ANZ NCD 21JUL11	-	4,985,960	-	-
ANZ NCD 27JUL12	2,992,093	-	-	-

Discount securities (which excludes FRN's) are non-interest paying securities.

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)**

9. Related parties (continued)

9.4 Related party investors in the Scheme

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	
	2012 \$	2011 \$	2012 %	2011 %	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012	2011
ANZ Cash Plus Fund												
ANZ OA OnePath Active Growth Trust	-	-	-	-	22,543	-	22,447	-	-	-	-	-
ANZ OA OnePath Conservative Trust	5,228,456	-	4.30	-	5,266,875	-	-	-	90,672	-	5,284,732	-
International Fixed Interest Pool	-	102,116,976	-	77.12	-	-	102,264,626	-	2,776,763	4,594,409	-	103,303,862
OnePath Capital Guaranteed Trust	11,352,556	-	9.34	-	11,435,974	-	-	-	196,877	-	11,474,748	-
OnePath Wholesale Balanced Trust	20,624,279	-	16.97	-	20,775,825	-	-	-	357,667	-	20,846,267	-
OnePath Wholesale Capital Stable Trust	25,646,106	-	21.10	-	25,834,552	-	-	-	444,756	-	25,922,146	-
OnePath Wholesale Managed Growth Trust	28,657,345	-	23.58	-	28,867,917	-	-	-	496,977	-	28,965,796	-
OnePath Life Limited (wholly owned subsidiary of ANZ)	12,295,900	-	10.10	-	12,362,773	-	-	-	212,832	-	12,404,690	-

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks

The Scheme maintains positions in a variety of derivative and non-derivative financial instruments as allowed for by its Product Disclosure Statement (PDS) or information memorandum.

The Scheme's investment portfolio comprises fixed and floating rate interest securities, cash and derivatives contracts. The Scheme's investment activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The largest types of financial risk to which the Scheme is exposed to are market risk, credit risk and liquidity risk.

Asset allocation is determined by the Scheme's investment manager, who manages the allocation of Scheme assets to various investment sectors, within authorised ranges prescribed by the investment mandate. Divergence from target asset allocations and the composition of the portfolio is monitored by the Scheme's investment manager.

The nature and extent of the financial instruments held at reporting date and the risk management policies employed by the Scheme, are discussed below.

10.1 Market risk

Market risk represents the risk that a financial instrument's value will fluctuate as a result of changes in market conditions and embodies the potential for both losses and gains. Market risk includes interest rate risk, currency risk and price risk.

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

10.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments that would be impacted by changes in market interest rates are: cash and cash equivalents, fixed and floating rate interest securities, interest rate swaps and interest rate futures.

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

Direct interest rate risk exposure at reporting date is disclosed subsequently in 'Note 10.2.1 Interest rate risk exposure'.

A sensitivity analysis on the interest rate risk to which the Scheme is directly exposed at the reporting date, is shown in 'Note 10.2.1 Interest rate risk exposure'. This analysis demonstrates how 'Net assets attributable to unitholders' and 'Change in net assets attributable to unitholders/Total comprehensive income' would have been affected by changes in the relevant risk variable that were reasonably possible, determined as a 100bp increase (2011: 100bp) or 100bp decrease (2011: 100bp) in the market interest rates. The sensitivity analysis for cash and cash equivalents and floating rate securities was calculated using balances as at 30 June 2012. The analysis is performed on the same basis for 2011.

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks (continued)

10.2.1 Interest rate risk exposure

		ANZ Cash Plus Fund		
	Note	Fixed interest rate \$	Floating interest rate \$	Total \$
30 June 2012				
Financial assets				
Cash and cash equivalents		-	973,999	973,999
Future deposits		-	171,481	171,481
Financial assets held at fair value through profit or loss		-	121,970,103	121,970,103
Financial liabilities				
Financial liabilities held at fair value through profit or loss		(1,066,123)	(156,540)	(1,222,663)
Net exposure		(1,066,123)	122,959,043	121,892,920
30 June 2011				
Financial assets				
Cash and cash equivalents		-	6,451,560	6,451,560
Future deposits		-	85,633	85,633
Financial assets held at fair value through profit or loss		-	126,241,950	126,241,950
Net exposure		-	132,779,143	132,779,143
Sensitivity analysis				
		2012	2011	
Impact on Profit/loss on operating activities and Net assets attributable to unitholders				
Interest rate risk - increase of 100bp (2011 100bp)		270,731	754,773	
Interest rate risk - decrease of 100bp (2011 100bp)		(257,011)	(754,711)	

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)****10. Financial instruments and associated risks (continued)****10.3 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Scheme may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Scheme would be exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that would affect the value of the Scheme's assets or liabilities denominated in currencies other than the Australian dollar (AUD).

The Scheme's currency risk is actively managed on a regular basis by the investment manager in accordance with its defined currency management process, and within the guidelines and constraints of the Scheme's investment mandate in order to enhance total returns. The investment manager may use derivative contracts such as options, swaps and forward foreign exchange contracts as permitted by the mandate in managing currency risk.

As at 30 June 2012, the Scheme did not hold assets with direct exposure to currency risk (2011: nil).

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks (continued)

10.4 Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Scheme's financial instrument exposure is susceptible to price risk arising from uncertainties about future prices of the instruments.

All of the Scheme's financial instruments are carried at fair value. As changes in the value of investments are recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect 'Net investment income/(loss)'. The price risk exposure of financial instruments is equal to the fair value of the financial instruments as reported in the Statement of Financial Position. The Scheme's overall exposure is monitored on a daily basis by the Scheme's investment manager. The investment manager moderates price risk through a careful selection of securities and other financial instruments within specified limits, as outlined in the Scheme's investment mandate and mandate compliance is monitored. The impact of price risk over a total portfolio of investments is further managed by diversification of securities, sectors and markets as well as the use of derivative risk management strategies.

An analysis of the concentration and exposure to direct price risk is shown in Note '6. Financial assets and liabilities'.

A sensitivity analysis was performed showing how the effect of a 10% increase (2011: 10%) and a 10% decrease (2011: 10%) in the securities' prices would have increased/(decreased) the 'Net assets attributable to unitholders' and the 'Changes in net assets attributable to unitholders/Total Comprehensive Income'. The results of this analysis are disclosed in 'Note 10.4.1 Price risk - sensitivity analysis'.

10.4.1 Price risk - sensitivity analysis

	ANZ Cash Plus Fund	
	30 June 2012	30 June 2011
	\$	\$
Impact on Profit/loss from operating activities and Net assets attributable to unitholders		
Price risk - increase of 10%*	12,074,744	12,624,195

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

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks (continued)

10.5 Credit risk exposure

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 Scheme.

The following financial instruments are exposed to credit risk: cash and cash equivalents, receivables, investments in fixed interest securities, floating interest securities, bank accepted bills and certain derivative financial instruments.

Market prices generally incorporate credit assessments into valuations, and risk of loss is implicitly provided for in the carrying value of applicable financial assets as they are 'marked to market'. For all classes of financial assets, excluding derivatives that are fully collateralised to reduce exposure, the Scheme's maximum exposure to credit risk at reporting date is the carrying amount of those assets, less any provisions for loss, as indicated in the Statement of Financial Position. For derivatives, the maximum exposure to credit risk is the notional value of these financial instruments.

Credit risk is minimised by managing the assets of the Scheme within credit rating limits specified by investment mandates.

Credit risk arising on debt instruments is further managed by the investment manager of the Scheme assessing, amongst other things, the credit rating and quality of debt instruments relative to their price and yield. Credit ratings are largely determined by the major ratings agencies, being Standard & Poor's or Moodys. In some cases a debt instrument of acceptable investment quality may not be rated by these rating agencies, in which case the investment manager will 'internally' rate its credit quality. The credit quality of the debt securities invested into by the Scheme, if any, is disclosed in 'Note 10.5.1 Credit risk - Credit quality of debt securities'.

Credit risk is minimised where debt securities, futures, swaps and options are tradeable through a recognised market exchange.

The Scheme does not directly hold any financial assets that are past due or impaired.

The maximum exposure to credit risk attached to assets held by the Scheme, is reported in the table in 'Note 10.5.1 Credit risk - Maximum exposure to credit risk'.

All cash balances held by the Scheme are held by ANZ. Bankruptcy or insolvency of this banking institution may cause delays or limitations in the Scheme's access to these cash balances. The credit rating of this banking institution is AA as at reporting date.

Derivative financial instruments are transacted with counterparties that are rated A+ and above, as defined by rating agency Standard & Poor's, within predetermined limits, and with whom a Scheme has signed master netting agreements.

10.5.1 Credit risk

Maximum exposure to credit risk

	ANZ Cash Plus Fund	
	30 June 2012 \$	30 June 2011 \$
Floating interest securities	120,794,360	126,239,183
Derivatives	1,048,459	-
Total	121,842,819	126,239,183

Credit quality of debt securities

	30 June 2012 % of NAV	30 June 2011 % of NAV
AAA	19.60%	19.59%
AA+ to AA-	77.78%	49.34%
A+ to A-	0.00%	22.93%
BBB+ to BBB-	1.71%	3.26%

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks (continued)

10.6 Liquidity and cash flow risk

Liquidity risk is the risk that a Scheme will encounter difficulty in realising assets or otherwise raising funds to meet its financial obligations as they fall due. To control liquidity risk, the Scheme invests in financial instruments, which under normal market conditions, are readily convertible into cash. In addition, the Scheme's investment mandate requires diversification of assets to minimise concentration of risk.

Net assets attributable to unitholders at redemption price are recognised as a liability therefore they are included within our assessment of the liquidity risk and exposure of the Scheme. The Scheme's Constitution provides for the daily application and redemption of units and is therefore exposed to the liquidity risk of meeting unitholder redemptions at any time.

10.6.1 Liquidity risk exposure

	Note	ANZ Cash Plus Fund	
		30 June 2012 \$	30 June 2011 \$
Non-derivative financial liabilities			
Payables			
Due for maturity in: < 1 month		271,506	520,662
Total payables		271,506	520,662
Amounts payable to unitholders			
On call amounts		121,899,758	132,699,189
Total amounts payable to unitholders		121,899,758	132,699,189
Derivative financial liabilities			
> 1 month but < 3 months		21,828	-
> 3 months but < 12 months		134,712	-
> 1 year		1,066,123	-
Total derivative financial liabilities		1,222,663	-

The Scheme's portfolio of assets including cash balances, is maintained within defined mandate limits and monitoring of these positions is part of the liquidity risk management of the Scheme.

The Scheme's approach to managing liquidity and cash flow is to ensure, as far as possible, that under normal conditions there will always be sufficient liquidity to meet the Scheme's liabilities when due, without incurring unacceptable losses or risking damage to the Scheme's reputation. Daily monitoring of cash flow and liquidity level has been introduced to highlight ongoing exposure to high liquidity and cash flow risk, so that appropriate and timely action can be taken to ensure investors' interests are protected.

'Note 10.6.1 Liquidity risk exposure' analyses the Schemes' derivative 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 an understanding of the timing of cash flows based on the Scheme's investment strategy.

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks (continued)

10.7 Financial instruments hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1) Fair values measured using quoted prices (unadjusted) on an active market for identical assets or liabilities.

Level 2) Fair values measured using inputs (other than quoted prices included for level 1) that are either directly (i.e. prices) or indirectly (i.e. derived from prices) observable for the asset or liability.

Level 3) Fair values measured using inputs for the asset or liability that are not based on observable market data.

10.7.1 Financial instruments hierarchy

	Note	ANZ Cash Plus Fund	
		30 June 2012 \$	30 June 2011 \$
Financial assets held at fair value through profit and loss			
Listed securities:			
Level 1		-	-
Level 2		-	-
Level 3		-	-
Debt securities:			
Level 1		-	-
Level 2		120,794,359	126,239,183
Level 3		-	-
Unlisted unit trusts:			
Level 1		-	-
Level 2		-	-
Level 3		-	-
Derivative assets:			
Level 1		127,285	2,767
Level 2		1,048,459	-
Level 3		-	-
Total financial assets held at fair value through profit and loss	6.1	121,970,103	126,241,950
Financial liabilities held at fair value through profit and loss			
Investments held on short position:			
Level 1		-	-
Level 2		-	-
Level 3		-	-
Derivative liabilities:			
Level 1		156,540	-
Level 2		1,066,123	-
Level 3		-	-
Total financial liabilities held at fair value through profit and loss	6.2	1,222,663	-

Please refer to 'Note 1.5 Financial assets and liabilities held at fair value' for valuation methodologies used.

Notes to the Financial Statements for the financial year ended 30 June 2012 (continued)

10. Financial instruments and associated risks (continued)

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.

A reconciliation of movements of Level 3 assets held at fair value through profit and loss throughout the financial year is disclosed in the subsequent table.

10.7.1.1 Movements of level 3 securities

		ANZ Cash Plus Fund									
		Financial assets & liabilities at fair value through profit and loss 2012					Financial assets & liabilities at fair value through profit and loss 2011				
	Note	Listed equities \$	Debt securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Debt securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
Financial assets and liabilities at fair value through profit or loss											
Opening balance		-	-	-	-	-	-	1,817,201	-	-	1,817,201
Total gains or losses in profit or loss*		-	-	-	-	-	-	-	-	-	-
Purchases		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Settlements		-	-	-	-	-	-	-	-	-	-
Transfers in/(out) of Level 3		-	-	-	-	-	-	(1,817,201)	-	-	(1,817,201)
Closing balance	10.7.1	-	-	-	-	-	-	-	-	-	-
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period*											
		-	-	-	-	-	-	-	-	-	-

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

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

**Notes to the Financial Statements
for the financial year ended 30 June 2012 (continued)****11. Custodian**

JP Morgan Chase Bank, National Association (JP Morgan) (ABN 43 074 112 011) is the custodian of the Scheme.

12. Commitments and contingencies

There were no commitments or contingencies for the Scheme as at the reporting date.

13. Significant events during the financial period

There has been no significant change in the Scheme's state of affairs for the financial year ended 30 June 2012.

14. Events subsequent to reporting date

There have been no events subsequent to reporting date which have a material effect on these Financial Statements.

Directors' Declaration

OnePath Funds Management Limited (OnePath Funds Management) presents the Directors' Declaration in respect of ANZ Cash Plus Fund (the 'Scheme').

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

In the opinion of the Directors:

1. The financial statements and notes of the Scheme, set out on pages 5 to 29 are in accordance with the Corporations Act 2001, including:
 - 1.1 giving a true and fair view of the Scheme's financial positions as at 30 June 2012 and its performance, as represented by the results of its operations and cash flows for the financial year ended on that date
 - 1.2 complying with Australian Accounting Standard (including the Australian Accounting Interpretations) and the Corporations Regulations 2001
 - 1.3 complying with International Financial Reporting Standards as indicated in Note 1.1.
2. There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
3. The financial statements and notes of the Scheme, set out on pages 5 to 29 are prepared in accordance with the provisions of the Scheme's Constitution.

Signed in accordance with a resolution of the Directors:

OnePath Funds Management Limited

ABN 21 003 002 800
AFSL 238342



Director

Sydney
10 September 2012



Independent Auditor's Report

To the Unitholders of ANZ Cash Plus Fund

Report on the Financial Report

We have audited the accompanying Financial Report of the Scheme, which comprises the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, Notes 1 to 14, comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Directors' responsibility for the Financial Report

The directors of OnePath Funds Management Limited (the 'Responsible Entity') are responsible for the preparation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ('KPMG International'), a Swiss entity. All rights reserved. Liability limited by a scheme approved under Professional Standards Legislation.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Scheme's financial position, and of its 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 audits, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the Financial Report of the Scheme is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Scheme's financial positions as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) The Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.

KPMG

P Ruiz

Partner

Sydney
10 September 2012



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 Scheme:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2012, 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
10 September 2012

Contact details for the Scheme



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Phone 1800 031 810



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Adviser Services



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