

# Suspended funds update

Almost \$2 billion has been returned to date

July 2012

In late 2008 a number of investment funds were suspended due to events associated with the GFC. Since then we have continually worked on ways to return capital to impacted investors on a regular basis. To date, almost \$2 billion has been returned to investors across our superannuation, retirement and investment products.

Below, we explain why funds were suspended, why they remain suspended, and the progress we have made to date in terms of returning capital to investors.

## Why funds were suspended

To protect the interests of our investors, we made the difficult decision to suspend withdrawals from, and investments into some of our funds. Suspending the funds meant we have been able to ensure any available monies could be released equitably, over time, to all investors.

## Why funds continue to be suspended

At this stage the funds remain suspended due to the nature of their underlying investments which include one of the following: mortgages over real property, direct properties or private debt (i.e. loans). These types of assets are not tradable on markets, and therefore need to be held to maturity in the case of mortgages or private debt (unless the borrower can repay early or the debt can be on sold).

## How we manage the suspended funds

We continue to monitor the suspended funds very closely regarding their future outlook and understand that many investors wish to access their capital as soon as possible. With this in mind we have been returning capital to investors on a quarterly basis where possible. Our overarching responsibility is to manage the interests of investors.

## Returns of capital to date

The table below provides a summary for each of the suspended funds and the capital we have returned to date, through our pro rata return of capital process.

Investment fund	Underlying investments	OnePath's approach to releasing capital	% of capital returned to date (approximately)*
OnePath Mortgages and Income Plus funds	Predominantly invests into mortgages (loans) over real property	Quarterly capital payments are being made on a pro rata basis to all investors.	66% Paid over 6 quarters to June 2012.  Prior to this capital was returned through 8 withdrawal offers.
Challenger Howard Mortgage Fund	Predominantly invests into mortgages (loans) over real property	Quarterly capital payments are being made on a pro rata basis to all investors.	83% Paid over 7 quarters to June 2012.

Investment fund	Underlying investments	OnePath's approach to releasing capital	% of capital returned to date (approximately)*
AMP Capital Enhanced Yield Fund	Predominantly invests into high yielding private debt (loans)	Quarterly capital payments (combined with income payments) are being made on a pro rata basis to all investors.	Prior to this capital was returned through 7 withdrawal offers. 60% To June 2012 (over 2 and a half years).
AXA Australian Property Fund	Predominantly invests into direct property	Ad hoc return of capital as underlying manager sells properties and passes on proceeds.  Please note: We have submitted a withdrawal request for 100% of capital. It is expected that this could be received by 30 January 2013.	23%  Over 3 capital releases processed during 2011.

\* These amounts are the total monies distributed through the return of capital process as a percentage of funds under management at the commencement of the pro rata return of capital process. For some of the funds there are different percentages for different products, e.g. Investment Portfolio, Personal Super and Pension. In these cases the lowest percentage has been quoted in the above table.

## Further information

If you have any queries or require further information, please:

- call Customer Services on 133 665, weekdays between 8.30am and 6.30pm (AEST)
- email us at [customer@onepath.com.au](mailto:customer@onepath.com.au).

This information is current at July 2012 but may be subject to change. This information has been produced by OnePath Funds Management Limited (ABN 21 003 002 800, AFSL 238342), OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) and OnePath Life Limited (ABN 33 009 657 176, AFSL 238341) (together the 'issuers'). Each issuer is a wholly owned subsidiary of Australian and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ). ANZ is an authorised deposit taking institution (Bank) under the Banking Act 1959 (Cth). Although the relevant issuer of each product is owned by ANZ it is not a Bank. Except as described in the relevant Product Disclosure Statement (PDS), an investment in the product is not a deposit or other liability of ANZ or its related group companies and none of them stands behind or guarantees the issuer of the capital or performance of an investment. Any investment is subject to investment risk, including possible repayment delays and loss of income and principal invested. The information is of a general nature and does not take into account an investor's personal needs, financial circumstances or objectives. Before acquiring, disposing or deciding whether to continue to hold the product, investors should consider the relevant PDS and any product updates which are available at [onepath.com.au](http://onepath.com.au) or by calling Customer Services on 133 665.