

OnePath Mortgages Fund – Important information on underlying investments

11 April 2013

Background

The OnePath Mortgages Fund (**Fund**) invests primarily in a portfolio of loans secured by mortgages over real property. The Fund also invests some of its assets in cash investments. The current benchmark and range for each of these types of investments is shown below:

Asset class	Benchmark (%)	Range (%)
Mortgages	85	60-90
Cash and fixed interest	15	10-40

Under the current return of capital approach we are paying out available capital each quarter (or more frequently if required) following repayment of loans by borrowers. We are no longer establishing new loans. As loans are repaid the cash holding of the fund increases and, subsequently, as capital is returned to investors it decreases again.

What is the impact of large return of capital payments on the Fund's asset allocation?

To date, we have maintained the assets of the Fund within the stated asset class ranges shown in the table above. During the March quarter 2013 we expected the Fund to exceed the maximum cash holding of 40% for a short period of time due to some large loan repayments. The Fund did not exceed the maximum cash holding during the March quarter. This is now expected to occur during the June 2013 quarter instead. We will act promptly to return the cash holding to be within the stated cash range by making a second release of capital during July or August.

We are reviewing the asset allocation ranges of the Fund to determine whether they are appropriate going forward.

Which products are impacted?

OneAnswer Investment Portfolio
OneAnswer Personal Super
OneAnswer Pension
OneAnswer Term Allocated Pension

Which funds are impacted?

OnePath Mortgages
OnePath Mortgage Trust No,2
OnePath Monthly Income Trust
OnePath AJ Mortgage fund

Which product disclosure statements are impacted?

OneAnswer Personal Super and Pension PDS

Further information

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

- speak with your financial adviser
- call Customer Services on 133 665, weekdays between 8.30am and 6.30pm (AEST)
- email us at customer@onepath.com.au

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