

OnePath Mortgage and Income Plus funds – additional information

Effective 13 August 2012 (quarterly update)

In this document, the terms 'we' and 'our' refer to OnePath Funds Management Limited (OnePath Funds Management).

This document contains important information for investors in OnePath Mortgage and Income Plus funds. This document sets out additional information that may assist you to better understand your investment in the relevant fund. This information will be updated quarterly and will be posted in the 'Product updates' section of the OnePath website.

OnePath Mortgage and Income Plus funds

The OnePath Mortgage and Income Plus funds invest in OnePath's Mortgage Pool ARSN 089 455 425 (Fund). Withdrawals from, and applications to, the Fund have been suspended (please see below). The investment funds listed below have at least 50% exposure to the Fund:

Investment fund	Constitutional name	Benchmark allocation* to Mortgage Pool
OnePath Mortgage Trust No.2	OnePath Mortgage Trust No. 2	100%
OnePath Monthly Income Trust	Monthly Income Trust	100%
OnePath AJ Mortgage Fund	OnePath AJ Mortgage Fund	100%
OnePath Income Plus	Income Plus Trust	50%
OnePath Original Income Plus	Income Plus Trust	50%

*Allocations may be subject to change over time.

The funds listed in the above table are collectively referred to in this document as 'Mortgage and Income Plus funds'. The Mortgage and Income Plus funds gain exposure to commercial and other mortgages by investing in the Fund. Given the high level of exposure to the Fund, withdrawals (including switch requests) from and applications to the Mortgage and Income Plus funds have also been suspended. Unless stated otherwise, the information in this document relates to the 'Fund'. Investors in OnePath Income Plus and OnePath Original Income Plus should note that the information provided in this document relates only to the mortgages component of their investment and not the Australian shares and property securities assets.

Suspension of the Fund

In late 2008, and during the Global Financial Crisis (GFC), the Fund experienced a greater volume of redemption requests and the assets could not be easily and quickly sold within the time required to meet redemption requests. A decision was made to suspend the Fund to ensure that the assets in the Fund could be managed and continue over time to produce a return to investors through the orderly realisation of assets rather than 'fire sales'. This was the preferred option rather than simply writing down these assets and realising losses in the Fund, which would not have been in the investors' best interests. This action was taken to protect investors' interest in the Fund.

Return of Capital process from March 2011

Following the Fund's suspension, we offered investors opportunities to withdraw from the Mortgage and Income Plus Funds by opening withdrawal windows quarterly.

As of March 2011 we have no longer offered withdrawal windows. Instead, we have been returning available liquidity in the form of a capital repayment to all investors on a pro rata quarterly basis. Investors do not need to submit a form - they automatically receive this payment. For investors who are in a unit trust, a return of capital will reduce the cost base of the units. What this means is that the unit price of the relevant trust will fall by the value of the capital payment. The number of units will not change. It is important to note that notwithstanding best efforts some assets may be realised at a discount and as such you may not receive your full capital back.

This change does not affect the way we process applications for financial hardship. Claims will continue to be processed in accordance with current procedures. If you think that you are eligible for a payment under financial hardship please visit onepath.com.au > Personal > Performance & updates > Fund suspensions > OnePath Mortgages and Income Plus funds > Hardship relief.

At this stage the Mortgage and Income Plus funds remain suspended however they are not being terminated. OnePath is still considering the long term approach in relation to the Mortgage and Income Plus funds. If this status changes we will inform investors.

Benchmarks for Unlisted Mortgage Schemes

The Australian Securities and Investments Commission has issued *Regulatory Guide 45: Mortgage schemes – improving disclosure for retail investors* (Regulatory Guide). The Regulatory Guide sets out benchmarks for disclosure to investors to provide retail investors in mortgage schemes with the information they need to make an investment decision. We have set out below our current procedures and policies in relation to the Fund and have indicated whether or not these procedures and policies satisfy each of the benchmarks outlined in the Regulatory Guide.

Benchmark 1: Liquidity

ASIC Regulations	Disclosure	Compliance
<p>RG 45.38 a) The Responsible Entity should have cash flow estimates for the scheme for the next 3 months; and b) The Responsible Entity should ensure that at all times the scheme has cash or cash equivalents sufficient to meet its projected cash needs over the next 3 months</p>	<p>Liquidity refers to the proportion of cash or cash equivalents within the Fund. Typically these cash assets are used to meet the Fund's short-term commitments. There are numerous factors that impact on the liquidity of the Fund, including:</p> <ul style="list-style-type: none"> • investments into the Fund • monthly interest payments by borrowers • loans repaid by borrowers • redemptions from the Fund • new loans • any undrawn loans • market conditions <p>We maintain and update cash flow estimates for the Fund for at least the next three months on a regular basis by taking into account all of the above factors. These estimates are used to ensure the Fund has enough liquid assets to meet its projected cash needs for at least the next three months.</p>	<p>Satisfied</p>
<p>RG 45.39 The Responsible Entity should disclose their policy on balancing the maturity of assets and maturity of liabilities</p>	<p>OnePath Funds Management regularly monitors the maturity of assets and liabilities of the Fund. We have currently suspended withdrawals from (and applications into) all Mortgage and Income Plus funds until further notice. This action has been taken to protect the best interests of all investors in the Fund and to ensure asset values are maintained.</p>	

Benchmark 2: Scheme borrowing

ASIC Regulations	Disclosure	Compliance
<p>RG 45.47 If the Responsible Entity has borrowed funds, it should disclose:</p> <ul style="list-style-type: none"> a) For each borrowing that will mature in 5 years or less, the amount owing and the maturity profile in increments of not more than 12 months b) For borrowings that mature in more than 5 years, the aggregate amount owing c) For each credit facility, the aggregate undrawn amount and the maturity profile in increments of no more than 12 months d) The fact that amounts owing to lenders and other creditors of the scheme rank before an investors interests in the scheme; and e) The purpose for which the funds have been borrowed, including whether they will be used to fund distributions or withdrawal amounts 	<p>The Fund does not borrow funds or use credit facilities for any purpose.</p>	<p>Satisfied</p>
<p>RG45.48 If borrowings and credit facilities are due to mature within 12 months, the Responsible Entity should make appropriate disclosure about the prospects of refinancing or possible alternative actions. If the Responsible Entity has no reasonable grounds for commenting on the prospect of refinancing or possible alternative returns, they should state this and explain why to investors.</p>	<p>The Fund does not borrow funds or use credit facilities for any purpose.</p>	<p>Satisfied</p>
<p>RG 45.49 Responsible entities should explain any risks associated with their borrowing and credit facility maturity profile, including whether borrowings have been hedged and if so, to what extent.</p>	<p>The Fund does not borrow funds or use credit facilities for any purpose.</p>	<p>Satisfied</p>
<p>RG 45.50 Responsible entities should also disclose any information about breaches of loan covenants that is reasonably required by investors and update investors about the status of any breaches through ongoing disclosure.</p>	<p>The Fund does not borrow funds or use credit facilities for any purpose.</p>	<p>Satisfied</p>

Benchmark 3: Portfolio diversification

The Fund's portfolio of loans is well diversified across geographic region, property type, loan type and borrowers. The policies governing the lending of the Fund's assets specify limits for each of these elements, ensuring a conservative approach to lending. This section provides information on the portfolio's diversification using data as at **3 August 2012** (unless otherwise specified).

ASIC Regulations	Disclosure	Compliance																																
<p>RG 45.53 The Responsible Entity should disclose the current nature of the mortgage schemes investment portfolio, including the following:</p> <p>a) By number and value, loans by class of activity (industry sector)</p>	<p>Loans by class of activity – (property type)</p> <table border="1"> <thead> <tr> <th>Property type</th> <th>Number</th> <th>\$'000</th> <th>% of loan portfolio</th> </tr> </thead> <tbody> <tr> <td>Commercial office</td> <td>12</td> <td>166,271</td> <td>49.9%</td> </tr> <tr> <td>Residential</td> <td>2</td> <td>13,111</td> <td>3.9%</td> </tr> <tr> <td>Retail</td> <td>9</td> <td>40,711</td> <td>12.2%</td> </tr> <tr> <td>Industrial</td> <td>11</td> <td>68,942</td> <td>20.7%</td> </tr> <tr> <td>Vacant land^</td> <td>6</td> <td>43,167</td> <td>12.9%</td> </tr> <tr> <td>Other^</td> <td>1</td> <td>1,215</td> <td>0.4%</td> </tr> <tr> <td>Total</td> <td>41</td> <td>333,417</td> <td>100%</td> </tr> </tbody> </table> <p>^ Some loans within 'Vacant land' and 'Other' categories are marginally outside Key Risk Indicators (KRIs) A full review of mortgage portfolio KRIs is undertaken annually in May and current exposures within each of the above property types (except Vacant Land) are within approved KRI.</p>	Property type	Number	\$'000	% of loan portfolio	Commercial office	12	166,271	49.9%	Residential	2	13,111	3.9%	Retail	9	40,711	12.2%	Industrial	11	68,942	20.7%	Vacant land^	6	43,167	12.9%	Other^	1	1,215	0.4%	Total	41	333,417	100%	Satisfied
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	<p>Under the Problem Loan Guidelines an Impaired Loan is defined as either a:</p> <ul style="list-style-type: none"> • loan where payment arrears are over 30 days • loan where review has uncovered covenant breaches of a material nature • loan where a review has uncovered an unacceptable deterioration in the security position • loan which is in material default (a breach of the loan contract that is substantial and may give rise to legal recovery action by the lender). <p>An Impaired Loans report is provided to Senior Management for each loan that is determined to be impaired.</p> <p>Where the Impaired Loans report reveals a strong likelihood of loss of loan principal (based on comparison of loan balance to an up to date valuation report by a panel valuer or sale of property at an amount insufficient to repay loan), the need to raise a specific provision for loss is assessed. Where provisions are made, income is set aside. In the event that a large loss is incurred then the unit price can be reduced to reflect the drop in asset values.</p>	Satisfied												
d) By number and value of loans, what is the nature of the security for loans made by the scheme (e.g. first or second ranking)	<p>Loans by security type</p> <p>All loans are secured by a Registered First Mortgage over investment and owner occupied industrial, retail, commercial office, vacant land and residential property</p>	Satisfied												
e) What proportion of the total loan monies have been lent to the largest borrower and the largest 10 borrowers	<p>Loans by borrower concentration – largest borrower and largest group exposure as a percentage of mortgages under management</p> <table border="1" data-bbox="819 890 1525 1027"> <thead> <tr> <th data-bbox="819 890 1283 943">Borrower concentration</th> <th data-bbox="1283 890 1525 943">% of loan portfolio</th> </tr> </thead> <tbody> <tr> <td data-bbox="819 943 1283 970">Largest borrower</td> <td data-bbox="1283 943 1525 970">28</td> </tr> <tr> <td data-bbox="819 970 1283 997">Ten largest borrowers</td> <td data-bbox="1283 970 1525 997">72</td> </tr> <tr> <td data-bbox="819 997 1283 1027">Largest group exposure</td> <td data-bbox="1283 997 1525 1027">28</td> </tr> </tbody> </table>	Borrower concentration	% of loan portfolio	Largest borrower	28	Ten largest borrowers	72	Largest group exposure	28	Satisfied				
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f) By number and value, loans that have been approved but have funds that have yet to be advanced and the funding arrangements in place for any undrawn loan commitments	<p>Loans with undrawn loan commitments – the amount that can be drawn down under approved limits</p> <table border="1" data-bbox="819 1129 1525 1276"> <thead> <tr> <th data-bbox="819 1129 1131 1182">Undrawn loan commitments</th> <th data-bbox="1131 1129 1263 1182">Number</th> <th data-bbox="1263 1129 1368 1182">\$'000</th> <th data-bbox="1368 1129 1525 1182">% of loan portfolio</th> </tr> </thead> <tbody> <tr> <td data-bbox="819 1182 1131 1212">Approved limits</td> <td data-bbox="1131 1182 1263 1212">1</td> <td data-bbox="1263 1182 1368 1212">611</td> <td data-bbox="1368 1182 1525 1212">0.2%</td> </tr> <tr> <td data-bbox="819 1212 1131 1275">Undrawn portion of approved limits</td> <td data-bbox="1131 1212 1263 1275"></td> <td data-bbox="1263 1212 1368 1275">311</td> <td data-bbox="1368 1212 1525 1275">0.1%</td> </tr> </tbody> </table> <p>The amount required to fund these commitments are able to be settled from cash assets of the Fund.</p>	Undrawn loan commitments	Number	\$'000	% of loan portfolio	Approved limits	1	611	0.2%	Undrawn portion of approved limits		311	0.1%	Satisfied
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g) By number and value, the maturity profile of all loans in increments of not more than 12 months	<p>Loans by maturity profile</p> <table border="1" data-bbox="819 320 1525 624"> <thead> <tr> <th>Maturity in months</th> <th>Number</th> <th>\$'000</th> <th>% of loan portfolio</th> </tr> </thead> <tbody> <tr> <td>Matured</td> <td>12</td> <td>93,448</td> <td>28.0%</td> </tr> <tr> <td>0 – 3 months</td> <td>2</td> <td>14,061</td> <td>4.2%</td> </tr> <tr> <td>3 – 6 months</td> <td>7</td> <td>98,877</td> <td>29.7%</td> </tr> <tr> <td>6 – 12 months</td> <td>12</td> <td>97,986</td> <td>29.4%</td> </tr> <tr> <td>1 – 2 years</td> <td>3</td> <td>3,260</td> <td>1.0%</td> </tr> <tr> <td>2 – 3 years</td> <td>5</td> <td>25,785</td> <td>7.7%</td> </tr> <tr> <td>3 – 4 years</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>4 – 5 years</td> <td>0</td> <td>0</td> <td>0%</td> </tr> <tr> <td>Total</td> <td>41</td> <td>333,417</td> <td>100%</td> </tr> </tbody> </table>	Maturity in months	Number	\$'000	% of loan portfolio	Matured	12	93,448	28.0%	0 – 3 months	2	14,061	4.2%	3 – 6 months	7	98,877	29.7%	6 – 12 months	12	97,986	29.4%	1 – 2 years	3	3,260	1.0%	2 – 3 years	5	25,785	7.7%	3 – 4 years	0	0	0%	4 – 5 years	0	0	0%	Total	41	333,417	100%	Satisfied				
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k) The use of derivatives (if any)	The Fund has entered into one interest rate swap (derivative) to swap a fixed rate loan to a variable rate loan.		Satisfied															
l) A description of the non-loan assets of the scheme, include the value of these assets	<p>Non-loan assets of the scheme including the value of such assets</p> <table border="1" data-bbox="819 437 1525 603"> <thead> <tr> <th>Assets</th> <th>Value (\$'000s)</th> <th>% of scheme</th> </tr> </thead> <tbody> <tr> <td>Mortgages</td> <td>333,417</td> <td>80.0%</td> </tr> <tr> <td>Fixed Interest</td> <td>0</td> <td>0.0%</td> </tr> <tr> <td>Cash</td> <td>83,329</td> <td>20.0%</td> </tr> <tr> <td>Total</td> <td>416,746</td> <td>100%</td> </tr> </tbody> </table>		Assets	Value (\$'000s)	% of scheme	Mortgages	333,417	80.0%	Fixed Interest	0	0.0%	Cash	83,329	20.0%	Total	416,746	100%	Satisfied
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Total	416,746	100%																
<p>RG 45.54 The responsible entity should also disclose their policy on the above matters and on how the scheme will lend funds generally. For example, disclosure should cover:</p> <p>(a) the maximum loan amount for any one borrower;</p>	OnePath limits the loan amount for any one borrower or borrower group to 5% of funds under management (total mortgage loans plus non-loan assets such as cash and fixed interest investments). For borrowers and borrower groups who exhibit superior financial strength and where the security is multiple properties exhibiting strong lettability and saleability profiles, the loan limit is 6.5% of funds under management.		Satisfied															
(b) the method of assessing borrowers' capacity to service loans;	Borrower's capacity to service loans is assessed from two perspectives namely (i) income from the property is considered in determining 'property only' interest cover and (ii) all sources of the borrower(s) and guarantor(s) are considered in determining 'all sources /all commitments' interest cover. Loan interest cover is required to be available from a combination of sustainable sources that is property income generated by the security property as evidenced by lease contracts and / or consistent demonstrable historical servicing ability from business or other operations over the most recent two year period, as evidenced by tax returns or other financial statements.		Satisfied															
(c) the responsible entity's policy on revaluing security properties when a loan is rolled over; and	At the time of loan rollover, it is OnePath's policy to require that an updated valuation of the security property be undertaken. In certain exceptional circumstances this may not have been required.		Satisfied															
(d) the responsible entity's approach to taking security on lending by the scheme (e.g. what types of security they take and in what circumstances, and whether the security must be income producing).	For loans secured by investment property, interest cover must be a minimum 1.5 times from property only income and a minimum 1.5 times interest cover from 'all sources/ all commitments'. Lower 'all sources/all commitments' interest cover of a minimum 1.25 times may be acceptable with lower LVR (below 65%). For loans secured by owner occupied property a minimum 1.75 times interest cover from 'all sources/ all commitments' is required.		Satisfied															
<p>RG 45.55 If an unlisted pooled mortgage scheme invests in, or may invest in, other unlisted mortgage schemes (whether registered or unregistered), the responsible entity should also disclose their policy on investing in those schemes, including the extent to which the responsible entity</p>	Not applicable as the Fund does not invest in other unlisted mortgage schemes		Satisfied															

ASIC Regulations	Disclosure	Compliance
requires those schemes to satisfy the benchmarks in this guide		

Benchmark 4: Related party transactions

ASIC Regulations	Disclosure	Compliance
<p>RG 45.61 Where the Responsible Entity transacts with related parties of the scheme (including lending or investing scheme funds with related parties) it should disclose its approach to these transactions, including:</p> <p>a) Details of loans, investments and transactions made to or with a related party b) Its policy on related party transactions including the assessment and approval process for related party lending and arrangements to manage conflicts of interest; and c) How the processes and arrangements are monitored to ensure they are followed</p>	<p>The Fund does not lend any assets to related parties. A portion of the Fund's non-loan assets are invested in bank accounts with the Australia and New Zealand Banking Group Limited (ANZ). These investments are made on normal commercial terms into ANZ's banking products.</p>	Satisfied

Benchmark 5: Valuations

ASIC Regulations	Disclosure	Compliance
<p>RG 45.64 The Responsible Entity should take the following approach to valuations of properties over which it has taken security</p> <p>a) Properties should be valued on an 'as is' basis (and on an 'if complete' basis for development properties)</p>	<p>Valuations on properties (excluding development properties) are based on their current state ('as is'). For development properties, valuations are based on 'as is' and 'on completion' basis.</p>	Satisfied
<p>b) The Responsible Entity should have a policy on how often it obtains valuations, including how recent a valuation has to be when it makes a new loan</p>	<p>Valuations are obtained prior to loan approval and properties are revalued after three years if applicable. Valuations may be no more than 90 days old on the date of settlement. All valuations must be conducted pursuant to OnePath's Valuation Policy, under OnePath's instructions and must be counter-signed by a director if the valuer is not a director. There can be no more than two consecutive valuations that may be conducted by the same valuation firm or the individual valuer on the same security property. Vacant possession value is adopted where security property is substantially owner occupied.</p>	Satisfied
<p>c) The Responsible Entity should establish a panel of valuers and ensure that no one valuer conducts more than 1/3 of our valuation work for the scheme, calculated by value of properties</p>	<p>OnePath maintains a panel of external valuers (formally reviewed by OnePath every six months) that are used to value security properties. The panel comprises mainly large independent firms with a national presence, as well as more specialist valuers selected on their known level of experience in the type of property being valued.</p>	Satisfied

ASIC Regulations	Disclosure	Compliance
<p>RG 45.65 The responsible entity should disclose information about the valuation of a particular property where a loan secured against the property accounts for 5% or more of the total value of the scheme's loan book.</p>	<p>Due to falling funds under management, two loans currently exceed the 5% limit. OnePath limits the loan amount for any one borrower or borrower group that is secured by a single security property to 5% of funds under management (total mortgage loans plus non-loan assets such as cash and fixed interest investments).</p>	<p>Not Satisfied</p>
<p>RG 45.66 The Responsible Entity should only use valuers who: a) Where possible, are registered under one of the state/territory valuer registration regimes or a relevant overseas registration regime; and b) Include a statement in their valuation reports on whether the valuation complies with all relevant industry standards and codes</p>	<p>Valuations for the Fund are conducted by valuers selected from a panel of registered valuers (qualified/registered/licenced in the particular state or territory of operation) and must comply with industry standards and codes. One valuer cannot conduct more than one third of valuations for the Fund by dollar value or less.</p>	<p>Satisfied</p>

Benchmark 6: Lending principles

ASIC Regulations	Disclosure	Compliance
<p>RG 45.70 The Responsible Entity should maintain the following loan to valuation ratios for loans made by the scheme. a) Where the loan relates to development property – 70% on the basis of the latest 'if complete' valuation b) All other cases – 80% on the basis of the last market valuation</p>	<p>A loan-to-valuation ratio (LVR) is determined by dividing the loan amount by the property's value. The higher the LVR, the greater the risk that the Fund will not be able to fully recover the loan amount if property values reduce. The maximum LVR at approval on the Fund's loans is 75%, with the standard LVR being 70%. In terms of the overall portfolio the weighted average LVR of the loan portfolio is 132% (this reduces to 54% after loan write downs are taken into account) as at 3 August 2012. There was a portion of the impaired loans where the LVR on these loans exceeded 80% based on the most recent valuation. The LVRs have arisen due to a fall in the valuation of the underlying security properties. It is for this reason that our portfolio does not satisfy the benchmark as set out in the Regulatory Guide. For loans with an LVR over 80%, a Corrective Action Plan is developed and will focus on one or more of the different loan recovery options. These options include but are not limited to seeking loan refinance, borrower's voluntarily sale of the security property or other assets, or mortgagee sale of the security property via the formal appointment of a Receiver under the mortgage.</p>	<p>Not Satisfied</p>
<p>RG 45.71 Where the loan relates to property development, the responsible entity should ensure that the scheme only provides funds to the developer in stages, based on external evidence of the progress of the development.</p>	<p>Not applicable as there are no property development/construction related loans</p>	<p>Satisfied</p>

Benchmark 7: Distribution practices

ASIC Regulations	Disclosure	Compliance
<p>RG 45.75 If the scheme is making (or forecasts making) distributions to unitholders, the Responsible Entity should disclose:</p> <p>a) The source of the current distribution b) The source of any forecast distribution</p>	<p>Monthly distributions from the Fund are provided to investors based solely on the level of income earned in the month. This income is derived from the monthly interest paid on the Fund's loans, as well as interest and movements in capital value of the Fund's cash and fixed interest assets. It is intended that all future distributions will be solely from earnings of the Fund.</p> <p>Distributions from the investment funds that invest in the Fund are made from income they receive from the Fund. For OnePath Income Plus and OnePath Original Income Plus, monthly distributions also take into account an estimate of income earned by share and property assets, as well as any capital gains within the funds. The fund suspension does not affect regular income distribution payments.</p>	Satisfied
<p>c) If the current or forecast distribution is not solely sourced from income received in the relevant distribution period, the reasons for making those distributions; and d) If the current distribution or forecast distribution is sourced other than from income, whether this is sustainable over the next 12 months</p>	Not applicable as distribution is sourced solely from income.	Satisfied
<p>RG 45.76 If the scheme promotes a particular return on investments, the Responsible Entity should clearly disclose details of the circumstances in which a lower return may be payable, together with details of how that lower return will be determined.</p>	The Fund does not promote a return on the investment.	Satisfied

Benchmark 8: Withdrawal arrangements

ASIC Regulations	Disclosure	Compliance
<p>RG 45.81 The Responsible Entity should provide details on whether investors will be able to withdraw from a scheme. The Responsible Entity should disclose:</p> <p>a) The maximum withdrawal period allowed under the constitution for the scheme b) Any significant risk factors or limitations that may affect the ability of investors to withdraw from the scheme (including factors that may prevent the Responsible Entity from meeting a promoted withdrawal period)</p>		Satisfied

ASIC Regulations	Disclosure			Compliance																		
	<table border="1"> <thead> <tr> <th data-bbox="819 217 1088 276">Investment fund</th> <th data-bbox="1104 217 1384 276">Constitutional name</th> <th data-bbox="1391 217 1783 276">When the fund is liquid, period when a redemption request must be paid</th> </tr> </thead> <tbody> <tr> <td data-bbox="819 279 1088 338">OnePath Mortgage Trust No.2</td> <td data-bbox="1104 279 1384 338">OnePath Mortgage Trust No. 2</td> <td data-bbox="1391 279 1783 338">Within 30 days.</td> </tr> <tr> <td data-bbox="819 341 1088 443">OnePath Monthly Income Trust</td> <td data-bbox="1104 341 1384 443">Monthly Income Trust</td> <td data-bbox="1391 341 1783 443">Within 60 days. We have the power to extend that time for an additional 30 days under certain circumstances.</td> </tr> <tr> <td data-bbox="819 446 1088 505">OnePath AJ Mortgage Fund</td> <td data-bbox="1104 446 1384 505">OnePath AJ Mortgage Fund</td> <td data-bbox="1391 446 1783 505">Within 30 days.</td> </tr> <tr> <td data-bbox="819 509 1088 603">OnePath Income Plus</td> <td data-bbox="1104 509 1384 603">Income Plus Trust</td> <td data-bbox="1391 509 1783 603">Within 30 days. We have the power to extend that time for an additional 30 days under certain circumstances.</td> </tr> <tr> <td data-bbox="819 606 1088 708">OnePath Original Income Plus</td> <td data-bbox="1104 606 1384 708">Income Plus Trust</td> <td data-bbox="1391 606 1783 708">Within 30 days. We have the power to extend that time for an additional 30 days under certain circumstances.</td> </tr> </tbody> </table>	Investment fund	Constitutional name	When the fund is liquid, period when a redemption request must be paid	OnePath Mortgage Trust No.2	OnePath Mortgage Trust No. 2	Within 30 days.	OnePath Monthly Income Trust	Monthly Income Trust	Within 60 days. We have the power to extend that time for an additional 30 days under certain circumstances.	OnePath AJ Mortgage Fund	OnePath AJ Mortgage Fund	Within 30 days.	OnePath Income Plus	Income Plus Trust	Within 30 days. We have the power to extend that time for an additional 30 days under certain circumstances.	OnePath Original Income Plus	Income Plus Trust	Within 30 days. We have the power to extend that time for an additional 30 days under certain circumstances.			
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OnePath AJ Mortgage Fund	OnePath AJ Mortgage Fund	Within 30 days.																				
OnePath Income Plus	Income Plus Trust	Within 30 days. We have the power to extend that time for an additional 30 days under certain circumstances.																				
OnePath Original Income Plus	Income Plus Trust	Within 30 days. We have the power to extend that time for an additional 30 days under certain circumstances.																				
c) The Responsible Entity's approach to rollovers, including whether the default is that investments in the scheme are automatically rolled over; and	Investments in the Fund do not have fixed terms or maturity dates, and therefore, rollovers do not apply			Satisfied																		
d) If withdrawals from the scheme are funded from an external liquidity facility, the material terms of this facility,	Not applicable as withdrawals are not funded from an external liquidity facility			Satisfied																		
RG 45.82 If the scheme promotes a fixed unit price for investments, the Responsible Entity should clearly disclose the circumstances in which a lower amount may be payable, together with details of how that amount will be determined.	The mortgage funds do not promote a fixed unit price; however, the unit price for applications and withdrawals in these funds has traditionally been \$1.00. The unit price of these funds will no longer remain at \$1.00 due to the implementation of the 'return of capital process' whereby capital is paid out and the unit price reduces by the corresponding amount. In addition, the unit price can and has been impacted by loan losses/impairments in the underlying mortgage portfolio. This has occurred on two occasions - July 2011 and July 2012. Where there is a strong likelihood of loss on loan principal, income provisions over			Satisfied																		

ASIC Regulations	Disclosure	Compliance
	the course of a financial year are required to protect against loan losses. Loan losses are usually offset against income and in circumstances where losses exceed income, the unit price is reduced to reflect the drop in value of the underlying portfolio.	

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