

# Financial Reports

## OneAnswer – AMP Capital Enhanced Yield Trust

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

ARSN 115 528 688



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## Directors' Report for the financial year ended 30 June 2015

The Directors of OnePath Funds Management Limited, the Responsible Entity of the suspended scheme, OneAnswer - AMP Capital Enhanced Yield Trust (the 'Scheme'), present their report together with the financial report of the Scheme for the financial year ended 30 June 2015, and the report of the auditor on the Scheme.

### Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Scheme is Level 23, 242 Pitt Street, Sydney, NSW 2000.

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

Name	Position Held	Date Appointed	Date Resigned
A H Chonowitz	Non-Executive Director	Appointed 1 March 2015	
C T Brackenrig	Director	Appointed 5 May 2011	Resigned 27 April 2015
P G Mullin	Director	Appointed 1 March 2015	
S C Brentnall	Director	Appointed 1 March 2013	
S J Chapman*	Non-Executive Director	Appointed 1 August 2011	
V S Weekes	Non-Executive Director, Chairman	Appointed 1 May 2011	

\*S J Chapman has been on extended leave from 14 April 2015 and is expected to return on 14 December 2015.

### Principal activities

The Scheme is a registered Managed Investment Scheme domiciled in Australia.

The Scheme now solely invests into cash.

The Scheme did not have any employees during the year.

### Review of operations and results

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

The income distributions paid and payable 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.

### Fees paid to and investments held by the Responsible Entity or its associates

Fees paid and payable to the Responsible Entity and its associates out of the Scheme's property during the year are disclosed in Note 11.4 Responsible Entity fees.

No fees were paid out of the Scheme's property to the Directors of the Responsible Entity during the year. Related party investments held in the Scheme as at the end of the financial year are disclosed in Note 11 Related parties.

### Significant changes in the state of affairs

The Board of OnePath Funds Management Limited approved a resolution on 28 May 2015 to terminate the OneAnswer - AMP Capital Enhanced Yield Trust. As a result of this resolution the financial statements have been prepared on a non-going concern basis. OneAnswer - AMP Capital Enhanced Yield Trust is expected to terminate by 30 September 2015.

### Likely developments and expected results of operations

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.

### Environmental regulation

The operations of the Scheme were not subject to any significant environmental regulation under either Commonwealth, State or Territory legislation.

### Events subsequent to balance date

The Board approved a resolution on 28 May 2015 to terminate OneAnswer - AMP Capital Enhanced Yield Trust. On 21 August 2015 the final unit price was calculated in order for unitholders to fully redeem from the Scheme. The termination process is expected to finalise by 30 September 2015.

### Indemnities and insurance premiums for officers and auditors

Indemnification:

Under the Scheme's Constitution the Responsible Entity, including its officers and employees, is indemnified out of the Scheme's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Scheme.

The Responsible Entity has not indemnified any auditor of the Scheme.

Insurance premiums:

No insurance premiums are paid out of the assets of the Scheme in relation to insurance cover for the Responsible Entity, its officers and employees or the auditors of the Scheme.

### True and fair view

The Financial Statements have been prepared in accordance with applicable accounting standards to give a true and fair view of the state of affairs of the Scheme at reporting date.

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**Directors' Report  
for the financial year ended 30 June 2015**

**Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 28 and forms part of the directors' report for the financial year ended 30 June 2015.

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

A handwritten signature in black ink, appearing to read 'John Hume', written in a cursive style.

**Director**

Sydney

3 September 2015

**Statement of Financial Position  
as at 30 June 2015**

	Note	OneAnswer - AMP Capital Enhanced Yield Trust	
		30 June 2015 \$	30 June 2014 \$
<b>Assets</b>			
Cash and cash equivalents		138,841	88,106
Receivables	5	158	568,879
Financial assets held at fair value through profit or loss	6	-	5,087,803
<b>Total assets</b>		<b>138,999</b>	<b>5,744,788</b>
<b>Liabilities</b>			
Payables	7	315	9,178
Distribution payable		-	-
Return of capital payable		-	563,458
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>315</b>	<b>572,636</b>
<b>Net assets attributable to unitholders</b>		<b>138,684</b>	<b>5,172,152</b>
Represented by:			
Net assets attributable to unitholders at redemption price		138,684	5,172,152
<b>Total net assets attributable to unitholders</b>	4	<b>138,684</b>	<b>5,172,152</b>

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 25.

**Statement of Comprehensive Income  
for the financial year ended 30 June 2015**

	Note	OneAnswer - AMP Capital Enhanced Yield Trust	
		30 June 2015 \$	30 June 2014 \$
<b>Investment income</b>			
Interest income		12,206	2,573
Net change in fair value of investments		38,519	(549,431)
<b>Net investment income/(loss)</b>		<b>50,725</b>	<b>(546,858)</b>
<b>Expenses</b>			
Responsible Entity fees	<b>11.4</b>	40,998	129,217
<b>Operating expenses before finance costs</b>		<b>40,998</b>	<b>129,217</b>
<b>Profit/(loss) from operating activities</b>		<b>9,727</b>	<b>(676,075)</b>
<b>Finance costs</b>			
Distributions to unitholders		18	-
<b>Change in net assets attributable to unitholders/ Total comprehensive income</b>	<b>4</b>	<b>9,709</b>	<b>(676,075)</b>

The Statement of Comprehensive Income should be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 25.

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**Statement of Changes in Equity  
for the financial year ended 30 June 2015**

The Scheme's net assets attributable to unitholders is classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Scheme has no equity, and no items of changes in equity have been presented for the current or comparative year.

**Statement of Cash Flows  
for the financial year ended 30 June 2015**

	Note	OneAnswer - AMP Capital Enhanced Yield Trust	
		30 June 2015 \$	30 June 2014 \$
<b>Cash flows from operating activities:</b>			
Interest received		12,275	2,646
Other income received		5,277	-
Operating expenses paid		(49,861)	(128,378)
Proceeds from sale of investments		5,689,697	2,104,531
<b>Net cash flows from/(used in) operating activities</b>	<b>8</b>	<b>5,657,388</b>	<b>1,978,799</b>
<b>Cash flows from financing activities:</b>			
Proceeds from issue of units		25,297	68,836
Payments for redemption of units		(1,885)	(1,856)
Distributions paid		(18)	-
Return of capital paid		(5,630,047)	(1,997,013)
<b>Net cash flows from/(used in) financing activities</b>		<b>(5,606,653)</b>	<b>(1,930,033)</b>
Net increase/(decrease) in cash and cash equivalents		50,735	48,766
Cash and cash equivalents at the beginning of the financial year		88,106	39,340
<b>Cash and cash equivalents at the end of the financial year</b>		<b>138,841</b>	<b>88,106</b>

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements set out on pages 9 to 25.



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## Notes to the Financial Statements for the financial year ended 30 June 2015

### 1. Reporting entity

The Scheme included in these financial statements is a registered Managed Investment Scheme under the *Corporations Act 2001*. The financial statements of the Scheme are for the financial year ended 30 June 2015. The Scheme's financial statements are prepared on a non-going concern basis following a resolution of the Directors to terminate the Scheme on 28 May 2015.

### 2. Basis of preparation

#### 2.1 Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Scheme comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors of the Responsible Entity on 3 September 2015.

#### 2.2 Basis of measurement

The Scheme's underlying securities have been valued on a non-going concern basis. Liquidation values equate to fair values less costs to sell and settlement value for liabilities.

The Board of OnePath Funds Management Limited approved a resolution on 28 May 2015 to terminate the Scheme. As a result of this resolution the financial statements have been prepared on a non-going concern basis.

#### 2.3 Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Scheme's functional currency.

#### 2.4 Use of estimates and judgements

The preparation of the financial statements which are in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 9.5 Valuation of financial instruments contains information about the estimation of fair values of financial instruments.

The Scheme has been re-assessed as at 30 June 2015 and continued to meet the definition of the investment entity under the definition of AASB 10 *Consolidated Financial Statements* as the following criteria are met:

- The Scheme obtains and manages funds for the purpose of providing investors of the Scheme with investment management services;
- The Scheme has committed to its investors that its business purposes is to invest funds solely for return from capital appreciation and investment income; and
- The Scheme measures and evaluates the performance of its investments on non-going concern basis.

#### 2.5 Changes in accounting policies

The methodology of the Scheme's financial instruments has changed from a fair value basis to a fair value less costs to sell basis.

Other than the above change there have been no other accounting policies changes during the year.

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## **Notes to the Financial Statements for the financial year ended 30 June 2015**

### **3. Significant accounting policies**

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

The Scheme has not early adopted any accounting standard.

#### **3.1 Financial instruments**

##### **3.1.1 Recognition and initial measurement**

Financial assets and liabilities held at fair value through profit or loss are recognised initially on the trade date at which the Scheme becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the due date they originated.

Financial assets and financial liabilities held at fair value through the profit or loss are measured initially at fair value, with transaction costs recognised in the Statement of Comprehensive Income. Financial assets or liabilities not held at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

##### **3.1.2 Derecognition**

The Scheme derecognises financial assets when the contractual rights to the cash flows from the financial assets expire or they transfer the financial assets and the transfer qualifies for derecognition in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

##### **3.1.3 Classification**

Financial assets and financial liabilities held at fair value through profit or loss are classified as held for trading.

Financial assets measured at amortised cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortised cost include accounts payable.

##### **3.1.4 Measurement**

The Scheme's underlying securities have been valued on a non-going concern basis. Liquidation values equate to fair values less costs to sell and settlement value for liabilities.

##### **3.1.5 Fair value measurement principles**

Liquidation values have been applied to value the investment as the financial statements have been prepared on a non-going concern basis.

##### **3.1.6 Offsetting**

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Scheme has a legal right to offset the amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under AASBs, e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

#### **3.2 Net assets attributable to unitholders**

Net assets attributable to unit holders represent the estimated value of assets available to unit holders upon termination.

#### **3.3 Terms and conditions of units**

The Scheme included in the financial statements has two classes of units.

Each unit issued within each class confers upon the unitholders an equal interest in the relevant class and is of equal value. The rights, obligations and restrictions attached to each unit in each class are identical in all respects. The classes in the Scheme differ in terms of the Responsible Entity fees charged.

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## **Notes to the Financial Statements for the financial year ended 30 June 2015**

A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the applicable Constitution and the *Corporations Act 2001*, including the right to have their units redeemed, receive income distributions and attend and vote at meetings of unitholders.

### **3.4 Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents may include cash at bank, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdrafts.

### **3.5 Interest**

Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income is recognised on a gross basis, including withholding tax, if any.

### **3.6 Distribution income**

Income distributions from an unlisted unit trust are recognised in the Statement of Comprehensive Income as unit trust distribution income on a present entitlement basis.

### **3.7 Expenses**

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

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

### **3.8 Distribution and taxation**

Under current legislation the Scheme is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the unitholders. The Scheme fully distributes its distributable income, calculated in accordance with the Scheme's Constitution and applicable taxation legislation, to the unitholders who are presently entitled to the income under the Constitution.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

### **3.9 Finance costs**

Distributions paid and payable on units are recognised in the Statement of Comprehensive Income as finance costs and as a liability until paid. Distributions paid are included in cash flows from financing activities in the Statement of Cash Flows.

### **3.10 Receivables**

Receivables are carried at amortised cost and may include amounts for unsettled sales, accrued income and other receivables such as Reduced Input Tax Credits (RITC).

Unsettled sales are amounts due from brokers for securities sold that have not been received at reporting date. Trades are recorded on trade date, and normally settle within three business days. Accrued income may include amounts for dividends, trust distributions, interest income and compensation income. Amounts are generally received within 30 days of being recorded as receivables. RITC is the amount of Goods and Service Tax (GST) recoverable from the Australian Taxation Office (ATO).

### **3.11 Payables**

Payables may include amounts for unsettled purchases, accrued expenses and other payables such as GST.

Unsettled purchases are amounts due to brokers for securities purchased that have not been paid at reporting date. Trades are recorded on trade date and normally settle within three business days. Accrued expenses include Responsible Entity fees payable.

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## Notes to the Financial Statements for the financial year ended 30 June 2015

### 3.12 Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income.

### 3.13 Goods and services tax

Expenses incurred by the Scheme are recognised net of the amount of GST recoverable from the ATO as 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 relating to GST are included in the Statement of Cash Flows on a gross basis.

### 3.14 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations were available for early adoption but have not been applied by the Scheme in these Financial Statements:

- AASB 9 *Financial Instruments (December 2014)* replacing AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 is applicable for annual reporting periods beginning on or after 1 January 2018. AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until periods commencing 1 January 2018 but is available for early adoption. When adopted, there will be no impact of the standard on the Scheme's accounting for financial instruments as movements in the net market value of investments and derivatives will continue to be recognised in the Statement of Comprehensive Income in the periods in which they occur.
- AASB 15 *Revenue from Contracts with Customers*. AASB 15 is applicable for reporting periods beginning on or after 1 January 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue; at a point in time and over time. The model features a contract based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This is likely to have a minimal impact to the Scheme if any, due to the nature of the revenue (investment) not falling within the scope of the standard.

Management is continuing to assess the impact of the above accounting standards.

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 4. Net assets attributable to unitholders

The Scheme considers net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

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

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
Opening balance	5,172,152	7,966,275
Applications	25,297	68,835
Redemptions	(1,885)	(1,856)
Return of capital distributions	(5,066,589)	(2,185,027)
Change in net assets attributable to unitholders	9,709	(676,075)
<b>Closing balance</b>	<b>138,684</b>	<b>5,172,152</b>
	30 June 2015 Units	30 June 2014 Units
Opening balance	50,600,958	50,099,257
Applications	912,360	514,548
Redemptions	(119,209)	(12,847)
<b>Closing balance</b>	<b>51,394,109</b>	<b>50,600,958</b>

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 5. Receivables

The table below details the receivables held by the Scheme at the reporting date:

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
Interest receivable	158	227
Outstanding settlements receivable	-	563,375
Other receivables	-	5,277
<b>Total receivables</b>	<b>158</b>	<b>568,879</b>

### 6. Financial assets and liabilities

The table below details the categories of the financial assets and liabilities held by the Scheme at the reporting date:

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
<b>Financial assets held at fair value through profit or loss</b>		
<b>Held for trading</b>		
Unlisted unit trusts	-	5,087,803
<b>Total financial assets held at fair value through profit or loss</b>	<b>-</b>	<b>5,087,803</b>
<b>Comprising:</b>		
<b>Unlisted unit trusts</b>		
Unrelated unlisted unit trusts	-	5,087,803
<b>Total unlisted unit trusts</b>	<b>-</b>	<b>5,087,803</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>-</b>	<b>5,087,803</b>

**Notes to the Financial Statements  
for the financial year ended 30 June 2015**

**7. Payables**

The table below details the payables held by the Scheme at the reporting date:

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
Responsible Entity fees payable	214	9,178
Other payables	101	-
<b>Total payables</b>	<b>315</b>	<b>9,178</b>

**8. Reconciliation of cash flows from operating activities**

The table below details the reconciliation of cash flows from operating activities for the year as follows:

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
<b>Profit/(Loss) from operating activities</b>	9,727	(676,075)
<b>Adjustments for net realised and unrealised (gains)/losses on:</b>		
Change in fair value of investments	(38,519)	549,431
<b>Changes in operating assets and liabilities:</b>		
Proceeds from sale of investments	5,689,697	2,104,530
Net change in receivables	5,346	4,926
Net change in payables	(8,863)	(4,013)
<b>Net cash flows from/(used in) operating activities</b>	<b>5,657,388</b>	<b>1,978,799</b>

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## **Notes to the Financial Statements for the financial year ended 30 June 2015**

### **9. Financial risk management**

#### **9.1 Introduction and overview**

The Scheme is exposed to a variety of financial risks from investments in financial instruments. These risks include:

- credit risk
- liquidity risk
- market risk

This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk, and the Scheme's management of unitholders funds.

##### **9.1.1 Risk management framework**

The Scheme maintains positions in financial instruments in accordance with the PDS. The Scheme's investment portfolio comprises cash.

The Scheme's investment manager has been given a discretionary authority to manage the assets in line with the Scheme's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored on a daily basis. In instances where the portfolio has diverged from target asset allocations, the investment manager is obliged to take action to rebalance the portfolio in line with the established targets, within prescribed time limits.

##### **9.2 Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme, resulting in a financial loss to the Scheme. It arises principally from cash and cash equivalents.

###### **9.2.1 Management of credit risk**

The Scheme's policy over credit risk is to minimise its exposure to counterparties with higher risk of default by dealing only with counterparties meeting the credit standards set out in the Scheme's PDS. Credit risk is further minimised by managing the assets of the Scheme within credit rating limits.

###### **9.2.2 Cash and cash equivalents**

The Scheme's cash and cash equivalents are held by Australia and New Zealand Banking Group Limited (ANZ). The credit rating of ANZ as determined by Standard & Poor's is A-1+ (2014: AA-) as at reporting date. Maximum credit risk exposure from cash and cash equivalents is represented by the carrying amount on the Statement of Financial Position.

###### **9.2.3 Settlement risk**

The Scheme's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

###### **9.2.4 Past due and impaired assets**

No financial assets carried at amortised cost were past due or impaired either at 30 June 2015 or 30 June 2014.

##### **9.3 Liquidity risk**

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Scheme.

###### **9.3.1 Management of liquidity risk**

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



## Notes to the Financial Statements for the financial year ended 30 June 2015

The Scheme holds investments in an unlisted unit trust, which may be subject to redemption restrictions. As a result, the Scheme may not be able to liquidate some of its investments in this instrument in due time in order to meet its liquidity requirements.

The Scheme's liquidity risk is managed on a daily basis and the investment manager's approach is in accordance with its investment mandate. Daily monitoring of cash flow and liquidity levels is conducted to ensure appropriate and timely action which is in the best interests of the unitholders. In addition to monitoring daily cash flows, the Scheme's portfolio of assets are maintained within defined mandate limits and monitoring these positions is part of liquidity risk management.

### 9.3.2 Liquidity risk exposure

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

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
<b>Non-derivative financial liabilities</b>		
<b>Payables</b>		
Due for maturity in: < 1 month	315	572,636
<b>Total payables</b>	<b>315</b>	<b>572,636</b>
<b>Amounts payable to unitholders</b>		
Suspended schemes	138,684	5,172,152
<b>Total amounts payable to unitholders</b>	<b>138,684</b>	<b>5,172,152</b>

### 9.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Scheme's income or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### 9.4.1 Management of market risk

The Scheme's strategy for the management of market 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 investment mandate.

#### 9.4.2 Interest rate risk

The Scheme is exposed to the risk that the value or future cash flows of their financial instruments will fluctuate as a result of changes in market interest rates. Financial instruments that would be impacted by changes in market interest rates include cash and cash equivalents.

The Scheme's interest rate risk is managed on a daily basis by the investment manager in accordance with the defined investment process and within the guidelines and restrictions outlined in the 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 portfolios.

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 9.4.3 Exposure and sensitivity analysis - interest rate risk

Direct interest rate risk exposure at reporting date is disclosed in Note 9.4.4 Interest rate risk exposure and sensitivity analysis.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Changes in net assets attributable to unitholders/Total comprehensive income' would have been affected by changes in the relevant risk variable at the end of the reporting period. Management have determined that a fluctuation in interest rates of 100 basis points is reasonably possible, considering the economic environment in which the Scheme operates.

The table at Note 9.4.4 Interest rate risk exposure and sensitivity analysis sets out the effect on the Scheme's 'Net assets attributable to unitholders' and 'Change in net assets attributable to unitholders/Total comprehensive income' of a reasonably possible increase or reduction of 100 basis points in interest rates at 30 June 2015 (2014: 100 basis points).

### 9.4.4 Interest rate risk exposure and sensitivity analysis

The table below details the assets and liabilities exposed to, and sensitivity analysis on, interest rate risk.

	OneAnswer - AMP Capital Enhanced Yield Trust		
	Fixed interest rate \$	Floating interest rate \$	Total \$
<b>30 June 2015</b>			
<b>Financial assets</b>			
Cash and cash equivalents	-	138,841	138,841
<b>Net exposure</b>	-	<b>138,841</b>	<b>138,841</b>
<b>30 June 2014</b>			
<b>Financial assets</b>			
Cash and cash equivalents	-	88,106	88,106
<b>Net exposure</b>	-	<b>88,106</b>	<b>88,106</b>
<b>Sensitivity analysis</b>			
	2015 \$	2014 \$	
<b>Impact on Profit/loss from operating activities and Net assets attributable to unitholders</b>			
Interest rate risk - increase of 100bp (2014 100bp)	1,388	881	
Interest rate risk - decrease of 100bp (2014 100bp)	(1,388)	(881)	

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 9.4.5 Other price risk

At reporting date other price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The changes in the value of the Scheme's financial instruments are recognised in the Statement of Comprehensive Income in the line item 'Net change in fair value of investments'.

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

The other price risk exposure of financial instruments is equal to the value of financial instruments as reported in the Statement of Financial Position and in Note 6 Financial assets and liabilities.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and 'Changes in net assets attributable to unitholders/Total comprehensive income' would have been affected by changes in the relevant risk variable at the end of the reporting period. There are no financial assets exposed to other price risk held at 30 June 2015.

The table at Note 9.4.7 Other price risk - sensitivity analysis sets out the effect on the Scheme's 'Net assets attributable to unitholders' and the 'Change in net assets attributable to unitholders/Total Comprehensive Income' of a possible increase or decrease in market prices of 10% (2014: 10%).

### 9.4.7 Other price risk - sensitivity analysis

At reporting date the Scheme's other price risk sensitivity analysis is detailed in the table below:

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
<b>Impact on Profit/loss from operating activities and Net assets attributable to unitholders</b>		
Price risk - increase of 10%*	-	508,780

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

### 9.5 Valuation of financial instruments

The Scheme's accounting policy on fair value measurement is discussed in Note 3.1.5 Fair value measurement principles.

The Scheme measures value using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

**Level 1** - Quoted price (unadjusted) in an active market for an identical instrument.

**Level 2** - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

**Level 3** - Valuation techniques using significant unobservable inputs. This category includes all instruments that use a valuation technique which includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Scheme held no financial assets held at fair value through profit or loss at 30 June 2015.

The valuation of the managed investment scheme included in Level 3 is based on the daily net asset value of the managed investment scheme provided by the investment manager.

## Notes to the Financial Statements for the financial year ended 30 June 2015

The Scheme recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. Changes in Level 2 and 3 fair values are analysed at each reporting date and the reasons for the fair value movements are explained. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year ended 30 June 2015.

### 9.5.1 Financial instruments hierarchy

#### 9.5.1.1 Recurring fair value measurements

The table below classifies financial instruments by the level in the fair value hierarchy.

	Note	OneAnswer - AMP Capital Enhanced Yield Trust	
		30 June 2015 \$	30 June 2014 \$
<b>Financial assets held at fair value through profit or loss</b>			
<b>Listed securities:</b>			
Level 1		-	-
Level 2		-	-
Level 3		-	-
<b>Debt securities:</b>			
Level 1		-	-
Level 2		-	-
Level 3		-	-
<b>Unlisted unit trusts:</b>			
Level 1		-	-
Level 2		-	-
Level 3		-	5,087,803
<b>Derivative assets:</b>			
Level 1		-	-
Level 2		-	-
Level 3		-	-
<b>Total financial assets held at fair value through profit or loss</b>	<b>6</b>	<b>-</b>	<b>5,087,803</b>

#### 9.5.1.2 Non - recurring fair value measurements

The Scheme has no assets or liabilities measured on a non - recurring basis in the current reporting period.

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 9.5.2 Movements of Level 3 securities

Level 3 securities held are securities valued by using inputs not derived from observable market data. Inputs are prices derived from external sources which use various valuation techniques that include unobservable inputs. Transfers are considered when the underlying conditions of the financial instruments change.

The following table details a reconciliation of opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

		OneAnswer - AMP Capital Enhanced Yield Trust									
		Financial assets & liabilities at fair value through profit or loss 30 June 2015					Financial assets & liabilities at fair value through profit or loss 30 June 2014				
	Note	Listed equities \$	Debt securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$	Listed equities \$	Debt securities \$	Unlisted unit trusts \$	Trading derivatives \$	Total \$
<b>Financial assets and liabilities at fair value through profit or loss</b>											
Opening balance		-	-	5,087,803	-	5,087,803	-	-	7,822,179	-	7,822,179
Total gains or losses in profit or loss*		-	-	38,519	-	38,519	-	-	(549,431)	-	(549,431)
Sales		-	-	(59,733)	-	(59,733)	-	-	-	-	-
Settlements		-	-	(5,066,589)	-	(5,066,589)	-	-	(2,184,945)	-	(2,184,945)
<b>Closing balance</b>	<b>9.5.1.1</b>	-	-	-	-	-	-	-	<b>5,087,803</b>	-	<b>5,087,803</b>
<b>Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period*</b>											
		-	-	-	-	-	-	-	<b>(549,431)</b>	-	<b>(549,431)</b>

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

### 9.5.3 Inputs used for Level 3 fair value measurement

The table below summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Type	Valuation Approach	Key unobservable input	Range	OneAnswer - AMP Capital Enhanced Yield Trust	
				Fair Value \$	Fair Value \$
				30 June 2015	30 June 2014
Holdings in suspended schemes	Latest available trade price less appropriate discounts	Valuation of underlying assets of managed investments scheme Suspension of redemption Liquidity	0 - 100%	-	5,087,803

Each of the unobservable inputs may have an impact on the other as suspension of underlying investments could materially impact the liquidity and therefore adjustments to the fair value may be required.

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 9.5.4 Level 3 sensitivity analysis of unobservable inputs

There were no Level 3 securities held by the Scheme at 30 June 2015. Although the Responsible Entity of the Scheme believes that its estimated values of financial instrument are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used as reasonably possible alternative assumptions by 10% upwards (favourable) or downwards (unfavourable) would have the following effects on profit or loss:

Impact on fair value of Level 3 securities	OneAnswer - AMP Capital Enhanced Yield Trust	
	Favourable \$	Unfavourable \$
30 June 2015		
Listed securities	-	-
Interest bearing securities	-	-
Unlisted unit trusts	-	-
Derivative financial instruments	-	-
30 June 2014		
Listed securities	-	-
Interest bearing securities	-	-
Unlisted unit trusts	508,780	(508,780)
Derivative financial instruments	-	-

### 9.5.5 Valuation processes

The Responsible Entity's Wealth Investment Governance Forum reviews monthly valuations of the financial instruments.

### 10. Auditor's remuneration

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

	OneAnswer - AMP Capital Enhanced Yield Trust	
	30 June 2015 \$	30 June 2014 \$
<b>KPMG</b>		
- Financial statement audit		
Paid by Responsible Entity	4,806	4,684
- Compliance and regulatory		
Paid by Responsible Entity	780	427
<b>Total audit fees paid</b>	<b>5,586</b>	<b>5,111</b>

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## Notes to the Financial Statements for the financial year ended 30 June 2015

### 11. Related parties

#### 11.1 Responsible Entity

The Responsible Entity of the Scheme is OnePath Funds Management Limited (ABN 21 003 002 800). OnePath Funds Management Limited is a subsidiary of Australia and New Zealand Banking Group Limited (ANZ).

#### 11.2 Key management personnel

The Scheme does not employ personnel in its own right. However, the Scheme is required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel, during or since the end of the financial year are:

Name	Position Held	Date Appointed	Date Resigned
A H Chonowitz	Non-Executive Director	Appointed 1 March 2015	
C T Brackenrig	Director	Appointed 5 May 2011	Resigned 27 April 2015
P G Mullin	Director	Appointed 1 March 2015	
S C Brentnall	Director	Appointed 1 March 2013	
S J Chapman*	Non-Executive Director	Appointed 1 August 2011	
V S Weekes	Non-Executive Director, Chairman	Appointed 1 May 2011	

\*S J Chapman has been on extended leave from 14 April 2015 and is expected to return on 14 December 2015.

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the reporting period.

No director has entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving directors' interests existing at financial year end.

#### 11.3 Related party transactions

All related party transactions are conducted on commercial terms and conditions.

The Directors of the Responsible Entity may also be directors of other companies owned by ANZ. The Responsible Entity may also be involved in activities other than the business of managed investment schemes.

The 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 the Directors of the Responsible Entity by the Scheme. From time to time the Directors of OnePath Funds Management Limited 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.

## Notes to the Financial Statements for the financial year ended 30 June 2015

### 11.4 Responsible Entity fees

The Responsible Entity is entitled to management fees which are calculated as a proportion of net assets attributable to unitholders. All transactions with related parties are conducted on normal commercial terms and conditions. Management fees are reflected as 'Responsible Entity fees' in the Statement of Comprehensive Income. Fees received by the Responsible Entity for the year ended 30 June 2015 are as follows:

	Total management fees paid and payable to the RE during the financial year	
	2015	2014
	\$	\$
OneAnswer - AMP Capital Enhanced Yield Trust - Pool Class <sup>†</sup>	-	-
OneAnswer - AMP Capital Enhanced Yield Trust - Retail Class	40,998	129,217

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

### 11.5 Units in the Scheme held by related parties

Details of unit holdings in the Scheme by OnePath Funds Management Limited, other Schemes operated by OnePath Funds Management Limited and other related entities are set out below:

Name of entity Name of related entity	Fair value of unit holdings		% Interest held		Units purchased/reinvested during the period		Units redeemed during the period		Distributions paid/payable		Number of units held	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	%	%	\$	\$	\$	\$	\$	\$		
<b>OneAnswer - AMP Capital Enhanced Yield Trust</b>												
OnePath Life Limited (wholly owned subsidiary of ANZ)	-	-	-	-	-	-	-	113	-	-	-	-

### 11.6 ANZ Securities - Related party investments

OnePath Funds Management Limited is a subsidiary of ANZ. As such investments in securities or accounts issued by ANZ are classified as related party transactions.

The Scheme's holdings in ANZ issued securities, investments or accounts and income received (including realised gains/losses) from such investments are set out in the table below:

Name of entity	2015		2014	
	Value as at 30 June 2015	Income received/ receivable 30 June 2015	Value as at 30 June 2014	Income received/ receivable 30 June 2014
	\$	\$	\$	\$
<b>OneAnswer - AMP Capital Enhanced Yield Trust</b>				
Cash and Cash Equivalents	138,841	12,206	88,106	2,647



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**Notes to the Financial Statements  
for the financial year ended 30 June 2015****12. Custodian**

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

**13. Commitments and contingencies**

There were no commitments or contingencies for the Scheme as at the reporting date (30 June 2014: Nil).

**14. Suspended Scheme - OneAnswer - AMP Capital Enhanced Yield Trust**

The Scheme was suspended on 10 October 2008 and remained suspended as at reporting date.

**15. AMP Capital Enhanced Yield Fund**

The AMP Capital Enhanced Yield Fund is the underlying fund of the OneAnswer - AMP Capital Enhanced Yield Trust. On 25 June 2015 the Scheme fully redeemed from AMP Capital Enhanced Yield Fund.

**16. Events subsequent to reporting date**

The Board approved a resolution on 28 May 2015 to terminate OneAnswer - AMP Capital Enhanced Yield Trust. On 21 August 2015 the final unit price was calculated in order for unitholders to fully redeem from the Scheme. The termination process is expected to finalise by 30 September 2015.

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## Directors' Declaration

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

OneAnswer - AMP Capital Enhanced Yield Trust

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

In the opinion of the Directors:

1. The financial statements and notes to the financial statements of the Scheme, set out on pages 5 to 25 are in accordance with the *Corporations Act 2001*, including:
  - 1.1 giving a true and fair view of the Scheme's financial position as at 30 June 2015 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 Standards (including the Australian Accounting Interpretations) and the *Corporations Regulation 2001*.
  - 1.3 complying with International Financial Reporting Standards as indicated in Note 2.1.
2. There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
3. The financial statements and notes to the financial statements of the Scheme, set out on pages 5 to 25 are prepared in accordance with the provisions of the Scheme's Constitution.

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



**Director**

Sydney

3 September 2015



## Independent Auditor's Report

To the unitholders of the following Scheme ('the Scheme'):

OneAnswer - AMP Capital Enhanced Yield Trust

### Report on the financial report

We have audited the accompanying financial report of the Scheme, which comprises of the Statement of Financial Position as at 30 June 2015, and 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 16 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 control 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 2, the Directors 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. These Auditing 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 control relevant to the Scheme's preparation of the 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 control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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 audit, 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 position as at 30 June 2015 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 2.

### Basis of Preparation

Without modifying our opinions we draw attention to Note 2.2 of the financial report which describes the basis of preparation. The financial report has been prepared on a non-going concern basis as on 28 May 2015 the Responsible Entity of the OneAnswer - AMP Capital Enhanced Yield Trust resolved to terminate the Scheme on a date subsequent to year end.

KPMG

Michael O Connell

*Partner*

Sydney  
3 September 2015



## 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 2015 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

Michael O Connell

*Partner*

Sydney  
3 September 2015

## Contact details for the Scheme

### Customer Services



13 38 63 weekdays between 8.30am and 6.30pm (AEST)



[customer@onepath.com.au](mailto:customer@onepath.com.au)

### Adviser Services



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### Website



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### Responsible Entity

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ABN 21 003 002 800  
AFSL 238342

### Custodian

OnePath Funds Management Limited  
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Sydney NSW 2000

### Auditor

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