



INVESTOR NEWS

September 2009

EARN 8.5% INTEREST FIXED FOR THREE YEARS

Given the sustained demand for commercial property finance within its lending parameters, Angas Securities has lifted its investment rate for 3 year debentures. Angas Securities will now pay 8.5% per annum on debentures fixed for three years. Angas Securities is delighted to be able to reward investors with these returns on its listed debentures. Angas Securities is rated B+/Stable Outlook by Standard & Poor's. The popularity of these fixed interest debentures has seen Angas Securities increase its lending capacity which should deliver enhanced competitiveness and profitability. Total funds invested in Angas Securities' debentures reached an all time high this month which is hardly surprising given that the three record months for new investments were all within the previous nine month period.

Angas Securities has been a clear beneficiary of the dynamics of the credit markets and the property sector over the last two years. The attitude adopted by banks to their customers has worked to the advantage of Angas Securities as well. Each of these factors can be considered individually. The first is the well known liquidity freeze in the credit markets. There is little point in going over what caused the credit markets to freeze. It commenced well ahead of the broader downturn which led to Government stimulus and other economic intervention. The point for these purposes is the effect of the credit squeeze. It meant that lenders which sourced funds from the credit markets had their cash supply restricted or terminated. This removed a whole pillar of competition from the lending space in which Angas Securities operated. Prior to the credit squeeze, borrowers could approach banks, lenders with retail funds (such as Angas Securities) or lenders with wholesale funds from the credit markets. The last category has not been a significant market participant for some time now.

The second factor has been dynamics in the commercial property sector. The economic downturn has taken the pressure out of any price bubble that may previously have existed. Valuations and prices for commercial property have come back to realistic levels which are generally in line with long term historical pricing and yields. This has made property attractive as an investment once again. There is demand for sensibly priced real property amongst investors.

This leads into consideration of the third issue which is the attitude of the banks. There has been less funding made available to property investors by banks who seem to be more willing to fund home loans and high interest credit cards. Purchasers of commercial property have found bank lending to be quite tight causing them to look elsewhere for funding.

The combined impact of these factors has led to sustained demand for commercial property lending from Angas Securities. Commercial property has become priced more competitively. Demand for finance has been met with a contraction in supply. Lenders reliant on wholesale sources have been starved of funding due to the credit squeeze. Banks have not stepped in to fill this gap (remembering that much of their funding too has been restricted by the squeeze in credit markets). Angas Securities is seeing more and more loan requests for good quality loans. What is more, the diminution in competition has meant that lending rates and margins have been maintained. The demand for retail funding means that Angas Securities can increase its fixed interest rates to 8.5% per annum fixed for three year terms.



Matthew Hower - Managing Director, Andrew Luckhurst-Smith - Executive Chairman,
Paul McCarthy - Director, and Kimley Lyons - Director.



THE FIXED INTEREST SPECIALIST

Angas Securities Limited
Australian Financial Services Licence No. 232479
Australian Company Number. 091 942 728

FIXED INTEREST PAID MONTHLY

1 year term	7.50% p.a.
3 year term	8.50% p.a.

Published rates may vary during term of Prospectus but interest rate applicable to individual investments are fixed when investment is made.

CONTACT US FOR DETAILS OF OUR INTEREST RE-INVESTMENT PRODUCT

PERTH

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Adelaide SA 5000
Ph [61 8] 8410 4343

MELBOURNE

Level 7, 1 Queens Road
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Ph [61 3] 9863 8460

BRISBANE

Level 2, 50 Marine Parade
Southport QLD 4125
Ph [61 7] 5539 7813

Earn **8.5%** p.a. fixed for 3 years.

FREQUENTLY ASKED QUESTIONS

How secure is my investment?

In answering this question it is important that investors understand what happens to their funds when investing with Angas Securities. The current prospectus provides greater detail and should be viewed prior to investing; however a summary of how Angas Securities invests the proceeds of the debenture fund follows.

At Angas all our investor funds are 'pooled' together. Debenture funds in this 'pool' currently approximate \$135 million. Angas carries on business principally as a first mortgage lender. We are approached by a variety of borrowers who request monies be advanced to them from the debenture fund for business or commercial purposes, not for personal lending. In all instances when we lend funds Angas insists on taking a first mortgage over the borrower's property to secure the loan.

The security property is independently valued by a licensed valuer. Angas will never advance more than 70% of the property value and in many cases lends substantially less than this whilst also taking collateral security in the form mortgages over other properties owned by the borrower.

In addition to first mortgage loans Angas Securities is permitted to use up to 10% of the debenture funds for investments in real property. These are commercial properties that Angas acquires directly or via unit investment which are in turn leased to provide an alternative income stream. Before any funds can be lent or invested in property Angas Securities must hold a minimum of 5% of debenture funds in cash, known as the Liquidity Reserve. Angas typically holds more than 10% of cash with an Australian bank.

The mortgages held over borrower's properties, the real property in which Angas has invested and the funds that make up the liquidity reserve form part of the assets of Angas Securities. The trustee, Permanent Nominees (Aust.) Limited have taken a floating 1st ranking charge over the assets of Angas Securities on behalf of investors. This charge empowers the Trustee, in the event that Angas breaches aspects of its trust deed, to liquidate these assets and utilise the proceeds to pay investors in preference to shareholders or unsecured creditors.



Some directors and consultants enjoy a break during a board briefing session.

VISIT ANGAS SECURITIES ON THE WEB

Visit our website today. Financial Statements for Full Year FY09 are posted at www.angassecurities.com



IMPORTANT NOTICE

This newsletter does not contain investment advice. You should carefully consider the content of our Prospectus and seek advice from your own qualified financial adviser. This newsletter contains general information only and does not take into account your individual objectives, financial situation or needs. Debentures are not bank deposits. An independent assessment of the risk of loss has been made by Standard and Poor's.

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