



INVESTOR NEWS

NOVEMBER 2012

INVESTOR CONFIDENCE REWARDED BY ANGAS SECURITIES

Investors in more than five thousand debenture securities listed on the National Stock Exchange benefit from reliable fixed interest returns paid by Angas Securities. There are several ways in which the Angas Securities structure stands apart in the fixed interest market place. The legal structure is based on the Trust Deed for First Ranking Debenture Stock to which further reference is made below. The Trust Deed regulates the roles and responsibilities of the six stakeholders who have a part to play in respect of every dollar invested in Angas Securities debenture stock. How this legal structure benefits investors is driven by the operational capacity of Angas Securities and the relationship with investors. Operational capacity includes directors, management and staff with appropriate qualifications and experience, a strong balance sheet, sound investment policies, adequate technology and a spread of offices coast to coast. Investor relations includes accessibility to staff, internal debenture registry, prompt dispatch of investor statements and minimising the use of intermediaries or out-sourcing.

Turning to the legal structure, the Trust Deed identifies six stakeholders. They are the investors in debentures, the trustee for the debenture investors, the issuer of the debentures, the auditor of the issuer, the regulator and the stock exchange. Angas Securities is obliged to provide the trustee with all information reasonably required concerning its business, property, affairs and records. This enables the trustee to

discharge its duty to exercise reasonable diligence to determine whether the property of Angas Securities (secured to the trustee for the benefit of debenture investors) will be sufficient to repay the debentures as well as to determine whether Angas Securities is complying with its obligations under the Trust Deed. Angas Securities is required to provide the trustee with financial statements that have been the subject of an annual audit and half year review. An important consequence of Angas Securities listing its debentures on the stock exchange is that the audit and half year review must comply with Australian Accounting Standards for a disclosing and listed entity. This is a higher standard audit. Deloitte Touche Tohmatsu, a first tier global advisory firm, has been auditor of Angas Securities since the Trust Deed was created. ASIC is the regulator pursuant to the Trust Deed and the Corporations Act. Its role includes public registry for periodic material filed with the trustee, licensing and the prospectus. An important licensing requirement is for Angas Securities to prepare regular liquidity projections.



Anthony Apostolakis
Commercial Lending Manager

INTEREST RATES
TO REMAIN
UNCHANGED
UNTIL 31st
JANUARY 2013

More details in December
Investor News

EARN

8.0%

DEBENTURE RATE
P.A. FIXED FOR 3 YEARS

ANGAS SECURITIES LIMITED
ACN 091 942 728
AFS LIC NO 232 479



THIS PROJECT WOULD
NOT HAVE HAPPENED
WITHOUT ANGAS
SECURITIES



MANNUM GREEN SHOPPING CENTRE

The last edition of Investor News addressed important issues surrounding how Angas Securities invests the debenture funds. The description was necessarily general rather than concentrating on specific investments. Customer confidentiality is the reason for providing general information. Angas Securities is not permitted to discuss customer affairs without permission. Investors are not identified nor are the size of their debenture investments. Likewise, borrowers are not identified nor are the size of their loans. Sometimes, details of loans can be disclosed under suitable circumstances. Future issues of Investor News will endeavour to provide profiles of some of the particular loans in the portfolio. At a time when funding is hard to source, Angas Securities can judiciously select the deals which are to be funded. Without the contribution of companies like Angas Securities in a competitive market, a number of worthwhile projects would not proceed.

Mannum Green Shopping Centre is an excellent example. This project was profiled in the July edition of Investor News. Angas Securities has invested \$2.5million in the joint venture

which acquired the land and is developing the new shopping centre. The project had been approved for some time but needed a financial injection to become reality. Construction was completed to a high standard and ahead of schedule. The supermarket is now ready for handover to IGA. The internal fit-out is nearly complete. Stock is being delivered ready for the opening this month. Speciality shop fit-outs are nearly complete for the pharmacist, take away food and hairdresser. Car park kerbing and bitumen is complete and all markings have been done. An ATM is being installed and negotiations are proceeding with other tenants. Angas Securities invested in the Mannum Green joint venture on a structured finance basis whereby interest is being received on the investment and Angas Securities will finish the project with the majority equity holding (over 50%). As these arrangements do not conform to debenture guidelines, the \$2.5million was funded from the Angas Securities Balance Sheet utilising preference share capital. No debenture funds are invested but the first ranking charge in favour of debenture holders will attach to the investment.



DEBENTURE RATE
P.A. FIXED FOR 1 YEAR

7.5%

DELOITTE TOUCHE TOHMATSU

AUSTRALIA'S ACCOUNTING FIRM OF THE YEAR

Angas Securities congratulates Deloitte on once again being recognised as Australia's Accounting Firm of the Year in the Financial Review Capital CFO Awards 2012.

The judges cited Deloitte's "innovative approach to solving client problems, including those in the areas of technological change, finance transformation and tackling the impact of business culture on risk management". Angas Securities values the professional relationship with Deloitte as auditor.

Deloitte engages with Angas to identify projected changes to Australian Accounting Standards and how they will impact on the business operations. Board Effectiveness seminars are conducted by Deloitte which Angas Securities directors regularly attend. There is free and open dialogue between Angas Securities and Deloitte during the period between the intense Half & Full Year periods. Well done to Deloitte on this latest recognition of its culture, capabilities and the value which it delivers to its clients.

Deloitte's audit delivery systems are designed to ensure high quality outcomes for all stakeholders including investors. Engagement, understanding, team selection, audit process and methodology, supervision, review and consultation all play a role.



Beata Mitkas
Finance Manager

REGULATORY REFORM UNDER CONSIDERATION

Readers may have seen discussion in the press about regulatory changes mooted for the non-bank sector including references to reforms carried out in New Zealand in the aftermath of the GFC.

A review conducted by the NZ Trustee Companies Association in 2009 identified a range of weaknesses applicable to the non-bank sector. The main concerns were poor quality directors, financial planners directing investors to products which paid high referral commissions, excessive related party transactions, disconnect between the trustee's role and what investors expected, reactive regulatory regime and most auditors being from lesser tier accounting firms. Of failed companies identified in the review, less than twenty percent had a top tier firm as auditor and no failed company was audited by Deloitte.

Angas Securities can do nothing to prevent reactive regulatory responses. Otherwise, the Angas Securities business model stands well apart from these identified shortcomings. Likewise, Angas Securities operates in general conformity with the measures that have since been taken in New Zealand such as mandatory requirements for a risk management plan, credit rating, appropriate corporate governance arrangements, restrictions on related party transactions, capital requirements and liquidity controls. There is reform coming in the non bank sector. Angas Securities embraces any regulatory reform that promotes investor protection and enhances prosperity in the community.



Kimley Lyons
Head of Compliance



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FIXED INTEREST DEBENTURE STOCK

YOU COULD BE EARNING

8.0%

P.A. FIXED FOR 3 YEARS

INVESTOR SERVICE LINE 1800 010 800

Interest paid Monthly or Reinvested

Listed on the National Stock Exchange of Australia

Investments only by the application form contained in our Prospectus.

This is not a bank deposit.

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.



VISIT ANGAS SECURITIES ON THE WEB

Financial Statements for the Full Year to 30 June 2012 are posted at

www.angassecurities.com