



INVESTOR NEWS

DECEMBER 2012

DEBENTURE INVESTMENTS INCREASE SHAREHOLDER CAPITAL INCREASE

Debenture investors continue to enjoy regular returns from Angas Securities.

Debenture investments mature every month. Investors can either roll-over their funds, top them up with new money or redeem them. Meanwhile, new funds are invested. The debenture fund grows if roll-overs and investments exceed investors redeeming their funds. Conversely, the fund would fall if investors withdrew more in a month than was rolled over and invested. November was a positive month of growth for the investment fund. Every month this year has been a positive month. Angas Securities always redeems funds when due wherever requested. The debenture funds are invested for a fixed term which enables Angas Securities to lend the funds for a fixed term. That is why Angas Securities can pay interest at the rates enjoyed by investors. It is not possible for Angas Securities to break investments before expiry other than in the most exceptional circumstances. This is made clear in the prospectus.

As a consequence of continual growth of the debenture fund due to investor confidence in Angas Securities, the investment book of loans and properties has continued to grow. Financial strength permits Angas Securities to write business on rewarding terms. Another investment is highlighted on pages 2 & 3 of Investor News being the development of the iconic Fernhill property in NSW. This is the largest single transaction in the Angas Securities mortgage portfolio. Angas Securities was able to acquire the first mortgage over Fernhill at a significant reduction to its face value whereby the funds are outlaid at a very modest loan to valuation ratio. Transactions like Fernhill generate good returns for Angas Securities and its debenture investors but these projects would not happen without financiers with the acumen & capacity of Angas Securities. The owners of Angas Securities recognise that shareholder funds must keep pace

with growth in the debenture book so an additional \$3.0 million of equity was subscribed last month. Shareholder equity ranks behind debentures so this additional equity provides additional support for debenture investments.

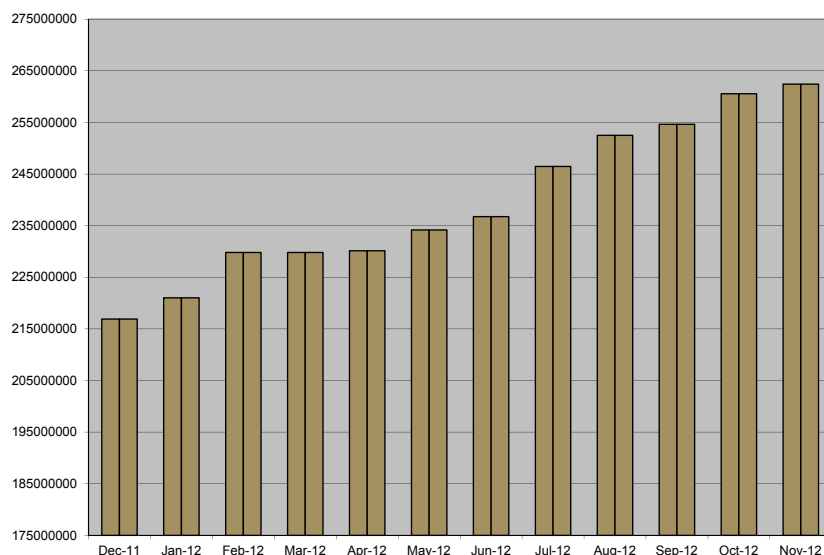
The Reserve Bank reduced its Official Rates again on 4th December, 2012. Angas Securities has only varied rates down once in three years. An investment rate reduction scheduled to take place on 1st January 2013 has been put back one month to 1st February, 2013. This deferment is due to the awkward administrative consequences of implementing a change during the New Year holiday period when many investors will be on holiday as will many staff.

Angas Securities wishes all readers of Investment News a very Merry Christmas and a safe and prosperous 2013.



Simon Dobie, Kate Dermody, Jeffrey Hill & Laura Caine

FIXED INTEREST INVESTMENTS TOTAL



a perspective from 1842...



"A handsome stone house overlooks by far the most lovely and extensive landscape – as a home view – I have ever met within Australia; and its beauty is much enhanced by the taste and success of the proprietor in weeding out the thinly leafed and unsightly kinds of the gum and preserving only that species of the eucalyptus called the Apple Tree, which, with its stout gnarled branches and crisp tufted foliage, is, when standing alone or in clumps on parkish looking ground, by no means a bad representative of the English Oak... a stranger might imagine himself at the country house of some English squire...there is a unity of homelike landscape unlike anything else of the kind I have met with, out of England", so wrote Colonel Godfrey Mundy in 1852 of 'Fernhill'.



ABOUT THE TRIPP FAMILY WHO WILL DEVELOP FERNHILL FOR THE TWENTY FIRST CENTURY

A commitment of \$55M by Simon Tripp and his family will see this historic 654 hectare homestead come to life as an equestrian showpiece with up to 200 residential allotments being created on its perimeter. Approximately half of these will be rural residential and will enable purchasers to stable horses on these new allotments to take advantage of horse trails in the adjoining national park or to be ridden at Fernhill. Mr Tripp intends to revive a disused racecourse with extensive yards and stabling on the estate (to be used for training of thorough bred horses by a resident trainer) as well as constructing a showjumping school to be run by his daughter who is a leading international equestrian competitor. This will be a wonderful renaissance for the property with its heritage of producing Sydney Cup & Melbourne Cup winners in the Nineteenth Century. The Fernhill mansion will be restored by Mr Tripp for use as an events venue for weddings, product launches and media hosting.

Simon Tripp worked with OrdMinnett (now JP Morgan) for many years as head of Real Estate acting for major listed property companies such as Lend Lease, Mirvac, Macquarie and others. Simon moved on to establish MTM Funds Management in partnership with Multiplex. MTM developed a portfolio of office and retail properties including the roll-out of IMAX Cinemas nationally which MTM built and sold.

Simon Tripp and his wife Brenda, have extensive experience developing and renovating grand historic homes. Chilton Parade, Warrawee NSW was an incomplete 350,000 sq ft mansion which was placed in receivership. The house remained unoccupied and fell into a state of complete disrepair while several unsuccessful attempts were made by various developers to complete the project. The Tripp family acquired the property in 1999 and completed it to truly be one of Sydney's grand homes, which was sold in 2005 for a record price which has not yet been beaten on the Upper North Shore. The Tripp family's capacity to successfully undertake a property revitalisation like Fernhill can be seen in the many parallels between the Fernhill Homestead and Chilton Parade.

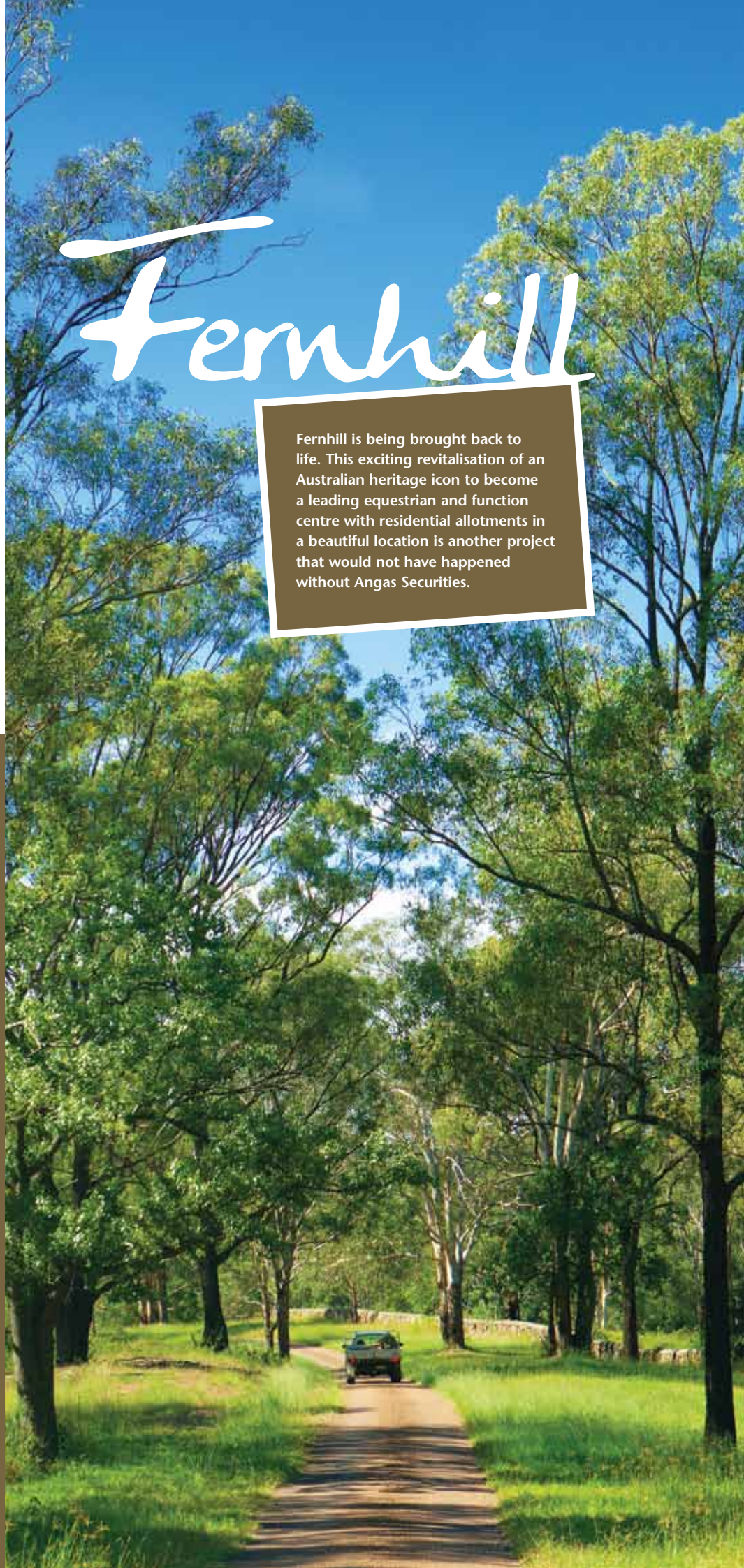


Fernhill

Fernhill is being brought back to life. This exciting revitalisation of an Australian heritage icon to become a leading equestrian and function centre with residential allotments in a beautiful location is another project that would not have happened without Angas Securities.

ABOUT THE COX FAMILY WHO BUILT FERNHILL

Captain William Cox was a significant pioneer of New South Wales. He was commissioned by Governor Lachlan Macquarie to build a road through the "seemingly impenetrable" Blue Mountains to open up the rich Bathurst plains for grazing and agricultural settlement. The road, built by convict labour in six months, was opened on 21st January, 1815. The Cox family became established graziers utilising their holdings at Mulgoa near Sydney for breeding purposes and running flocks of sheep and herds of cattle on the western plains. In 1842, William's son Edward Cox commenced the construction of 'Fernhill' at Mulgoa. Twenty stonemasons were brought out from Ireland under the bounty system of immigration with this specific purpose in mind. 'Fernhill' was constructed with a beautifully appointed cellar which matches the footprint of the main house. The residence was designed with a second storey which was never completed. Over the years, the 'Fernhill' estate was developed with fruit growing, vineyards and the breeding of thoroughbred racehorses. Edward Cox's son bred Sydney Cup winners Yattendon & Darebin and Melbourne Cup winners Chester and Grand Flaneur during the 1870s.



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

www.angassecurities.com

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