



INVESTOR NEWS

COMPLIANCE MATTERS

This month, Investor News provides a general overview of some important compliance & capacity matters.

The listed securities issued by Angas are not bank deposits. Stock exchange listing requirements impose continuous disclosure obligations on Angas. These obligations require Angas to notify the NSXA of any information of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of the listed securities. Investors can access all Angas announcements online by visiting the NSXA website. There is a link provided from the Angas Website. It is a requirement of the NSXA that a Nominated Advisor is appointed to assist Angas with its ongoing compliance obligations under the Listing Rules. Only eligible firms of stockbrokers, lawyers and accountants approved by the NSXA may be appointed. Its role is to help the Board of Angas by advising and guiding the Angas Directors on their responsibilities and obligations to ensure ongoing compliance with the NSXA Rules. The principles used by the NSXA to establish the eligibility criteria for Nominated Advisers are designed to preserve the reputation and integrity of the market, promote high professional standards, build a framework around established and reputable organisations and seek a balance between formal qualifications and experience.

A further consequence of being an issuer of listed securities is that the annual audit of Angas is subject to a higher level of internal review. The accounting standard applicable to the issuers of listed securities imposes a process of engagement quality control. This is designed to provide an objective evaluation of the significant judgments of the audit team made and the conclusions reached. The audit firm must appoint an engagement quality control reviewer who has sufficient and appropriate experience and judgment and authority to make the objective evaluation. The audit cannot be finalised until there has been a discussion of significant matters arising during the audit engagement between the audit partner and the engagement quality control reviewer. The Financial Report is lodged at ASIC. It includes an Independent Audit Report. The audit of the Financial Report is performed to enable the auditor to form an opinion whether, in all material respects, the Financial Report is in accordance with the Corporations Act including giving a true and fair view of the financial position of Angas and complies with Australian Accounting Standards.

Angas works hard to ensure that the Trustee is fully informed about its affairs and that the interests of investors are protected. To this end, Angas makes all of its financial and other records available for inspection by the Trustee and provides any information, explanations or other assistance that may be required about matters relating to those records. In addition, Angas provides the Trustee with the following:

- Weekly liquidity report
- Monthly report with details of first ranking funds raised and loan defaults
- Monthly issuer report
- Quarterly report certified by two directors concerning the affairs and assets of Angas
- Annual and half yearly financial statements
- Annual certificate from the Auditor regarding compliance by Angas with certain specified terms of the Trust Deed.



Pictured: Craig Williams, Chris Venus, Matthew Hower & Duane Davies.

Angas is rated by Standard & Poor's on a continuous basis. The Standard & Poor's credit rating is an objective, independent opinion of the willingness and capacity of Angas to meet its financial commitments in full and on time. Analytic services and products provided by Standard & Poor's are the result of separate activities designed to preserve the independence and objectivity of each analytic process. Credit ratings issued by Standard and Poor's are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. In Australia, credit ratings are assigned and distributed by Standard & Poor's under the conditions of its Australian Financial Services Licence which authorises distribution only to Wholesale Clients (as defined in section 761G of the Corporations Act).

7.5% INVESTMENT RATE
P.A. FIXED FOR 3 YEARS

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

NEW TWELVE MONTH PROJECTION FOR FINANCIAL RESOURCES

Under its Australian Financial Services Licence, Angas must meet the cash needs requirement by complying with either Option 1 "the reasonable estimate projection plus cash contingency basis" or Option 2 "the contingency based projection basis". ASIC Class Order 11/1140 now imposes new minimum standards for responsible entities to have adequate financial resources available to provide the financial services covered by their Australian Financial Services Licence. To comply, Angas must:-

- (a) Prepare a projection of its cash flow over at least the next 12 months based on its reasonable estimate of what is likely to happen over this period;
- (b) Update the projection of the cash flows when those cash flows cease to cover the next 12 months, there is a material change or Angas has reason to suspect that an updated projection would show that it was not meeting paragraphs (e) or (f) below;
- (c) Document the calculations and assumptions on which the projection is based and describe in writing why the assumptions relied upon are the appropriate assumptions;
- (d) Have the projection of the cash flows approved at least quarterly by the Angas directors;
- (e) Demonstrate that Angas will have access to sufficient financial resources to meet its liabilities that are expected to be payable over the period to which the projection relates, including any additional liabilities that Angas projects will be incurred during that period;
- (f) Demonstrate that Angas will hold at all time during the period to which the projection related in cash or cash equivalents net tangible assets of \$2.5m.

Angas has chosen to adopt Option 1. To be acceptable, the projections should not show a negative cash balance at any time. When determining contingencies, Angas must take into account all those events that are sufficiently likely to occur that a reasonable licensee would plan for. Some of the assumptions that Angas has relied and will continue to rely on are set out for the information of investors.

INTEREST INCOME

There are no symmetries to the inflow of loan interest income for Angas given that loan interest cash receipts are difficult to predict based on historic inflows. Actual loan interest cash flows can be received via unearned income at loan settlement, cash payments on a month by month basis or no cash payment from some borrowers for extended periods until the loan is cleared by realisation of security or repayment.

LENDING INCOME - COMMERCIAL

As with loan interest, lending income is derived via loan settlements for both commercial and retail loans and is reliant on the number of settlements which take place in a particular month and the value of the loan settlement. In addition, there are fees charged on the servicing of loans such as anniversary fees which are within the purview of borrower needs and performance.

LENDING INCOME – RETAIL

Total annual retail income (comprising brokerage revenue) is estimated as a factor of the size of the home loan book. The majority of retail income is generated in upfront commission and then ongoing trail plus a new income source generated by application fees. All inflows in relation to the trail book are cash inflows processed directly to the balance sheet.

INVESTMENT INCOME

Angas currently holds a total of \$8.9 million invested in units in Angas Commercial Property Trust. In relation to four townhouses held in Wahroonga NSW, one townhouse is on the market for sale. Rental income for the three remaining properties has been budgeted in the cashflow projection. No income has been projected for Hindmarsh Precinct since it is still in the development stage. Rental income for Mannum Green is budgeted to be collected as this development is now complete with an IGA supermarket and specialty retail shops paying rent.

BANK INTEREST INCOME

5% of total first ranking investments held must be held at the bank. This is a mandatory requirement of the Trust Deed. This projection includes the bank interest earned on the Liquidity Reserve as well as funds in the Trading Account. For the 2012/13 financial year Angas projects that the average bank interest rate will be 5.50% in the first half of the year and will decrease to 5.00% in the second half of the financial year. It is anticipated that for the 2013/14 financial year the rate will drop to 4.00%.

OTHER INCOME

Service fee/Office rental – Services fees which have been accounted for in the budget.
Early redemption – Early redemption fees are calculated on a rounded average of the extrapolated prior year actuals.

INTEREST PAID

All investor interest is calculated on a daily basis and paid on the last business day of the month. Interest paid per month is also included for Hindmarsh Developments. The RPS Interest is paid on a half yearly basis, with cash transfers budgeted to occur in April and October each year.



INVESTMENT RATE
P.A. FIXED FOR 1 YEAR

7.0%

ESTIMATED ADMINISTRATION EXPENSES

Executive Director's Remuneration, Rent & Occupancy Expenses, Employee Expenses, Administration Fees, Telephone & Communications, Trailing Commission for business introduction, Bank Charges, Stationery, Travel, Accommodation & Entertainment, Advertising, Printing / Reproduction, Postage, Insurance, FBT payable, GST payment, Trustee fees, Legal & Accounting fees, Audit fees, ASIC fees, NSXA Listing fees, Standard & Poor's fees and property inspection fees and disbursements which are paid in the month they are incurred.

NET LOANS TO BORROWERS

Loans to borrowers is assumed to be a fixed percentage of first ranking funds based on historical data.

NET FUNDS RAISED FROM ISSUES/REDEMPTIONS

It is assumed an average of level will be issued for new funds each month with an additional funds in the peak months of October, December and June and that the average redemption rate of maturing funds will be in line with historical performance.

CAPITAL RAISING

No capital raisings are projected.

TRADING CASH USED TO FUND LOANS

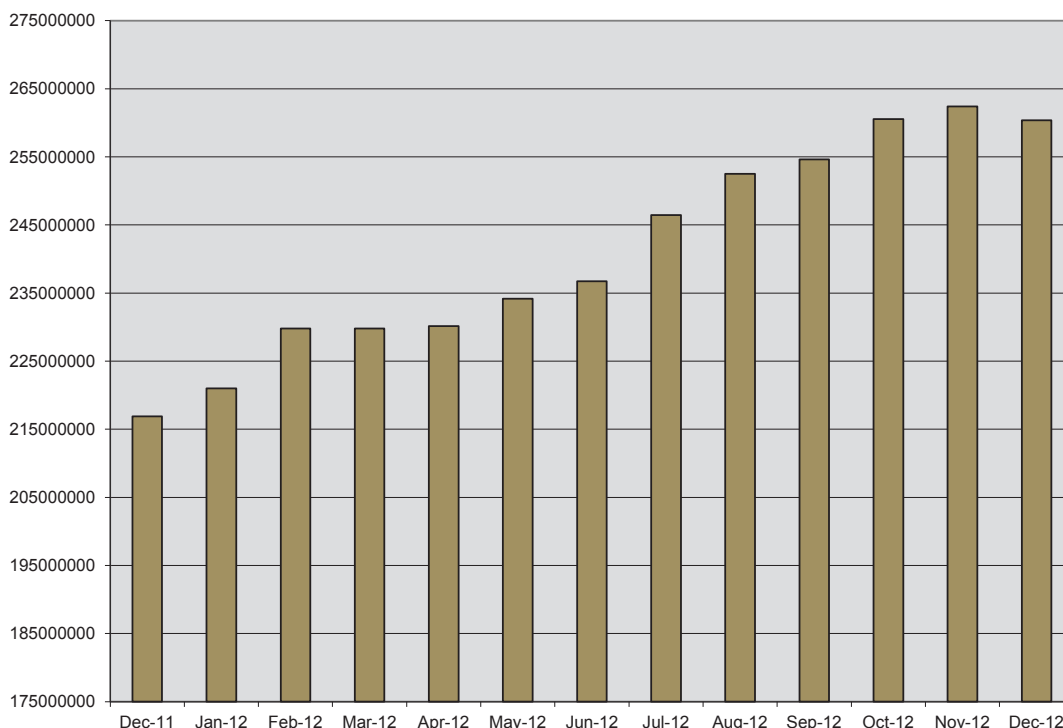
No outflows are planned in the next 12 months.

DIVIDENDS

A Fully Franked Dividend of \$1m is expected to be paid to equity holders in July 2013. The amount is in line with the previous seven years.

ASIC has released a consultation paper on proposed changes to financial requirements that will, if implemented, apply to Angas as the responsible entity of a managed investments scheme. ASIC's proposal is that the minimum net tangible assets be increased from the current figure of \$5 million to the greater of \$10 million or ten per cent of average revenue. In the case of Angas, the applicable figure would become \$10 million. Angas can meet this increased requirement as it has that financial capacity. The changes are proposed but are yet to take effect. The consultation paper forms part of a broader review of financial requirements that ASIC is undertaking for sectors within the financial services industry.

FIXED INTEREST INVESTMENTS FUND TOTAL 2012



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FIXED INTEREST SECURITIES

7.5%

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. Investment in these fixed interest securities carry the risk of losing some or all of your principal.



VISIT ANGAS SECURITIES ON THE WEB

Financial Statements for the Full Year to 30 June 2012 and Half Year to 31 December 2012 are posted at
www.angassecurities.com

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