



ANGAS SECURITIES LIMITED ABN 50 091 942 728
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 232 479

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Analysis scrutinises Angas Securities Debenture Stock

Angas Securities Limited would like to advise that recent research undertaken by Atchison Consultants has “recommended” the company’s debentures to its investor base, citing strong profitability and “sound lending processes and business systems”.

Atchison Consultants’ 21-page analysis of Angas Securities Debenture Stock, for which the Melbourne-based advisory firm has received a fixed fee, incorporates a series of findings that follow an exhaustive review of the company’s operations.

It also follows a period of unprecedented scrutiny of the broader debenture industry and Angas’s statement last week that it would not be seeking new investors for future debenture capital raisings.

The Atchison Consultants research focuses on elements of Angas’s business, including its:

- Business philosophy
- Staff
- Track record
- Interest rate performance
- Investment portfolio and management
- Liquidity reserve and capital
- Debt maturity
- Loan portfolio
- Related party transactions
- Risk Management and compliance
- Industry developments
- Prospective performance

The research firm says that its assessment of Angas’s future performance is based on a number of factors including its “ability to pay interest on its debentures and pay debenture redemptions”.

It also says there are a number of factors investors should use to guide their decisions on continued investment in Angas’s Debenture Stock. These are:

- Angas’s past performance. Angas has to date reliably and fully met its payment obligations to its debenture holders;
- During the Global Financial Crisis, Angas has maintained its track record and has met all payment obligations;
- Angas’s position in a niche market based in South Australia and Western Australia and its emphasis on borrowing long and lending short;
- Angas has continued maintaining its liquidity and meeting its payment obligations despite regulatory hurdles imposed; and
- Angas’s compliance arrangements are sound and in keeping with industry practice.

“Actual liquidity ratio to debenture funds is high in July 2013 at 14.1%. This is materially higher than the liquidity ratio reported at the June 2013 financial year,” the research says.

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“Angas provides a month on month liquidity forecast aimed at managing its cash flow. Forecast for July 2014 is 13.9% and is indicative of Angas’s relatively conservative approach in managing its balance sheet.”

The analysis also says: “Angas also seeks to minimise liquidity pressure by lending to borrowers for shorter terms than it issues debentures. Angas’s debenture reinvestment rate is relatively higher than the market average.”

A handwritten signature in blue ink, appearing to read 'Edwina Starck', with a stylized, flowing script.

EDWINA STARCK
COMPANY SECRETARY