

ANGAS PRIME

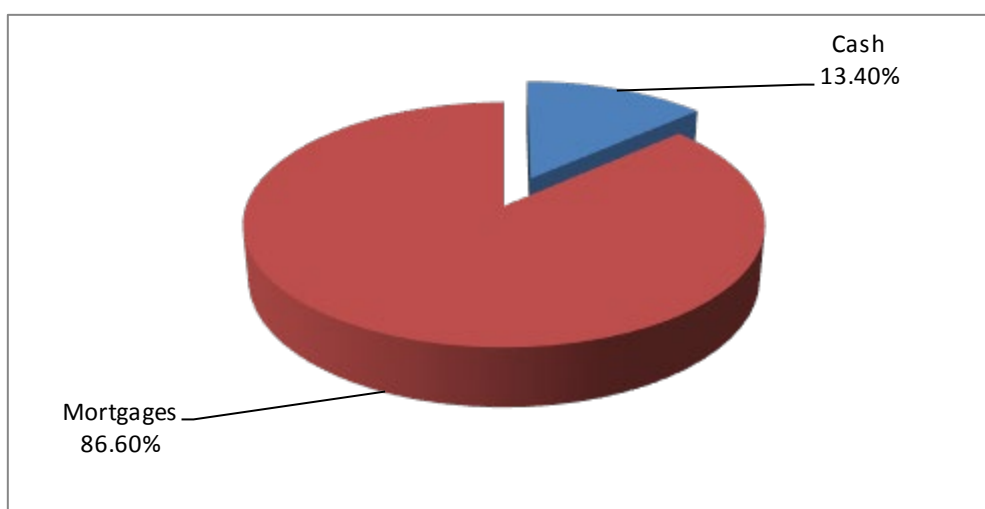
31 March 2019 Quarter - Update to Investors

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|----------------------------|---|
| Fund Name: | Angas Prime |
| Responsible entity: | Angas Securities Limited |
| ARSN: | 091 887 400 |
| PDS Date: | 26 July 2018 |
| Fund Size: | \$22,523,489.00 (31 Dec 2018: \$23,657,000) |
| Entry Price: | \$1.00 (31 Dec 2018: \$1.00) |
| Exit Price: | \$1.00 (31 Dec 2018: \$1.00) |
| Minimum Investment: | \$10,000.00 |
| Distributions: | Monthly |

| | Jan 2019 | Feb 2019 | Mar 2019 |
|--------------------|----------|----------|----------|
| Target Rate | 6.50% | 6.50% | 6.50% |
| Return Paid | 6.50% | 6.50% | 6.50% |

Asset Allocation

| as at | 31 Dec 2018 | 31 Mar 2019 |
|------------------|-------------|-------------|
| Cash | 35.75% | 13.40% |
| Mortgages | 64.25% | 86.60% |



ASIC Benchmarks

ASIC issues Regulatory Guides which are intended to improve disclosure of information to retail investors to better enable them to understand and assess the risk, rewards and suitability of the mortgage investment schemes. Angas adopts these guidelines in PDS for Angas Prime as part of its compliance and disclosure regime for best industry practice. ASIC has set-out eight benchmarks and invites unlisted mortgage scheme issuers to identify whether they satisfy each benchmark, and if not, why not.

In the Angas Prime PDS dated 10 December 2015, Angas addressed those benchmarks. Those benchmarks – and Angas’ disclosure against them – are replicated below. Information concerning the benchmarks has been updated where required. Angas recommends that investors read the following material in conjunction with the current Angas Prime PDS.

| BENCHMARK | STATEMENT |
|--|---|
| <p>BENCHMARK 1: LIQUIDITY The Responsible Entity has the cash flow estimates for the Fund that:</p> <ul style="list-style-type: none"> (a) demonstrate the Fund’s capacity to meet its expenses, liabilities and other cash flow needs for the next 12 months; (b) are updated at least every three months and reflect any material changes; and (c) are approved by the Directors of the Responsible Entity at least every three months. | <p>This benchmark is met. Refer to PDS for further information and page 4 of this document for updated information.</p> |
| <p>BENCHMARK 2: FUND BORROWING The Responsible Entity does not have current borrowings and does not intend to borrow on behalf of the Fund.</p> | <p>This benchmark is met. Refer to PDS for further information.</p> |
| <p>BENCHMARK 3: LOAN PORTFOLIO AND DIVERSIFICATION The features of the loan portfolio are:</p> <ul style="list-style-type: none"> (a) the Fund holds a portfolio of assets diversified by the size, borrower, class of borrower activity and geographic region; (b) the Fund has no single asset in the loan portfolio that exceeds 5% of the total Fund assets; (c) the Fund has no single borrower who exceeds 5% of the Fund assets; and (d) all loans made by the Fund are secured by first mortgages over real property (including registered leasehold title). | <p>This benchmark is not met. Refer to PDS for further information and page 4 of this document for updated information.</p> |
| <p>BENCHMARK 4: RELATED PARTY TRANSACTIONS The Responsible Entity does not lend to related parties of the Responsible Entity or to the Fund’s investment manager.</p> | <p>This benchmark is met. Refer to PDS for further information.</p> |
| <p>BENCHMARK 5: VALUATION POLICY In relation to valuations for the Fund’s mortgage assets and their Security Property, the Board of the Responsible Entity requires:</p> | <p>This benchmark is met. Refer to PDS for further information.</p> |

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| <p>(a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located;</p> <p>(b) a valuer to be independent</p> <p>(c) procedures to be followed for dealing with any conflict of interest;</p> <p>(d) the rotation and diversity of valuers;</p> <p>(e) in relation to Security Property for a loan, an independent valuation to be obtained;</p> <p>(i) before the issue of a loan and on renewal:</p> <p>(ii) within two months after the Directors form a view that there is likelihood that a decrease in the value of Security Property may have caused a material breach of a loan covenant.</p> <p>BENCHMARK 6: LENDING PRINCIPLES - LOAN-TO-VALUATION RATIO If the Fund directly holds mortgage assets:</p> <p>(a) where the loan relates to a property development - funds are provided to the Borrower in stages based on independent evidence of the progress of the development;</p> <p>(b) where the loan relates to property development - the fund does not lend more than 70% on the basis of the latest 'as if complete' valuation of property over which security is provided; and</p> <p>(c) in all other cases - the Fund does not lend more than 80% on the basis of the latest market valuation of property over which security is provided.</p> <p>BENCHMARK 7: DISTRIBUTION PRACTICES The Responsible Entity will not pay current distributions from Fund borrowings.</p> <p>BENCHMARK 8: WITHDRAWAL ARRANGEMENTS For liquid funds</p> <p>(a) the maximum period allowed for in the Constitution for the payment of withdrawal requests is 90 days or less;</p> <p>(b) the Responsible Entity will pay withdrawal requests within the period allowed for in the Constitution, and;</p> <p>(c) the Responsible Entity only permits Investors to withdraw at any time on request if at least 80% (by value) of the Fund property is:</p> <p>(i) money in an account or on deposit with a bank and is available for withdrawal immediately, or otherwise on expiry of a fixed term not exceeding 90 days, during the normal business hours of the bank; or</p> <p>(ii) assets that the Responsible Entity can reasonably expect to realise for market value within 10 Business Days.</p> | <p>This benchmark is met. Refer to PDS for further information.</p> <p>This benchmark is met. Refer to PDS for further information.</p> <p>This benchmark is not met. Refer to PDS for further information.</p> |
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Additional information on ASIC Benchmarks and Disclosure Principles

Benchmark 1 – Liquidity

As at 31 March 2019, Angas Prime had 305 distinct investors and \$22,523,489 of funds under management. The Dedicated Reserve Account had a balance of \$87,977.51.

Benchmark 3– Loan Portfolio & Diversification

| Mortgages by Activity, Value & Location | | | | | |
|---|------------------|---------------|---------------|------------|--------------|
| Activity | No. of Mortgages | Amount (\$) | NSW | SA | WA |
| Commercial | 13 | \$ 17,639,110 | \$ 12,495,308 | \$ 774,600 | \$ 4,369,202 |
| Construction | 1 | \$ 1,866,809 | \$ 1,866,809 | \$ - | \$ - |
| | 14 | \$ 19,505,919 | \$ 14,362,117 | \$ 774,600 | \$ 4,369,202 |

| Portion Lent to Largest Borrower | | | |
|----------------------------------|------------------|---------------|----------------|
| Borrower | No. of Mortgages | Amount (\$) | Percentage (%) |
| Largest Borrower | 4 | \$ 11,195,000 | 57.39% |

| Mortgages in Arrears # | | | |
|------------------------|------------------|-------------|----------------|
| Days in Arrears | No. of Mortgages | Amount (\$) | Percentage (%) |
| 31-60 Days | | | |
| 61-90 Days | | | |
| +90 Days | 1 | \$ 282,000 | 1.45% |

| Loan to Valuation Ratios * | | | |
|----------------------------|------------------|---------------|----------------|
| LVR | No. of Mortgages | Amount (\$) | Percentage (%) |
| 30-40% | 1 | \$ 73,000 | 0.37% |
| 41-50% | 1 | \$ 5,902,000 | 30.26% |
| 51-60% | 1 | \$ 419,600 | 2.15% |
| 61-70% | 11 | \$ 13,111,319 | 67.22% |
| Total | 14 | \$ 19,505,919 | 100.00% |

* The Constitution permits lending to a maximum LVR of 80%, however it is the policy of Angas prime to only lend to a maximum LVR of 70%

| Interest Rates on Mortgages | | | |
|-----------------------------|------------------|---------------|----------------|
| Interest Rate | No. of Mortgages | Amount (\$) | Percentage (%) |
| 9-10% | 3 | \$ 6,394,600 | 32.78% |
| 10-11% | 7 | \$ 9,337,117 | 47.87% |
| 11-12% | 2 | \$ 2,535,000 | 13.00% |
| 12-13% | 1 | \$ 770,000 | 3.95% |
| 13-14% | 1 | \$ 469,202 | 2.41% |
| Total | 14 | \$ 19,505,919 | 100.00% |

| Loans approved, but funds are yet to be advanced | |
|--|-------------|
| No. of Mortgages | Amount (\$) |
| 1 | \$1,440,000 |