



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

DEBENTURE HOLDER RUN-OFF UPDATE – 30 NOVEMBER 2016

Over the last month, as Angas has been continuing with the Run-Off of its debenture business, there have been several transactions which have increased the cash position above the minimum \$5 million buffer. These funds in aggregate have permitted Angas as at 30 November 2016 to increase the redemption instalment paid to debenture investors. There have been two (2) more sale contracts executed during the month of November. These are in addition to two (2) pre-existing contracts. Some of these sales may settle prior to Christmas.

Below is a summary of the transactions concluded during November, and an overview of what is in the pipeline regarding loan recoveries, asset sales and settlements:-

- There were four (4) property settlements, which were broadly in line with the book value Angas had placed on the assets.
- Two (2) loans were partly repaid, with the balance of each loan due to be cleared in late December 2016.
- Sale contracts have now been executed on four (4) properties, with expectations that some of these will settle prior to Christmas.
- There still remains five (5) properties in the loan portfolio which are under offer and they are moving closer to contract.
- One (1) of the Angas Commercial Property Trust investments settled this month; however the bank retained the full proceeds. Another property is expected to settle before Christmas; however most of these funds will primarily be used to repay bank debt. Angas is waiting to hear what amount, if any, will be released by the bank.

Angas will actively continue to realise properties and redeem investor funds as part of the Debenture Fund Run-Off. If settlements occur in December as expected, then another increased redemption will be paid before the end of the year.

Prevailing conditions have been challenging over the last 12 months especially in South Australia and Western Australia. We have all had to endure: a two-month election campaign where major economic decisions abate, industry contraction and subdued economic growth. However, there appears to be light at the end of the tunnel and I am pleased to see this beginning to materialise in the levels of interest and activity in relation to assets sales. Recent sales have been quite small in dollar terms, but the trend is improving.

The path of least resistance would be for Angas to put everything on the market 'as is' and simply sell it. However, to maximise the best outcome for investors some assets require a significant amount of work and planning to get them to market. In some instances Angas is seeking development application approvals and statutory consents to 'add value'. Although the benefits of such actions are not readily apparent today, I believe these efforts will begin to flow through to investors in the coming months.

Yours faithfully
Angas Securities Limited

Andrew Luckhurst-Smith
Executive Chairman

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