



INVESTOR NEWS

DECEMBER 2018

Angas Prime Concentrates on the Fundamentals

Angas Prime actively manages and maintains cash flow forecasts that demonstrate the Fund's ability to meet its ongoing obligations. These forecasts are actively maintained and reported to the Angas Securities Board on a monthly basis. Angas Prime aims to retain appropriate cash in order to meet the needs of reasonably foreseeable withdrawal requests whilst balancing the objective of maximising returns. Maintaining sufficient available cash is subject to short term fluctuations that are an inevitable consequence of the timing of inflows to and outflows from the Fund.

All loan advances will be secured by registered first mortgages over Real Property. Angas Prime does not lend to Angas or its related parties. Similarly, acquisition of interests in the Fund by Angas Securities or its directors, officers and employees must be made on an identical basis to that of all investors regarding consideration, terms and conditions of issuance.

Angas Prime will endeavour to hold a well-balanced portfolio of loans, together with a small amount of cash to meet the anticipated short-term liquidity requirements of the Fund. **In all cases, Angas Prime obtains a registered first mortgage over Real Property in Australia to support every loan that is settled.** Angas Prime may obtain collateral security, in addition to the

primary security, to support a loan. Collateral security includes but is not limited to: a second mortgage over Real Property; a caveat over Real Property; director or third-party guarantees; and general security agreements (company charges). Where required, a current property insurance policy adequately covering any improvements on the security property is provided with Angas Prime noted as an interested party.

As an Australian Financial Services Licence holder, it is a legislative requirement that Angas Securities meet certain reporting and financial requirements. Those requirements include the terms of its Licence and have been revised by ASIC Class Order [CO13/760] which seeks to ensure Angas Securities has adequate financial resources to provide the services covered by its Licence. These and other compliance requirements are reported to the Angas Securities Board monthly and to the independent Angas Prime Compliance Committee quarterly.

It is important for intending investors to understand the investment process that is undertaken in respect of identifying and assessing a loan for Angas Prime. Investors may access material information regarding Angas Prime from the website at www.angasprime.com.au and material information regarding Angas Securities from the website at www.angasscurities.com.au.

Welcome Back Maria!

Longer term investors in Angas Prime will remember Investor Relations Manager Maria Wyllie. Maria began working for Angas Securities' Investor Relations Team in 2010. After a period working interstate, she has now returned to the fold and to her previous role as Investor Relations Manager at the Adelaide office. Together with our Investor Relations Managers in Sydney and Perth, Maria provides the personal, friendly service that Angas has become known for Australia wide.



Maria Wyllie,
Investor Relations Manager

Corporate Governance Policy

Corporate Governance is one of the important ways that protection is provided to investors in Angas Prime.

The Board of Directors is responsible for Angas Securities' overall corporate governance including setting strategic direction of Angas Prime, establishing goals for management and monitoring the achievement of these goals. Management of the business on a day to day basis is delegated by the Board to the Managing Director, who is responsible for managing the operations of Angas Prime within a corporate governance framework established by the Board. An Audit, Risk Management and Compliance Committee has been established with responsibilities including oversight and supervision of compliance and risk management. In addition, Angas Prime has its own Compliance Committee. In conformity with the Corporations Act, a majority of the members are independent of Angas Prime. The Compliance Committee oversees Angas Prime's adherence to the matters set out in its Compliance Plan.

Together, these two committees provide a structured process whereby Angas Prime is able to comply with all its regulatory obligations under the Corporations Act 2001 and other legislation which impacts on the conduct of its investment business. Angas Prime also has an established management framework. This

includes a system of internal control and review; an independent external consultant with authority to review the AML operations of the Company and to recommend change; a dedicated Head of Compliance and Compliance Officer; a business risk management process which is actively implemented; and the establishment of appropriate ethical standards based on the Australian Institute of Company Directors Code of Conduct.

Several members of Angas Prime staff and management have their own investments in the Fund, but neither they, nor their related parties, are entitled to invest on terms which are more generous than those available to other investors or otherwise on terms which are uncommercial or which confer an improper financial advantage. Angas Primes makes continuous disclosure to its investors. Where appropriate, Angas Prime fulfils its continuous disclosure obligations by way of website disclosure. If required, a Supplementary or replacement Product Disclosure Statement will be issued. Angas Prime is committed to a policy of upholding the highest standards of ethical behaviour throughout the organisation. The Board has adopted the Code of Conduct issued by the Australian Institute of Company Directors.

Investments in Angas Prime can be made by cheque, electronic funds transfer (EFT) or BPAY. Please note that Angas Prime does not accept cash. Angas Prime offers investors the convenience of using BPAY to fund additional investments. To make additional deposits using BPAY, simply use your BPAY Reference Number which can be easily located on your Unit Holding Certificate. If you cannot locate your Reference Number, please contact our Investor Relations Team on 1800 010 800.

Australian Financial Services Licence

Angas Securities is licenced by ASIC which administers the Australian Financial Services Law ("AFS Law") pursuant to the Corporations Act. Under this licence, Angas Securities acts as Responsible Entity for Angas Prime. ASIC's licensing assessment has regard to the following factors:

- Regulatory and compliance history;
- Knowledge of AFS law and ongoing education programme;
- Nature of the financial product to be licenced;
- Out-sourcing of any resources intended to be utilised;
- Financial resources;
- Other resources including personnel and technology;
- Product knowledge, industry knowledge and maintaining relevant industry codes and practice;
- Organisational expertise appropriate to deal in the licensed financial product;
- Dispute Resolution processes – internal and external;
- Specified compensation arrangements supported by security bond provided to ASIC; and
- Risk Management arrangements appropriate to the nature, scale and complexity of the business.

FY18 Financial Statements And Compliance Audit

The audited financial statements for Angas Prime were circulated to and considered by the Board of Angas Securities at a meeting held on 26 September 2018.

The accounts had been prepared under the supervision of Simon Thompson, Chief Financial Officer. The Audit, Risk Management and Compliance Committee ("ARMCO") met to consider the financial statements and recommend their adoption. The Board noted that the accounts had been reviewed by auditor Peter Hill of Perks Chartered Accountants and that he had signed the report embodied in the accounts. The Board resolved to adopt the audited financial statements for the financial year ending 30 June 2018 as giving a true and fair view of the position and financial performance of Angas Prime and as having been prepared in accordance with the Corporations Act and all relevant Accounting Standards and Policies. A copy is posted on the Angas Prime website.

The Compliance Audit Report for Angas Prime was considered by the Angas Securities Board at the same meeting. The Compliance Committee had reviewed the report and met the auditor to satisfy itself that the audit had been conducted in accordance with the Corporations Act and all relevant regulations. The Board further noted that ARMCO had considered the report and recommended to the Board the report's adoption. The Board resolved the Compliance Audit Report for the Financial Year Ending 30 June 2018 be adopted as giving a true and fair view of the Responsible Entity's compliance activities and as having been prepared in accordance with the Corporations Act and all relevant regulations. Thorough adherence to all statutory & compliance obligations, Angas Prime provides its investors with confidence and reassurance.



*Clive Guthrie,
Independent Director*

CLIVE GUTHRIE INDEPENDENT DIRECTOR

Clive Guthrie joined the Board of Angas Securities as an independent director on 1 July 2013.

He had worked in corporate trustee roles for almost fifteen years, having joined the Permanent Trustee Company (now Trust Company and owned by Perpetual) in 1993. Clive had exposure to the entire range of collective investment schemes with particular emphasis on property, mortgage and equity trusts.

For about seven years, he was Trust Company's Manager Structured Finance with responsibility for its debenture notes and security trustee portfolio. During that period, Clive was also Manager Structured Finance and Superannuation and headed Trust's superannuation and Responsible Entity services. All of Clive's roles involved the establishment and supervision of trusts and review and settlement of constituent and offer documents as well as termination of mandates in either scheduled or distressed circumstances.

Prior to joining Permanent Trustee, Clive was a career banker of long standing at Westpac Banking Corporation. His career commenced with general banking roles including consumer lending, branch administration and personnel management. His subsequent financial services appointments involved management of a mortgage trust, investment management and custody, supervision of unit trust and superannuation registries, and establishment of a trustee business unit.

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PRIME



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ANGAS PRIME

6.5%

TARGET RATE P.A. | INCOME PAID MONTHLY

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REGULATORY ADVICE

The investment offer is contained in the current Product Disclosure Statement (PDS) which should be read carefully before investing. An investment in Angas Prime is not a bank deposit. There is a risk you could lose some or all of your principal and that you may receive lower than expected returns. There are certain limitations on your ability to withdraw from the Fund and withdrawal requests may take up to 12 months to process.

IMPORTANT NOTICE

This newsletter does not contain investment advice. You should carefully consider the content of our disclosure document 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.

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