



ANGAS
prime

INVESTOR NEWS

DECEMBER 2020

What is new at Angas Prime?

First and foremost, you will have noticed our new look with a sharper and more contemporary brand.

The three gold bars served Angas Securities well for over twenty years but it was time to refresh. You might be interested to know that the blue colour of the traditional logo signifies security and confidence whilst the gold colour is associated with success and high achievement.

Three gold bars have become one which stabilises the base of an abstracted letter A in the new logo. In branding terms, the letter A is depicted in the shape of a triangle which represents balance and wisdom. Some see the imagery of an arrow in the new logo with connotes a sharp and penetrating approach to the management of investor funds.



AngasPrime offers investors the convenience of using BPay to fund make initial or 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.



Executive Chairman welcomes Kellie Stocker to the Board. See Page 2

NEW OFFERING: Angas Premium

All Angas Prime investors are paid the same return every month. Currently the target rate is 5.5% P.A. Since coming under the management of Angas Securities, the target rate has always been met every month. Angas Premium has now been announced.

Using an innovative model of rebating part of the Angas Securities management fee, Angas Premium offers a higher distribution to large investors who make new investments or roll over existing investments of \$500,000 or more. A new investment of \$500,000 will qualify for the Angas Premium target rate of 6.0% P.A. being fifty points or 0.5% above the prevailing target rate. The Angas Premium rate is higher for investments of \$1.0 million or more. Please note that the Angas Premium terms apply to standalone investments. A series of smaller investments cannot be amalgamated to qualify except on maturity and rollover.

This is an exciting new offering by Angas Prime which seeks to reward its loyal investors in a competitive marketplace.

Contact Angas Prime on 1800 010 800 for more details.

Kellie Stocker appointed to Angas Securities Board

Kellie Stocker has joined the company's Board as a non-executive director. Kellie is a highly qualified professional who brings to the Board a diverse economic, legal and business background.

Her breadth of experience includes time working with the Federal Treasury in Canberra as a legal and economic analyst in the Financial Systems Division. In the private sector, Kellie worked as senior economic analyst with the Sustainable Investment Research Institute advising major superannuation and investment firms and with Buchan Consulting Group in Melbourne assisting the Principal Economist on major projects. Kellie's academic background includes Bachelor of Laws, Bachelor of Economics and Master in Property and Construction looking at financing, management and the legislative environment.

In March 2020, she was admitted as a lawyer in the Supreme Court of South Australia having completed a Graduate Diploma in Legal Practice. Kellie has also recently worked as an economics tutor at the University of Adelaide.

Angas Securities Executive Chairman Andrew Luckhurst-Smith said that Ms Stocker will bring unique perspectives to the board as the company seeks continued growth for its retail mortgage trust fund, Angas Prime.

"There are very few people in South Australia who are as well equipped as Kellie to assist Angas Prime in delivering strong and sustainable growth for investors."

Ms Stocker said she is looking forward to the challenge of this Board appointment and believes she can add significant value to the management and direction of Angas Securities.

"My professional and academic career has been quite the journey so far and the opportunity to become a director of Angas Securities represents an exciting next step for me personally," Ms Stocker said. "More importantly, today's business environment demands leadership that is agile and responsive to rapidly changing political, economic and business conditions. Owing to my breadth of experiences, I believe I am ideally suited to provide Angas Securities with modern leadership perspectives that will help ensure the company continues to deliver on its mandate to investors."

Clive Guthrie thanked for his service



Clive Guthrie has advised the Chairman that he will retire from the Angas Securities Board on 31 December 2020. This notification has been received by the Board with regret.

Clive has served on the Board of Angas Securities as a Non-Executive Director since 1 July 2013. His extensive experience in corporate trustee roles, financial services and fund management has been of considerable benefit to Angas Securities investors and stakeholders. Clive was a

senior banker with Westpac Banking Corporation before joining Permanent Trustee. As Chairman of the Angas Securities Due Diligence Committee, Clive has worked closely with senior management and compliance staff to ensure that governance and disclosure documents are subject to thorough review and verification. As an independent director, Clive has always paid particular attention to matters of strategy development and the direction of policy.

The Board has been greatly assisted by Clive's thorough deliberation, calm approach, sound judgment and broad experience. At the Annual General Meeting held on 18 November 2020, the Chairman formally thanked Clive for his significant contribution and service to Angas Securities.

What's happening with Commercial Property Borrowers?

Not so long ago, commercial property borrowers were the target of credit restrictions. The Reserve Bank put the brakes on bank lending in order to dampen an over-heated housing market.

One consequence was to drive quality commercial lending business to the non-bank sector which benefited Angas Prime. Another consequence was felt amongst home buyers who were squeezed for credit and could not access simple housing loans. This was the direct outcome that the Reserve Bank intended to achieve.

To compound credit scarcity for consumers, the banks were being publicly pilloried for some of their lending practices. In response to the disclosures arising from Kenneth Hayne's Royal Commission, the banks took fright and pulled back on lending of their own accord. ASIC's prudent lending criteria for regulated loans was another factor which led to home finance drying up. These factors caused a large drop off in home building. Once derided for their lending practices, the banks are now being urged to lend for housing with government grants for consumers available as an encouragement. This is positive news for Angas Prime whose clients are developing new property projects.

To best exploit these opportunities, Angas Prime takes a measured approach to investing its client's funds.

Banks have a low margin, high turnover business model. They have turned to management techniques like computer modelling and allocated scoring modules in order to determine credit quality. Experienced Angas Prime lending staff approach deals with an open mind and assess each loan application on its merits. Formal accreditation and personal relationships built up over many years mean that referring brokers know what the key Angas Prime criteria are. Brokers will generally put forward only those applications that are likely to meet

these criteria. It is an absolute rule at Angas Prime that no loan offers will be issued unless Angas Prime has capacity to provide the funding.

Whilst the Angas Prime lending rates may be high, brokers know their clients are willing to pay a little more for certainty of funding. Likewise, brokers will be selective about the quality of the proposals submitted to Angas Prime which is known in the industry to be a reliable funder.

Angas Prime does not engage in a race to the bottom. Quality borrowers value reliability over interest rates.

Like you, Angas Prime was confronted by the challenges of coronavirus this year. The banks and many of the larger non-bank lenders have been overwhelmed by the response to COVID-19 have not been coping. Turnaround times for loan applications have blown out. They don't have enough skilled staff to respond to the challenges. This situation is expected to last for the next 12 months or more. Angas Prime is in a much better position to deal with loan application flow in this environment.

The established features of the business will carry Angas Prime through this period, being expertise and experience with the ability to provide bespoke solutions for borrowers. Angas Prime can be nimble. Angas Prime has agility, with the ability to provide a quick turnaround for loans from application to settlement. Reliability with competitive investment returns for investors. And certainty of funding. Angas Prime has made the adjustments necessary to meet the needs of investors to deliver investment performance.

The Angas team is motivated, resilient and has risen to the challenges presented. And Angas Prime now has a new product known as Angas Premium. Using an innovative model of rebating part of the Angas management fee, Angas Premium can offer a higher distribution rate to large investors.



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ANGAS PRIME

5.5% P.A.

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

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