



INVESTOR NEWS

SEPTEMBER 2017

APIF Introduces BPAY®

Angas Prime Income Fund (“APIF”) investors can now enjoy the convenience and security of depositing funds into their APIF account via BPAY®.

All new and existing APIF investors will be allocated a dedicated BPAY® Reference Number. The BPAY® Reference Number is a unique six digit identifier allocated to each APIF account that enables our Accounts Department to immediately identify the depositing party.

The introduction of BPAY® not only significantly increases the security of money transfers, it eliminates the need for existing investors to fill in an ‘additional deposit form’ each time they wish to make a top up contribution to their existing investment. As processing times are reduced your investment can start working sooner.

Standard APIF deposit criteria still apply:-

- ✓ for all new accounts the minimum investment amount is \$10,000 and multiples of \$1,000 thereafter;
- ✓ a minimum additional investment amount of \$1,000 (and in multiples of \$1,000 thereafter) applies; and
- ✓ any additional funds will be added to the existing investment up to (90) days from the maturity date of the initial investment

For full terms and conditions please refer to APIF Product Disclosure Statement (PDS). If you would like to receive a copy of the APIF PDS please call our investor relations team on 1800 010 800 and they will be more than happy to either post out a hard copy or email you a soft copy.

SOMETHING TO CONSIDER

Some people claim that they don’t have to worry about their savings because they don’t “play the market or invest in real estate.” A lot of people mistakenly believe that the return they earn on the money they deposit in their bank savings account is risk-free. This isn’t quite true.

Savings account deposits, like other so-called ‘risk-free’ investments, are subject to something called ‘purchasing power risk.’ This is the risk that the amount that you will have accumulated in your account at the end of a period will not be enough to enable you to buy the same goods and services that you could have purchased with the money you deposited at the beginning of the period. This can occur if the rate of inflation exceeds the rate of return you earn on your savings.

Inflation is defined as a general increase in price levels. A common measure of inflation is represented by the percentage change in the Consumer Price Index (CPI), measured as a change in the index from some base year. CPI is based on the cost of a theoretical market basket of goods and services that is perceived to be indicative of the purchases made by the average Australian consumer. Thus, if the price of the basket of goods was, say, \$100 at the beginning of the year and those same goods and services cost \$105 at the end of the year, the rate of inflation for the year was 5%. When determining changes in purchasing power, consider the following example: assuming the above inflation rate, if you had deposited \$100 in a savings account that paid only 2% interest pa at the beginning of the year, you would only have the equivalent purchasing power of around \$97 in your account at the end of the year—not enough to buy the same goods and services that you could have purchased with your \$100 at the beginning of the year had you not deposited the money in a savings account.

This is actually a situation that some people may currently be facing. The rate of inflation in 2016 was reported to be 1.3%, while the annualized interest rate paid on bank online savings accounts averaged 1.25% in December.¹ Assume that the 1.3% annual rate of inflation continues in 2017, and you deposited \$10,000 in a bank account that pays 1.25% on January 1, 2017. At the end of 2017, you will have \$10,125 in your bank account, but you will need \$10,130 to buy the same goods and services you could have purchased on January 1st. If the rate of inflation during 2017 is higher than 1.3%, you could be even worse off. The average annual rate of inflation over the 20-year period from 1997 through 2016 was 2.5%, and it was 3.2% for the 30-year period from 1987 through 2016.²

This is not to say that you should be investing all your savings in the market, or fixed interest. There is increased risk associated with stock and mortgage investments. Seek the advice of a trusted financial advisor to determine the financial strategy that is best for you.

¹ <http://www.news.com.au/finance/business/banking/savings-rates-fall-below-inflation/news-story/034abb184ef62144bc23d9900764752c>

² <http://www.rateinflation.com/inflation-rate/australia-historical-inflation-rate?start-year=1987&end-year=2017>

Meet some of the APIF personnel



Brian Doherty

Since joining Angas, Brian Doherty has developed strong relationships with many investors. As Head of Funds Management Brian is continually making himself available to investors to answer enquiries, or just have a chat. "I'm a big believer in personalised service. All too often many of us feel like just another number these days. Businesses are built on relationships". When Brian is not liaising with investors he is dedicating his time to the ongoing management and performance of the Angas Prime Income Fund ("APIF").

As Head of Funds Management, Brian coordinates the breadth of administrative functions for APIF including lending operations, information technology, compliance and liquidity monitoring. Brian oversees the entire lending process, loan settlements, loan collections and all other general management functions as required by the fund. "My background in accounting is certainly being put to good use".

Brian also has experience in stockbroking including derivatives trading. "Although day-to-day stockbroking is quite different to Funds Management, the core principles of investing and managing people's money are inherently the same. However, I must admit that I do not miss the volatility of the market one little bit". One area where stockbroking and Mortgage Funds Management are very similar is in the ever increasing compliance requirements. "The risks associated with investing can never be totally eliminated, however I am pleased to see more stringent controls around the administrative aspects within the industry".



Linley Vogel

Linley Vogel is one of Angas' longest serving staff members, commencing in September 2004. Linley has seen a lot of changes in the company during that time, particularly as it transitioned from a debenture issuer to a Mortgage Fund Manager. However, the core business of Angas, that of a niche short-term lender to commercial borrowers based on first-mortgage security with a conservative LVR, has remained unchanged. Linley's experience before coming to Angas was as a legal secretary.

Former Angas Director Kim Lyons, who was a partner at Perth law firm Jackson McDonald, employed her as his secretary in 1985 and Linley subsequently worked at Jackson McDonald, on and off, for the next 20 years. When Angas was looking to establish a Perth office, Kim again employed Linley, but this time as Angas' Administration and Investor Relations Officer (WA).

Investors and prospective investors living anywhere in Western Australia can contact Linley on 1800 010 800 for the cost of a local call and receive the personal and friendly service that has become a hallmark of APIF Australia-wide.



Peta Beaton

Peta Beaton joined Angas Securities at the beginning of the year. Peta brings with her a welcoming personality and strong work ethic to the front office administration position. Peta has over 10 years experience in customer service and reception roles at several different organisations throughout SA and Victoria.

Peta enjoys providing excellent customer service making sure all clients feel welcomed and have a positive and happy experience when calling or visiting APIF.



Bill Higgins

Bill Higgins joined Angas as Investor Relations Manager just over 12 months ago. He has over 15 years of experience in finance including Westpac, BankSA and Australian Unity. He worked as a personal banker at Bank SA for 5 years which enables him to bring a high level of customer service and knowledge of financial services. Following that he moved to Australian Unity Funds Management where, for the last 4 years, he has worked in the Financial Planning Services area dealing with their Managed Funds. Utilising his qualifications and his knowledge of the product range he has helped Financial Planners and clients on technical and strategic issues throughout the years.

Bill enjoys working with customers; problem solving, collating customer feedback and improving methods and implementing customer service actions. Bringing innovative ideas he will continue to build APIF customers experience. Bill will be available to speak to investors and prospective investors about the benefits and characteristics of investments in APIF.



Jeff Hill

Jeff Hill recently joined the ranks of Angas Securities staff who have served the company for 10 years. After a long finance career commencing with the old Bank of Adelaide which was later taken over by ANZ Banking Group Ltd, and progressing to other financial positions, Jeff commenced with Angas Securities in June, 2007.

Jeff has gained significant experience over the years with Angas, ranging in various roles from responsibility for portfolio of investments, to accounts payable. He has a strong background in banking, cash handling, customer interaction and staff management. Jeff is a Justice of the Peace for South Australia and qualified as a member of the Australian Cinema Pioneers Society.



Peter Latzel

Peter Latzel is one of the new faces to APIF. He brings over 20 years of experience within the Finance and Accounting industries. He joined APIF from Bedford Industries where he was a Management Accountant. Having worked for Bedford Industries, a not-for-profit, Peter has developed towards a customer focus style which provides APIF with a trusted accountant to oversee the APIF financials. Peter graduated from the University of New England with a Master of Commerce in Professional Accounting.

Peter's role with APIF is to provide a high level of accounting expertise and help with the day to day running of the business. He is a dedicated and hardworking professional who always looks for better ways to achieve outcomes. Peter is delighted to be part of a great team at APIF and really enjoys the friendly environment in which he works.

ANGAS
SECURITIES



ADELAIDE

Level 14, 26 Flinders Street,
Adelaide SA 5000

GPO Box 2948,
Adelaide SA 5001

Phone 08 8410 4343

Fax 08 8410 4355

SYDNEY

3 Spring Street,
Sydney NSW 2000

PO Box R1835,
Royal Exchange NSW 2000

Phone 02 9259 0777

Fax 02 9259 0788

PERTH

Suite 12, 448 Roberts Road,
Subiaco WA 6008

PO Box 1602,
Subiaco WA 6904

Phone 08 9380 4983

Fax 08 9380 4480

ANGAS PRIME INCOME FUND

6.75%

TARGET RATE P.A.

INCOME PAID MONTHLY | VISIT WWW.APIF.COM.AU

REGULATORY ADVICE

Investment offer contained in the PDS, which you should consider before deciding whether to invest. Applications made only by the application form contained in the PDS. Your investment is not a bank deposit. There is a risk that you could lose some or all of your money and that you could receive lower than expected returns.

IMPORTANT NOTICE

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INVESTOR SERVICE LINE
1800 010 800