

ANGAS PRIME

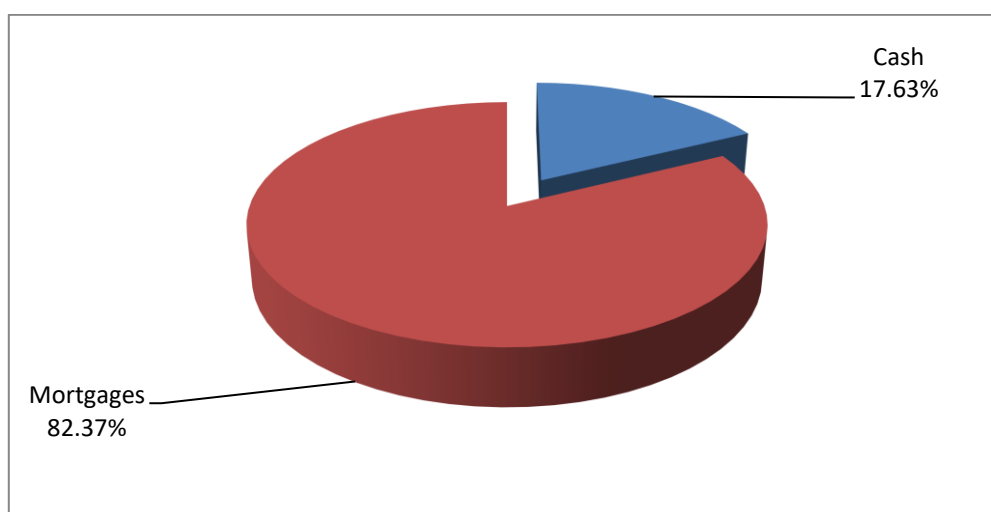
30 June 2020 - Quarterly Update

Fund Name:	Angas Prime Mortgage Fund	
Responsible entity:	Angas Securities Limited	
ARSN:	091 887 400	
PDS Date:	26 July 2018	
Fund Size:	\$22,449,000	(31 Mar 2020: \$22,910,000)
Entry Price:	\$1.00	(31 Mar 2020: \$1.00)
Exit Price:	\$1.00	(31 Mar 2020: \$1.00)
Minimum Investment:	\$10,000.00	
Distributions:	Monthly	

	Apr 2020	May 2020	Jun 2020
Target Rate	5.95%	5.50%	5.50%
Return Paid	5.95%	5.50%	5.50%

Asset Allocation

as at	31 Mar 2020	30 Jun 2020
Cash	10.50%	17.63%
Mortgages	89.50%	82.37%



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 26 July 2018, 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> <ul style="list-style-type: none"> (a) a valuer to be a member of an appropriate professional body in the jurisdiction in which the relevant property is located; (b) a valuer to be independent (c) procedures to be followed for dealing with any conflict of interest; (d) the rotation and diversity of valuers; (e) in relation to Security Property for a loan, an independent valuation to be obtained; <ul style="list-style-type: none"> (i) before the issue of a loan and on renewal: (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>This benchmark is met. Refer to PDS for further information.</p>
<p>BENCHMARK 6: LENDING PRINCIPLES - LOAN-TO-VALUATION RATIO If the Fund directly holds mortgage assets:</p> <ul style="list-style-type: none"> (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; (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 (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>This benchmark is met. Refer to PDS for further information.</p>
<p>BENCHMARK 7: DISTRIBUTION PRACTICES The Responsible Entity will not pay current distributions from Fund borrowings.</p>	<p>This benchmark is met. Refer to PDS for further information.</p>
<p>BENCHMARK 8: WITHDRAWAL ARRANGEMENTS For liquid funds</p> <ul style="list-style-type: none"> (a) the maximum period allowed for in the Constitution for the payment of withdrawal requests is 90 days or less; (b) the Responsible Entity will pay withdrawal requests within the period allowed for in the Constitution, and; (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: <ul style="list-style-type: none"> (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 (ii) assets that the Responsible Entity can reasonably expect to realise for market value within 10 Business Days. 	<p>This benchmark is not met. Refer to PDS for further information.</p>

Additional information on ASIC Benchmarks and Disclosure Principles

Benchmark 1 – Liquidity

As at 30 June 2020, Angas Prime had 304 investors and \$22,449,000 of funds under management. The Dedicated Reserve Account had a cash balance of \$120,000

Benchmark 3– Loan Portfolio & Diversification

Mortgages by Activity, Value & Location						
Activity	No. of Mortgages	Amount (\$)	NSW	Vic	SA	WA
Commercial	14	\$ 18,145,949	\$ 13,140,904	\$ 1,250,000	\$ 1,442,000	\$ 2,313,045
Construction	1	\$ 345,774		\$ 345,774		\$ -
	15	\$ 18,491,723	\$ 13,140,904	\$ 1,595,774	\$ 1,442,000	\$ 2,313,045

Portion Lent to Largest Borrower			
Borrower	No. of Mortgages	Amount (\$)	Percentage (%)
Largest Borrower	3	\$ 10,364,500	56.05%

Mortgages in Arrears #			
Days in Arrears	No. of Mortgages	Amount (\$)	Percentage (%)
31-60 Days			
61-90 Days	1	\$ 1,340,000	7.25%
+90 Days	1	\$ 102,000	0.55%

Loan to Valuation Ratios *			
LVR	No. of Mortgages	Amount (\$)	Percentage (%)
30-40%			
41-50%			
51-60%	4	\$ 8,819,500	47.69%
61-70%	11	\$ 9,672,223	52.31%
Total	15	\$ 18,491,723	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%	4	\$ 8,587,319	46.44%
10-11%	7	\$ 5,595,904	30.26%
11-12%	1	\$ 2,252,500	12.18%
12-13%	3	\$ 2,056,000	11.12%
13-14%	0		
Total	15	\$ 18,491,723	100.00%

Loans approved, but funds are yet to be advanced	
No. of Mortgages	Amount (\$)
1	\$1,600,000