

ANGAS
PRIME



PRODUCT DISCLOSURE STATEMENT

ANGAS PRIME

ARSN 091 887 400 | DATED 26 JULY 2018

IMPORTANT NOTICE

YOU MUST TAKE RESPONSIBILITY FOR YOUR OWN INVESTMENT DECISIONS. YOU SHOULD CONSIDER OBTAINING INDEPENDENT ADVICE BEFORE MAKING ANY INVESTMENT OR FINANCIAL DECISIONS.

This Product Disclosure Statement (“PDS”) is issued by Angas Securities Limited ACN 091 942 728 (“Angas”) as the Responsible Entity of the Angas Prime fund ARSN 091 887 400 (“Angas Prime”). The PDS was not lodged with ASIC and is not required to be lodged with ASIC. However, in accordance with section 1015D of the Corporations Act, ASIC has been notified that this PDS is in use. A number of words and terms used in the PDS have defined meanings. These appear in the Glossary on page 25 of this PDS. Investments will only be accepted on the Application Form attached to this PDS.

Angas is an unlisted Public Company. It is not authorised under the Banking Act 1959 and the depositor protection provisions of that Act will not cover any investment in Angas Prime. ASIC and its officers take no responsibility as to the contents of this PDS. The Australian Prudential Regulation Authority does not supervise Angas. Investments in Angas Prime are not bank deposits. The PDS contains disclosure made against the benchmarks and disclosure principles in ASIC’s Regulatory Guide 45 that are aimed to improve disclosure to retail investors in mortgage schemes by helping them better understand whether these investments are suitable for them.

Information in this PDS, including disclosure against ASIC’s eight benchmarks and disclosure principles, may change over time. Where the changes are not considered materially adverse to investors, Angas Prime will make the updated information available on its website at www.angasprime.com.au. Angas will also provide a quarterly update on the website on the performance of the Fund and an update on the eight ASIC benchmarks at least half-yearly.

An investment in Angas Prime is issued by Angas. This investment is an agreement between the Investor and Angas governed by the terms and conditions which are contained in the PDS and the Constitution of Angas Prime (“the Terms”). It is important that Investors and potential investors read the Terms in full as these set out the rights of an Investor and the obligations in relation to the investment. All investments have inherent risks, including a reduction in the value of the principal invested, a less than expected return on funds invested or a delay in payment.

For this reason, neither Angas nor its Directors guarantees the repayment of Principal, the payment of income or the investment performance of Angas Prime.

The information in this PDS is general information only. It

has been prepared without taking into account individual investment objectives, financial situation or particular needs (including financial and taxation issues). Before deciding to invest in Angas Prime, potential investors should read the entire PDS and should consider the risk factors that could affect the financial performance of Angas Prime including the risk of loss of Principal. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). Investors should seek professional advice from an accountant, lawyer or licensed financial product adviser before deciding whether to invest.

Angas does not give financial product advice nor is it licensed to do so. No person is authorised to give any information or to make any representation in connection with the investment described in this PDS which is not contained in this PDS. Any information or representation not so contained may not be relied on as having been authorised by Angas in connection with the investment.

Perks Audit Pty Ltd as auditor of the Fund and Accru + Harris Orchard as auditor of the Compliance Plan have not been involved in the preparation of this PDS. Neither has authorised nor caused the issue of this PDS, and takes no responsibility for the contents of this PDS, withdrawn their consent to be named in this PDS in the form and context in which the name of each appears. The offer contained in this PDS is made to Australian residents only. No action has been taken to register or qualify the investment, or otherwise to permit a public offering of the investment, in any jurisdiction outside Australia. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions.

The PDS is available in electronic form at www.angasprime.com.au. Investors using the Application Form attached to the electronic version of this PDS must be located within Australia. Investors who receive an electronic version of this PDS should ensure they download and read the entire PDS. Investors who received a copy of this PDS in electronic form may obtain a paper copy of the PDS (free of charge) by telephoning 1800 010 800.

In accordance with ASIC Regulatory Guide 198, Angas advises that it will fulfil its continuous disclosure requirements by way of website disclosure which complies with ASIC’s good practice guidance. Investors may access material information regarding Angas Prime from the website at www.angasprime.com.au. Angas reserves the right to change this PDS. Notice will be given before or as soon as practicable after the change takes place. In any event, notice of change will comply with the Corporations Act.

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KEY FEATURES OF THE FUND

INVESTMENT OBJECTIVE AND STRATEGY

Angas Prime provides Investors with a Target Rate of return from a pool of loans secured by registered first mortgages. Investors' money is pooled together and invested collectively. Each Investor has a proportionate share in the entire mortgage portfolio rather than a specific interest in any particular mortgage. Angas Prime does not warrant to deliver a fixed rate of return. Angas Prime has a Target Rate. The ability to achieve this Target Rate is enhanced through the use of a Dedicated Reserve Account (see page 5). This means that Angas Prime does not have to rely solely on borrower performance in order to meet its distributions to Investors each month. Angas aims to provide Investors with income in line with the Target Rate by investing in a range of commercial loans secured by registered first mortgages primarily comprising residential and development land with geographic diversification across Australia. Almost all of the assets of the Fund will be invested in mortgages to enable Angas Prime to maximise returns to Investors. There is no pre-determined liquidity reserve but a small amount of cash will be held by Angas Prime to meet cash requirements.

MINIMUM INVESTMENT AMOUNT

\$10,000.00 and multiples of \$1,000 thereafter. Payment can be made by cheque, electronic funds transfer (EFT) or BPay®. Please note Angas Prime does not accept cash.

ADDITIONAL INVESTMENTS

A minimum additional investment amount of \$1,000 (and in multiples of \$1,000 thereafter) applies. Any additional funds will be added to the existing investment up to ninety (90) days from the maturity date of the initial investment. Angas offers Investors the convenience of using BPay® to fund additional investments. See page 23 for details.

INVESTMENT TERM & WITHDRAWAL

An Investor's initial investment will mature twelve (12) months from the end of the month in which it was lodged. Additional amounts added to the investment will also mature on this date. For example, an investment lodged on 7 November 2018 will mature on 30 November 2019. Each investor has a right to make a written withdrawal

request prior to the end of each twelve (12) month period. **An investment will be automatically rolled over into a further twelve (12) month investment unless prior written notice is given to Angas by the Investor in the manner prescribed in this PDS at page 23.** Example: An investment which is lodged on 20 March 2018 will have a right to withdraw on 31 March 2019. If it is not withdrawn, the investment will not be available to be withdrawn for a further twelve (12) months being 31 March 2020. Further information on withdrawals is set-out on page 23.

The Angas Prime Constitution permits Angas in its absolute discretion and without obligation to allow an early withdrawal in cases of demonstrated financial hardship. The determination by Angas shall be final. An early withdrawal fee of not less than 3.3% of the amount that is withdrawn will apply.

INVESTMENT ROLLOVER

An investment will be automatically rolled over into a further twelve (12) month term investment at the maturity of the existing investment unless **prior written notice** is provided to Angas. Please refer to "Withdrawal of Investment" on page 23 for further information about withdrawing your investment. For example, an investment maturing on 30 November 2019 will be automatically rolled into a new investment maturing on 30 November 2020. The rolled investment will be at the prevailing Target Rate.

INCOME DISTRIBUTIONS

Income is paid to Investors monthly by direct credit to the Investor's nominated bank account on or by the fourteenth (14th) day of each month. Income distributions are not guaranteed. Please refer to page 15 of this PDS.

MANAGEMENT OF LIQUIDITY

Angas 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. See the "If Not, Why Not" explanation to Benchmark 8 at page 10.

KEY FEATURES OF THE FUND

DEDICATED RESERVE ACCOUNT

Angas will maintain a Dedicated Reserve Account in order to support distributions and meet capital losses on individual assets that Angas Prime may incur from time to time. Any funds in the Dedicated Reserve Account as at 30 June of each year will be distributed to Angas. Investments in Angas Prime are not capital guaranteed. Investors may lose some or all of their Principal. Intending investors are urged to consider the key risks associated with Angas Prime before investing (refer to pages 15 to 17 'Risk Management').

INVESTMENT RETURN

The rate of return on investments is not fixed but there is a Target Rate of return. Intending investors can contact Angas or visit the Angas Prime website at www.angasprime.com.au to obtain details of the Target Rate of return set by Angas which may vary from time to time. The Target Rate may fluctuate during the term of the investment. Any change to the Target Rate will be reflected immediately in distributions made to all Investors. This change may be an increase or a decrease. The Angas directors will review the Target Rate at its Board meetings held in February, May, August and November each year and will either vary or affirm the Target Rate for the respective quarters commencing 1st April, 1st July, 1st October and 1st January thereafter. Angas will notify Investors in writing of any changes to the Target Rate. If the Target Rate is affirmed then no notification will be given.

FUND RISKS

All investments carry risk including the potential for loss of income, Principal, a less than expected rate of return or a delay in payment. An investment in Angas Prime is subject to these and other specific risks. Angas will employ a range of investment and risk management strategies to identify, evaluate and manage Angas Prime's risks, consistent with the objectives of Angas Prime. A summary of Angas Prime's significant risks and how they are managed is set out under "Risk Management" at pages 15 to 17.

NATURE OF INVESTOR'S INTERESTS IN THE FUND

Investors share in the income generated from the Fund in proportion to their investment. The Fund is unitised, meaning an Investor is issued with units in the Fund with a face value of \$1.00 per unit. Each Investor's interest in the Fund is a fractional and beneficial interest in the whole of the Fund. It is not an interest in any particular part of the Fund or in any specific asset of the Fund.

The value of interests in the Fund may vary as the market value of the assets of the Fund rises and falls. However, due to the nature of the Fund's investments, in ordinary circumstances the value of interests in the Fund will not generally fluctuate. Therefore, in the normal course of events Angas expects the capital proceeds upon withdrawal to be equal to \$1.00 for each dollar invested in the Fund.

However, investors should note there is **no guarantee** of the return of Principal or income.

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 mortgage investment schemes. Angas adopts these guidelines in this PDS 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.

BENCHMARK	STATEMENT	EXPLANATION 'IF NOT, WHY NOT' OR REFERENCE
BENCHMARK 1: LIQUIDITY		
<p>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.</p>	<p>Angas 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 Board on a monthly basis. Specific updates relating to this disclosure can be found on the Angas Prime website at www.angasprime.com.au.</p>
BENCHMARK 2: FUND BORROWING		
<p>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.</p>	<p>Angas has no borrowings on behalf of Angas Prime, and Angas Prime specifically has no borrowings, and will not borrow to fund distributions or withdrawal requests.</p>
BENCHMARK 3: LOAN PORTFOLIO AND DIVERSIFICATION		
<p>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.</p>	<p>Angas Prime will endeavour (but expressly without obligation) to hold a portfolio of assets diversified by size, borrower, class of borrower activity and geographic region. Until the Fund's assets total \$50 million (averaged over 3 consecutive months) there will be no limitation as the size of any single loan transaction nor the aggregate exposure of Angas Prime to parties related to the same Borrower. Thereafter, no single loan investment will exceed 10% of the assets of the Fund. For the sake of clarity, once the Fund's assets reach an average balance of \$50 million, Angas will not be required to sell down or restructure any existing loan investment. Likewise, thereafter Angas Prime may make more than one loan advance to the same Borrower or to parties related to a Borrower but the aggregate exposure may not exceed 10% of the assets of the Fund. Construction loans will not exceed 10% of the assets of the Fund at any time. All loan advances will be secured by registered first mortgages over Real Property.</p>
BENCHMARK 4: RELATED PARTY TRANSACTIONS		
<p>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.</p>	<p>Angas Prime satisfies this benchmark on the basis that it does not lend to either Angas or its related parties. Further, Angas Prime must comply with section 601FG of the Corporations Act regarding the acquisition of interests in the Fund. Similarly, acquisition of interests in the Fund by Angas 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.</p>

BENCHMARK	STATEMENT	EXPLANATION 'IF NOT, WHY NOT' OR REFERENCE
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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:

- (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:
 - (i) before the issue of a loan and on renewal:
 - (A) for development property, on both an 'as is' and 'as if complete' basis; and
 - (B) for all other property, on an 'as is' basis; and
 - (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.

This benchmark is met.

The Compliance Committee is responsible for reviewing the appointment of a valuer to the Angas valuer panel. Relevant considerations may include: current registration with the valuers' professional body; valuer independence, current adequate insurance; appropriate knowledge, experience and academic qualifications. Licensed valuers value each property in accordance with valuation industry standards. Security Properties are valued on an "as is" basis; and if they are to be developed include an estimated "cost to complete" and "upon completion" valuation. Valuations must be less than 90 days old at approval, and less than 150 days old at settlement. No panel valuer will perform more than three (3) consecutive valuations on a property which is held as security for a loan made by Angas Prime other than in the case of development loans such as land division or construction as these often require progress inspections and valuation updates (noting that there is no prohibition on engaging a different panel valuer who works for the same valuation firm). The Angas valuation policy is set-out on page 8.

BENCHMARK 6: LENDING PRINCIPLES - LOAN-TO-VALUATION RATIO

If the Fund directly holds mortgage assets:

- (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.

This benchmark is met.

Angas determines the LVR policy for mortgage securities in the Fund. The Constitution permits lending to a maximum LVR of 80% (but Angas's policy is to lend to a maximum LVR of 70%). Different types of Security Properties will attract different LVR levels. A valuation for construction and development loans will set out the current valuation of the Security Property on an "as is" basis, the cost to complete the project, and a valuation based on "as if complete". For these loans, Angas will retain sufficient funds to pay the costs to complete the project, Angas will not release any funds until certified by the valuer or quantity surveyor that works to be completed have been completed satisfactorily and there is affirmation of costs required to complete the project.

BENCHMARK 7: DISTRIBUTION PRACTICES

The Responsible Entity will not pay current distributions from Fund borrowings.

This benchmark is met.

Distributions will be paid from income of Angas Prime and from the proceeds held by Angas in a Dedicated Reserve Account if available. The major factors that would have the most material impact on target distributions of income are: default loans and credit losses as a consequence of Borrowers failing to pay interest and principal when due.

BENCHMARK 8: WITHDRAWAL ARRANGEMENTS

For liquid funds

- (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:
 - (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.

This benchmark is met.

Investor funds are automatically rolled over for a new term of twelve (12) months unless an Investor provides Angas with the required **written notice to withdraw** prior to the end of the month that is one year from when the initial investment was made. Angas will use its best endeavors to fund any such withdrawal request however investors should note: Where Angas Prime ceases to be liquid (as defined under the Corporations Act), Investors may only withdraw their investments subject to a withdrawal offer made by Angas. There is no obligation on Angas to make withdrawal offers whilst the Fund is illiquid. While the Fund is liquid (as defined under the Corporations Act) and in accordance with its Constitution, **the Fund has up to 12 months to satisfy a withdrawal request** and does not have a legal obligation to satisfy a withdrawal request within a shorter period. As Angas Prime is a mortgage fund whereby most of its assets will be invested in mortgage loans or mortgage backed securities, Angas does not reasonably expect to be able to realise the entire loan portfolio for market value within 10 business days.

ASIC DISCLOSURE PRINCIPLES

ANGAS ADDRESSES EIGHT DISCLOSURE PRINCIPLES IDENTIFIED BY ASIC.

DISCLOSURE PRINCIPLE 1 - LIQUIDITY

Liquidity is the measure of cash and cash equivalent assets as a proportion of the Fund's total assets. A measure of the Fund's liquidity is an indicator of the Fund's ability to meet its short-term commitments as and when they fall due. Generally, a higher proportion of cash and cash equivalents means better liquidity and better ability for the Fund to meet its short term commitments.

DISCLOSURE PRINCIPLE 2 - FUND BORROWING

ASIC's fund borrowing disclosure principle requires disclosure of the Fund's borrowing arrangements and the risks associated with borrowing by the Fund. The Fund does not borrow, has no arrangements in place to borrow and has no hedge contracts in place. The risk of secured debt liabilities ranking ahead of Angas Prime Investors does not apply nor is Angas Prime under pressure to liquidate assets at below carrying value in order to satisfy the requirements of an external lender.

DISCLOSURE PRINCIPLE 3 - PORTFOLIO DIVERSIFICATION

Portfolio diversification mitigates concentration of risk in a mortgage loan portfolio. The risk of the Fund incurring significant loss from default by any one borrower or class of borrowers is reduced through diversification of mortgage loans in terms of Borrower, industry classification, loan size and location. An outline of how Angas Prime manages its mortgage loan portfolio appears at pages 13 to 14 of this PDS. The policy of Angas on diversification of assets is to ensure that the adverse impact of a default arising from one loan investment or class of investments will not have an unduly detrimental effect on the entire investment portfolio of the Fund. Angas Prime will endeavour to hold a well balanced portfolio of loans together with some cash however, Fund size and the availability of suitable loans may prevent this from being achieved.

A summary of the lending parameters of Angas are set out under "Lending Parameters" at page 13 of this PDS. Angas Prime may co-invest in loans on a pari-passu basis with other lending parties (including other funds of which Angas is the Responsible Entity). The other lending parties (including Angas in its capacity as Responsible Entity of other funds) may receive a fee or other benefit as a result of this co-investment. There is no requirement for the Security Property to be income producing and for most loans this will not be the case.

DISCLOSURE PRINCIPLE 4 - RELATED PARTY TRANSACTIONS

ASIC's related party benchmark requires Angas not to lend Fund assets to either itself or its related parties. Angas satisfies this requirement.

Angas has a policy for identifying and managing conflicts of interest and related party transactions. This policy also ensures that all related party transactions are reasonable, and are conducted in the normal course of business on an arm's length basis, under commercial terms and conditions. As such, Investor approval is not sought for these transactions. Angas has an independent Compliance Committee, whose role includes monitoring compliance with its conflict of interest and related party transactions policy.

Directors of Angas may provide services to Angas Prime at arm's length on commercial terms. From time to time, related parties may invest in Angas Prime. Any such transactions are conducted on terms that are no more favourable than would apply to a non-related party.

DISCLOSURE PRINCIPLE 5 - VALUATION POLICY

ASIC requires disclosure of information relating to the Fund's property valuation policies. Robust and objective valuation policies are required to ensure that the Fund's financial position is correctly stated in this PDS and in any ongoing disclosure. Security Properties are valued by an independent registered valuer who is a member of the Angas Prime panel of valuers. It is the responsibility of Angas as Responsible Entity of the Fund to select the relevant valuer for the job type and value from the panel of valuers. Valuations from non-panel valuers may be accepted but must be specifically approved by the Credit Committee (e.g. instructions may be given to a valuer local to the area in which the Security Property is located, thus utilising the valuers local knowledge and expertise).

ASIC DISCLOSURE PRINCIPLES

The valuers Angas Prime use to value Security Properties must:

- have a minimum of five (5) years experience in the area and type of valuation that Angas Prime wishes them to undertake;
- be a member of the Australian Property Institute and also qualified as a Certified Practising Valuer. The Valuer's qualifications must be noted on the Valuation; and
- have professional indemnity cover for the greater of 20% of the estimated value of the property or \$2,000,000.

Properties must have a formal valuation dated no more than 90 days prior to credit consideration. The standard practice of Angas Prime is to not obtain up-to-date valuations during loan terms where the loan is performing and there is no known deterioration in circumstances specific to that Secured Property.

Any further lending made to existing Borrowers on existing security must be supported by a valuation which is not more than 90 days old. Angas Prime may at its discretion accept valuations outside of this time frame, subject to consideration of factors including:

- current loan-to-valuation ratio;
- the nature of the security;
- the size of the loan; and
- there being no material change to the Security Property.

As part of the valuation report the valuer must certify that it:

- has no interest (financial or otherwise) in the property being valued, or with the borrower;
- is independent to the loan transaction; and
- must confirm that the valuation has been prepared for mortgage lending purposes.

DISCLOSURE PRINCIPLE 6 - LOAN TO VALUATION RATIOS

Angas determines the LVR policy for mortgage securities in Angas Prime. The Constitution permits lending to a maximum of 80% (but Angas's policy is to lend to a maximum LVR of 70%). Different types of security properties will attract different LVR levels. A valuation for construction and development loans will set out the current valuation of the Security Property on an "as is" basis, the cost to complete the project, and a valuation based on "as if complete". For these loans, Angas Prime will retain sufficient funds to pay the costs to complete the project, Angas Prime will not release any funds until certified by the valuer or quantity surveyor that works to be completed have been completed satisfactorily and there is formal confirmation of all costs required to complete the project.

DISCLOSURE PRINCIPLE 7 - DISTRIBUTIONS

ASIC requires information to be disclosed to Investors as to how Angas Prime will fund the payment of distributions and any risks associated with these distribution practices. All distributions will be sourced from the income earned by the Fund each month. Angas Prime can supplement this income with funds drawn from the Dedicated Reserve Account in order to meet a Target Rate but Angas Prime will not borrow to pay distributions. Distribution income is payable monthly in arrears based on the number of units held by the Investor in the Fund. Subject to materiality, the Fund does not retain any excess returns earned by the Fund as all distributable income is distributed each month. Every distribution is net of payments to the Dedicated Reserve Account (only if there is a surplus) and net of management fees payable to Angas.

ASIC DISCLOSURE PRINCIPLES

DISCLOSURE PRINCIPLE 8 - WITHDRAWAL ARRANGEMENTS

ASIC's disclosure principles require disclosure to Investors about realistic timeframes for Investors to withdraw from the Fund as well as an assessment of the risks that withdrawals from the Fund could be frozen under the Corporations Act. An investment in the Fund is treated as a liquid investment under the Corporations Act.

When Angas Prime is liquid, the initial investment and each subsequent contribution is fixed for twelve (12) months from the end of the month in which the initial investment was made. For more information on how to withdraw funds, please refer to page 23 of this PDS. Normally the unit price payable on withdrawal will be \$1.00 per unit. However, if Angas Prime suffers a loss of capital in its loan portfolio, there may be a reduction in value of the assets of Angas Prime on which the withdrawal is based. This may result in a reduced unit price payable to the Investors whose withdrawal is being made at that time.

There is a risk that withdrawal proceeds will not be paid within a reasonable period after the initial investment term. Angas will aim to satisfy withdrawal requests as soon as practicable. However, under the Constitution, where the Fund is liquid (as defined in the Corporations Act), Angas has up to twelve (12) months to satisfy withdrawal requests and does not have a legal obligation to satisfy any withdrawal requests within a shorter period. Angas may also delay or refuse withdrawal requests where it is in the best interests of

Investors as a whole to do so. Where Angas Prime ceases to be liquid under the Corporations Act, Investors may only withdraw their investments subject to a withdrawal offer.

In managing withdrawal requests, Angas will balance the maturity of Angas Prime assets with the maturity of the liabilities in the short-term by managing the cash and cash equivalent assets within agreed guidelines as detailed in Benchmark 1 on page 8. Angas Prime will endeavor to hold sufficient assets that are readily realisable to meet forecast future withdrawal requests. Angas undertakes cash flow forecasting on a monthly basis to actively manage Angas Prime's liquidity. As part of this process, Angas will determine the need for mortgage sales or other liquidity management techniques to meet projected withdrawal requests. Please refer to Benchmark 1 for further information about the risks and assumptions made in the cash flow forecasts.

There are a number of risks associated with investing in Angas Prime. Liquidity risk is the key risk that can impact an Investor's ability to withdraw. Mortgage loans are relatively illiquid when compared to some other asset classes and delays can occur in converting these investments into cash. Angas actively manages liquidity risk by holding a percentage of total assets of Angas Prime in liquid investments however that still may not be sufficient to fund withdrawal requests received during a month.

RESPONSIBLE ENTITY

WHO ARE WE?

Angas holds AFSL numbered 232 479, issued by ASIC, to act as the Responsible Entity of the Fund for the purposes of the Corporations Act.

WEBSITE DISCLOSURE

Investors may access material information regarding Angas Prime from the website at www.angasprime.com.au and material information regarding Angas from the website at www.angassecurities.com.au.

AUSTRALIAN FINANCIAL SERVICES LICENCE (“AFSL”)

As an AFSL holder, it is a legislative requirement that Angas meet certain reporting and financial requirements.

Those requirements include the terms of its AFSL and have been revised by ASIC Class Order [CO13/760] which seeks to ensure Angas has adequate financial resources to provide the services covered by its AFSL.

These and other compliance requirements are reported to the Angas Board monthly and to the independent Compliance Committee quarterly.

CONSTITUTION

The Constitution is the primary document governing the relationship between Investors and Angas as the Responsible Entity. The Constitution contains extensive provisions about the legal obligations of the parties and the rights and powers of each. The Constitution can be amended by Angas where the change does not adversely affect the rights of Investors. Otherwise, a special resolution must be passed by Investors at a properly called meeting.

The Constitution deals with a number of important issues, including:

- › the powers of the Responsible Entity;
- › liability of Investors;
- › retirement and removal of the Responsible Entity;
- › the manner in which the Constitution may be varied;
- › complaints handling procedures;

- › holding meetings of Investors and how such meetings are to be conducted;
- › rights of Investors to receive income and capital from the Fund; and
- › the fees payable and the expenses for which the Responsible Entity is entitled to be reimbursed.

THE COMPLIANCE PLAN

Angas has prepared a Compliance Plan for Angas Prime which has been lodged with ASIC. The Compliance Plan outlines the principles and procedures Angas will follow to ensure it complies with its AFSL, the Corporations Act, the Fund Constitution, and ASIC regulations.

The Compliance Plan deals with a wide range of issues including, but not limited to:

- › the establishment of a Compliance Committee;
- › the appointment of an Auditor for the Fund to audit the Fund on behalf of Investors;
- › the appointment of an Auditor for the Compliance Plan; and
- › having a documented dispute resolution process in place, including being a member of an external dispute resolution service.

THE COMPLIANCE COMMITTEE

Angas has appointed a Compliance Committee comprising a minimum of three (3) members with a majority of members being independent of the Responsible Entity in accordance with section 601JB of the Corporations Act. The Compliance Committee’s role is to monitor the extent to which Angas complies with the Compliance Plan, this PDS, and any subsequent PDS or disclosure document, the law and the Constitution of Angas Prime.

WHAT IS THE ROLE OF ANGAS?

The role of Angas is to issue units in the Fund and make investments in cash instruments and registered first mortgages. The responsibilities, powers and duties of Angas are set out in the Constitution and the Compliance Plan of Angas Prime. Both documents have been lodged with ASIC, and copies can be obtained from ASIC or by calling Angas on 1800 010 800.

RESPONSIBLE ENTITY

UP-TO-DATE INFORMATION

Angas aims to provide Investors with the latest information about Angas Prime so that Investors can monitor their investments. To obtain the latest information about Angas Prime, Investors can:

- Telephone Angas Toll Free on 1800 010 800
- Visit Angas Prime at www.angasprime.com.au
- Visit Angas at any one of the offices set out in this PDS
- Subscribe to the Angas Prime Newsletter.

To the extent that any change in information is not materially adverse to Investors, then Investors may enquire by telephone or view information on the Angas website. To the extent that any change in information is materially adverse to Investors, then there will be notification given direct to each Investor.

CONFLICT OF INTEREST MANAGEMENT

See Benchmark 4 and associated commentary on page 8.

MORTGAGE LOAN PORTFOLIO

LENDING PARAMETERS

CAPACITY

Angas Prime is primarily an asset-based lender and seeks to ensure that the valuation of the Security Property provides sufficient capacity to support the loan. Many of the loans that Angas Prime settles will be advanced to self-employed Borrowers. Depending on the circumstances, Angas may, but is not obliged, to obtain a combination of an independent credit check, a letter from the Borrower's accountant confirming the Borrower's income, BAS or trading statements, prior conduct on other loans, rental statements, leases, or an income declaration from the Borrower. The Borrower's loan repayment history and net asset position are relevant but not determinative.

DIVERSIFICATION

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.

See Benchmark 3 and associated commentary on page 8.

SECURITY

In all cases, Angas obtains a registered first mortgage over Real Property in Australia to support every loan settled by Angas Prime. Angas 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 noted as an 'interested party.'

Borrowers who take out secured loans from Angas Prime are often those who do not deal with traditional lenders such as banks or who may not meet the lending criteria of such lenders. Business proprietors, self employed or investors in property that does not generate income are amongst the class of typical borrowers from Angas Prime.

Some of the features of the commercial property lending business conducted by Angas Prime are:

- as an asset-based lender, Angas Prime places primary reliance on the first mortgage security that is held. Angas Prime can and will realise such security to obtain recovery of loan advances. This is managed by Angas, as Responsible Entity, acting as mortgagee exercising power of sale or by the appointment of Receivers and Managers;
- loans are typically advanced for shorter periods than traditional lenders and initial loan terms are normally for one (1) year and generally no longer than two (2) years; and
- the nature of Borrowers who obtain loans from Angas Prime and the short terms for which loans are advanced may lead to loan defaults at a higher rate than those of traditional lenders.

As an asset-based lender, the assessment of mortgage loan applications by Angas primarily involves a consideration of the Real Property that Angas will take as prime security together with any collateral security.

It is important for Investors to understand the investment process that Angas undertakes in respect of identifying and assessing a loan for Angas Prime. The table below outlines the investment process for Angas Prime. This Section also sets out the Investment Philosophy and loan approval process to which each loan is subjected.

PARAMETER	COMMENT
Type of Loan	All loans must be secured by a first mortgage over Real Property in Australia
Loan to Value Ratio (LVR)	70% maximum when advanced (for construction loans, loan not to exceed 70% of the "on Completion" value)
Registered First Mortgage Security	All loans will be secured by way of registered first mortgage
Minimum Size of Loan	\$250,000.00 (Angas has a discretion to lend a lesser amount)
Target Loan Term	1-2 years
Geography	May be located in any geographic region of Australia
Asset Type	May be any type of Real Property, including office, retail, industrial, residential, land, construction or developments. Land zoned rural will not normally be accepted.

MORTGAGE LOAN PORTFOLIO

LOAN APPROVAL

The Credit Committee is a committee of Angas which is responsible for the overall investment governance of Angas Prime and which closely monitors risks that affect the loans from the initial application until repayment. The members of the Credit Committee are skilled professionals with experience in credit management, property investment, property development, construction, commercial property finance, asset management and loan recovery.

Specifically the Credit Committee is responsible for the overall credit risk and investment strategy of Angas Prime including:

- approving authorised investments;
- approving loans in accordance with Angas lending policies;
- monitoring loan positions, individual loan performance and compliance with loan conditions; and
- implementing credit policies and procedures.

ONGOING ASSET MANAGEMENT

Angas is responsible for the active and ongoing management of each loan.

The Head of Funds Management reports on loan defaults to the Board on at least a monthly basis. In the normal course of events, where an interest payment is not made by the Borrower on or before the due date, the Borrower is contacted by Angas and immediate payment is sought. Depending on the Borrower's response to the payment request Angas may issue a default notice. Upon the issue of a default notice (whether immediately, or upon the continued failure of the Borrower to satisfy the relevant payment) recovery action will be taken.

While a loan is in default, enforcement proceedings may commence in accordance with the following process:

- the mortgagee may become a 'mortgagee in possession' or appoint a suitably qualified administrator;
- a new valuation may be procured in respect of the underlying security;
- the underlying security may be placed on the market for sale or, depending on the nature of the security and where it is deemed to be in the best interests of Investors, appointing parties where applicable to complete the development or construction of the property, prior to such sale process commencing; and
- subsequently, the mortgagee may bring legal action against the Borrower and/or guarantors in an attempt to recover any shortfall.

VALUATION PANEL

Security Properties are valued by an independent registered valuer who is a member of the Angas Prime panel of valuers.

See Benchmark 5 and the associated commentary on pages 8 and 9.

LOAN TO VALUATION RATIO

The Fund Constitution permits lending to a maximum LVR of 80%, however it is Angas Prime's policy to lend to a maximum LVR of 70%.

See Benchmark 6 and the associated commentary on page 9.

RISK MANAGEMENT

GENERAL

Like any investment, Angas Prime has an element of risk. Before making an investment in Angas Prime an Investor should consider his or her:

- specific risk assessment by investing in Angas Prime;
- other investments compared with the risks of Angas Prime;
- personal risk tolerance; and
- personal investment objectives and expected return and outcome from this investment.

IMPORTANT NOTICE

The ASIC Benchmarks are a helpful resource, but it is also important to note that not all risk can be foreseen. It is not possible for Angas to protect the value of an investment from all risks. Angas recommends that Investors obtain independent advice to properly understand all of the risks of investing in Angas Prime.

INVESTMENTS IN ANGAS PRIME ARE NOT GUARANTEED

Angas applies a security based lending approach to mortgage securities as an investment. Angas assumes that the Security Property for the mortgage investments can be sold to repay the loans in full together with the repayment of accrued interest. This is the premise of the Security Property valuation, credit assessment and setting of LVR parameters. Risk generally increases as the LVR rises. The LVR is lowered to reflect any perceived higher risk following a review of the valuation report.

There is pooling of mortgage investments. Angas Prime is comprised of cash and all individual mortgage investments in the portfolio. In a pooled fund the manager selects a range of securities and sets the loan to valuation ratio for each security without any input from an Investor. A loss arising from any mortgage security is shared by all Investors.

The Angas Board of Directors determines the tolerance for risk of Angas Prime, after taking into account the strategic objectives of the Fund and other factors including Investor expectations and its own risk management policies. Angas is responsible for ensuring material risks facing Angas

Prime have been identified and that appropriate and adequate control monitoring and reporting mechanisms are in place. Angas is required to analyse the loan risk in the context of lending expectations and risk tolerance. Angas and its Directors do not guarantee the performance of the Fund.

MORTGAGE SECURITY RISK

Angas obtains credit history checks and Security Property assessment and valuation. However, as Angas Prime is primarily an asset-based lender, it bases its primary loan criteria on LVR, rather than serviceability. The Security Property to be taken is independently valued for suitability and market value. The Credit Committee must approve the Security Property as being acceptable for a mortgage investment. Mortgage documents are prepared and reviewed by a dedicated legal team experienced in mortgage finance, verification and validation requirements and will attend to settlement of the mortgage. Angas subjectively considers each Security Property and Borrower for risk of default and may impose loan conditions to reflect risks specific to the security to reduce risk of default or loss. The Borrower is required to keep any improved Security Property insured at all times with the interest of Angas Prime recorded on the policy. Angas takes out insurance when the Borrower fails to provide its own insurance. Angas does not require Lenders Mortgage Insurance on loans made through Angas Prime.

LIQUIDITY RISK

The primary objective of Angas Prime is to invest in Real Property mortgages. By their nature, such investments can be illiquid. Such illiquidity may impact on the ability of Angas Prime to pay withdrawal requests. Reasons for illiquidity include loans being extended beyond the loan term due to unforeseen circumstances and delays in re-financing loans through another lender. Recovery proceedings may be required if a loan is not performing or Angas may consider that it is in the best interest of Investors to permit a Borrower additional time to repay the loan.

DOCUMENTATION RISK

A deficiency in loan or security documentation could, in certain circumstances, adversely affect both the return on and recovery of a loan advance. Angas mitigates this

RISK MANAGEMENT

risk by obtaining a certification from an Angas panel solicitor confirming that all documentation is in order prior to any funds being advanced to a Borrower.

VALUATION RISK

All Security Property is valued by a panel valuer under instructions from Angas. A panel valuer has to qualify with necessary experience, be a member of a professional valuer body or association, and have professional indemnity insurance. Valuers are required to comply with specific written guidelines relating to valuation and independence. Valuations will generally provide two or three valuation methods. For building developments a quantity surveyor is engaged to certify payments and update costs to complete as the project proceeds.

Valuers instructed by Angas are not agents of Angas. They act in their own right independent of Angas. Accordingly, Angas cannot be held responsible for any errors or omissions or negligence in the conduct of valuers nor for any loss that might result.

MARKET RISK

Angas Prime comprises mortgage investments and some cash. It is predominantly made up of loans secured by Real Property. Market risk is therefore confined predominately to factors that affect the property market. Property market risk is the risk that the whole property market declines in line with various trends in the Australian or overseas markets due to various factors, such as oversupply of real estate, interest rate movements, economic conditions or market sentiment. Property market risk is inherent in the real estate securing Angas Prime's assets. All markets experience periods of volatility involving price fluctuations of varying magnitudes. A general downturn in the property market can potentially cause a reduction in the value of Real Property held as security for a mortgage.

The ability to fully recover the amount owing under a mortgage (where a Borrower defaults) may be affected by a fall in property values. Angas Prime will lose money if the Borrower defaults and the Security Property sells for less than the outstanding loan amount (plus costs of the sale and interest) and the Borrower (and any guarantor) cannot then repay the remaining debt. Angas maintains a capital provisioning policy by means of a Dedicated Reserve Account in order to mitigate against the risk of such losses.

The return on cash investment in the Fund is directly affected by changes to the official cash rate, determined by the Reserve Bank of Australia, having regard to a number of factors. These may include Australian and overseas interest rates, market liquidity, exchange rates,

monetary policy and other economic, social and political factors.

BORROWER RISK

A Borrower may fail to meet payment obligations or otherwise meet the terms of the loan or has other financial difficulties. This could be for a number of reasons, including:

- an inability to pay interest as a result of reduced rental income in respect of the Security Property;
- an inability to pay interest as a result of reduced income (generally);
- an environmental or demographic issue impacting on the ability of the Security Property to generate income; or
- where the applicable interest rate is variable, an increase in the underlying interest rate causes the Borrower to be unable to meet the increased interest repayments.

This could adversely affect the income attributable to a loan and the principal recoverability. Angas does not guarantee the performance of Angas Prime or the repayment of capital invested. This means an Investor could lose some or all of their investment.

DEVELOPMENT LOAN RISK

There is a risk with development loans that the project may not be completed or may be delayed materially. Amongst other things, this may be due to inclement weather, industrial or other disputes, council, planning, engineering, design, environmental or heritage issues. Market dynamics may change by the time the project is completed. Valuations can only be conducted on an "as if complete" basis. Valuations may subsequently change due to market factors. Rising costs of construction, such as labour and materials, may affect the cost required to complete a project. There is a risk that Angas Prime will be unable to meet the cashflow requirements to fund the property development drawdowns. The experience, expertise and project management skill of the developer may affect the completion and ultimate sale of the project.

CAPITAL RISK

The risk to capital is primarily determined by the ability of Borrowers to repay mortgage loans. Factors outside the control of Angas such as economic cycles, property market conditions, government policy, inflation and general business confidence can affect property values. This can inadvertently cause the emergence of a situation whereby a Security Property is required

to be sold to repay a loan, and the loan may not be fully repaid. If the sale fails to realise sufficient funds to satisfy the loan balance, any capitalised interest, fees, costs and prior ranking liabilities then the Fund will sustain a shortfall. A Dedicated Reserve Account will be maintained by Angas to off-set any such shortfalls but there remains the risk that accumulated losses will exceed the resources of this account. Each financial year Angas aims to set aside in this account up to 4% of the Angas Prime loan portfolio.

WITHDRAWAL PRICE RISK

The Constitution sets out the formula for determining the withdrawal price of an investment in Angas Prime. The value of \$1.00 per unit may be adjusted downward for any negative movement in net asset value (excluding accrued but undistributed income) from the investment date to the withdrawal date. Ordinarily, upon withdrawal an Investor will receive all net income earned plus the original \$1.00 per unit. However, there is a risk that if Angas Prime suffers a capital loss (such as from a loan default) then the value of the Fund's assets may be insufficient to repay all amounts owing to Investors. In that event, an Investor may not receive the full value of the amount invested at \$1.00 per unit.

INCOME RISK

Income risk arises primarily from a failure of the Borrower to make agreed interest payments each month. The credit management program, which includes collections and interest payment monitoring, is designed to reduce this risk. The Borrower pays interest at the higher rate for late payments. Any form of lending has an element of risk to the lender. The Credit Committee assesses non performing loans and implements appropriate and measured responses to suit the situation. Borrowers with significant equity in their security are expected to speedily resolve default. Angas utilises external service providers to implement collection procedures and realise on the Security Property.

Angas Prime may capitalise interest payments on loans, by including the interest payable on the loan in the original loan amount. This is often referred to as 'pre-paid interest'. The interest is therefore not funded out of the Borrower's ongoing cashflow. This arrangement is more common with construction and Development Loans, where the loan and interest are to be repaid out of the proceeds from the sale of the property. Therefore, there is a risk that the return that the Borrower achieves out of the sale of the property may not be sufficient to repay the total loan, which includes both principal and interest. Angas Prime may also capitalise interest where a loan falls into arrears. This means that the total amount owed by the Borrower increases as the Borrower fails to make the required payments under the loan. Capitalisation of interest cannot occur beyond the maximum permitted LVR of 70%.

OPERATIONAL RISK

Investment management risk exists in all managed investments. Angas may fail to anticipate market movements, or fail to manage the investment risks appropriately, or fail to properly execute the investment strategy of Angas Prime. Furthermore, death or departure of key Angas personnel is an inherent operational risk.

Angas has credit, investment and finance divisions who use its mortgage management system to monitor all mortgage securities, review security values, monitor the securities for insurance compliance, process collection and distribution of payments, provide maturity notices to Borrowers and Investors. Changes to government policies, regulations and taxation laws may negatively impact on the operations of Angas. Angas cannot predict future policy changes but monitors updates from ASIC and participates in industry forums to anticipate and keep ahead of possible regulatory changes. GST may be payable on the sale of Fund property by Angas as mortgagee in possession in certain circumstances and this will reduce the return available to Angas Prime.

FEES AND OTHER COSTS

CONSUMER ADVISORY WARNING

The Warning shown below is required by law. It is intended to alert Investors to the importance of value for money, the corresponding effect of fees and costs, and the impact of these over time. The example given below is not intended to represent an investment in Angas Prime as offered in this PDS. This section also outlines the fees and other costs associated with investing in Angas Prime.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

MANAGEMENT FEES

Fees when your money moves in and out of the fund. This shows fees and costs you may be directly charged.

TYPE OF FEE OR COST	AMOUNT	HOW & WHEN PAID
Establishment Fee For an Investor to set up an initial investment in the Fund	Nil	Not Applicable
Contribution Fee On each amount contributed by an Investor to their investment	Nil	Not Applicable
Withdrawal Fee On each amount an Investor takes from their investment (other than for any permitted early withdrawal)	Nil	Not Applicable
Early Withdrawal Fee When an Investor elects to withdraw funds invested in the Fund prior to the expiry of the investment term (subject to approval by Angas)	Not less than 3.3% of the amount withdrawn	Deducted from the principal withdrawn at the time of early withdrawal.
Transfer Fees When an investor requests transfer of an investment to another person or entity	\$300	Payable when the transfer request is made
Dishonour Fees For each dishonoured, cancelled or stopped cheque received from you	Up to \$50.00	
Bank Account Processing Fee For each capital withdrawal by cheque	\$50.00	
For each capital withdrawal to an overseas bank account	\$50.00 plus currency exchange charges	
For each request to arrange prompt clearance of cheque deposits made by you or real time transfer of funds to your account	\$50.00	

NB: All fees are inclusive of the net effect of GST.

FEES AND OTHER COSTS

MANAGEMENT COSTS

The fees and costs for managing your investment.

TYPE OF FEE OR COST	AMOUNT	HOW & WHEN PAID
Mortgage Management Fee On funds invested in a Mortgage Investment	2.2% of funds invested within the loan portfolio.	Calculated on a daily basis paid to Angas at the end of each month from the income of Angas Prime. This fee includes all operating expenses of Angas Prime. Deducted from the interest as and when received from the Borrower.
Performance Fee	Excess income of the Fund (if any)	Payable from the income of Angas Prime at the end of each month after distribution to Investors of the Target Rate and subject to maintenance of level of Dedicated Reserve Account. Deducted from the interest as and when received from the Borrower.
Indirect Costs	Estimated to be 2.3%^	Recovered as and when incurred from amounts paid to Angas by the Borrower. See further explanation below.

^ the estimate of the indirect costs is based on costs payable by Borrowers in other mortgage investments for the year ended 30 June 2018.

INDIRECT COSTS

These costs are paid from the mortgage investment's assets and may include performance fees and other recoverable expenses such as those set out below:

TYPE OF FEE OR COST	AMOUNT	HOW & WHEN PAID
Loan Establishment Fee	Minimum fee being the greater of \$1,000 or 1% plus GST of the loan amount with no maximum fee set	Recovered as and when incurred from amounts paid to Angas by the Borrower
Loan Extension Fee	Minimum fee being the greater of \$1,000 or 1% plus GST of the loan amount with no maximum fee set	Recovered as and when incurred from amounts paid to Angas by the Borrower
Early Repayment Fee	Being an amount equal to one (1) months interest on the original loan amount at the rate of interest specified in the loan agreement	Recovered as and when incurred from amounts paid to Angas by the Borrower
Loan Default Fee	Being an amount up to three (3) months interest on the original loan amount at the higher rate of interest specified in the loan agreement	Recovered as and when incurred from amounts paid to Angas by the Borrower

TRANSACTIONAL AND OPERATIONAL COSTS

TYPE OF FEE OR COST	AMOUNT	HOW & WHEN PAID
Loan Discharge Fees *	Minimum fee being \$500 plus GST with no maximum fee set	Recovered as and when incurred from amounts paid to Angas by the Borrower
Legal costs (documents and duties)*	Minimum fee being \$1,000 plus GST with no maximum fee set	Recovered as and when incurred from amounts paid to Angas by the Borrower

* Transactional and operational costs payable by Borrower and would be incurred by a direct investor in Fund assets. These costs are not included in the Indirect Costs Ratio.

FEES AND OTHER COSTS

ADDITIONAL EXPLANATION OF FEES AND COSTS

Management Cost Calculations

The table below provides a summary of the estimated Management Cost calculation for the Fund.

MANAGEMENT COSTS	COST TO INVESTOR	COST PAYABLE BY BORROWER
Mortgage Management Fee p.a.	Nil	2.2% p.a.
Indirect costs (estimate)	Nil	2.3% p.a.
Total Management Cost	Nil	4.5% p.a.#

This is the Indirect Costs Ratio (ICR) which includes the maximum estimate indirect costs as an average of the net assets for the 12 months to 30 June 2018. These management costs are recovered from fees and/or interest payable by the Borrower, in effect without a cost to the Investor. An Investor is paid the Target Rate of return on the Fund; although this payment is not guaranteed (refer to page 5).

FEES PAYABLE FROM FUND ASSETS

The tables on pages 18 and 19 show fees and other costs that may be charged. These fees and costs may be deducted from the returns on an investment in accordance with the Constitution. Investors should read all the information about fees and costs because it is important to understand their impact on an investment. All fees and other costs disclosed in this PDS are subject to change by Angas, which will give Investors not less than 30 days' notice in advance of any such changes. Any notification given by Angas shall include advice of the date proposed for implementation of the revised fee or the introduction of a new fee. Any applicable government or statutory charges will be passed on by Angas to Investors.

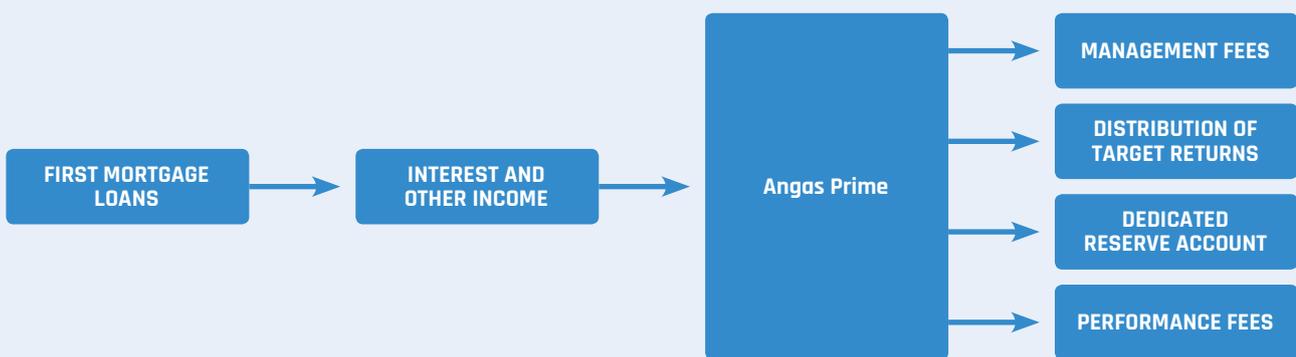
loan portfolio within the Dedicated Reserve Account as determined by the Angas Board from time to time. Any amount over and above this requirement will be paid to Angas as a performance fee. Refer to chart following.

Regardless of the performance of Angas Prime, the maximum amount which Investors can receive is their Target Rate. The Target Rates **are not guaranteed** and nor are they cumulative. Amounts received by Angas Prime in excess of the Management Fee, Target Rate payable to Investors and the amount paid to the Dedicated Reserve Account for interest and capital provisioning are retained and paid as a performance fee to Angas. Target Rates are determined by Angas, which will make an assessment of the returns expected from the Fund's assets and will set the Target Rate from time to time based on this assessment.

FUND ASSETS

FUND INFLOWS

FUND INCOME AND EXPENSES



Angas Prime will lend money to Borrowers who will pay interest payments on these loans in line with the mortgage terms and conditions. Income earned from the Fund's investments is applied first to meet the management fees and then to pay distributions to Investors. Subject to Investors receiving distributions equal to the Target Rate, payment will be made to the Dedicated Reserve Account for provisioning. Angas Prime will aim to hold a percentage of the Angas Prime

The Target Rate can be obtained by contacting Angas or visiting www.angasprime.com.au. The manner in which the Target Rate is set and changes are communicated are set out at page 5 of this PDS under "Investment Return."

FEES AND OTHER COSTS

OPERATING EXPENSES

The Constitution of Angas Prime allows for ongoing operating expenses (such as compliance, custodial services, accounting, registry, audit, taxation advice, offer documents and advertising) to be paid directly from Angas Prime. Angas will pay such amounts from its management fees.

FEES AND COMMISSIONS PAYABLE TO THIRD PARTIES

The fees due for work commissioned by Angas in preparing and settling a mortgage, such as valuers and legal service providers, are paid for by the Borrower at the cost charged by the service provider, and have no impact on Investor returns. Angas may choose to pay authorised intermediaries' commissions for referring Borrowers to Angas Prime. These commissions are paid at the sole discretion of Angas from the loan establishment fees or Angas' own resources and have no impact on Investor returns. Borrowers may nominate to pay additional interest on their mortgage to cover trailing commissions to their finance broker or advisor. This will be negotiated between the Borrower and its adviser and be added to the mortgage interest rate paid by the Borrower and collected and paid by Angas for the term of the loan. The nominated trailing commission has no impact on Investor returns.

FEES PAYABLE BY BORROWERS (Please refer to the additional explanation of fees and costs on page 19)

Angas receives fees and charges from Borrowers for providing lending services that are not operating expenses, and do not fall within the management fee. These fees associated with lending services are paid by Borrowers to Angas. They have no impact on Investors or returns generated from Angas Prime, and may be shared with the introducers of the loans. The Borrowers' fees include:

- Loan Establishment Fees and Administration Fees which are negotiable depending on the complexity and competitiveness of the loan. This fee covers the cost of servicing the loan sourcing network, data collection, loan application, loan assessment and the approval process, instructing valuers, and instructing solicitors to provide documentation, settle the loan and register the mortgage. These fees may also be used to meet general administration costs such as salaries, insurance, rent, telephone and advertising costs incurred by Angas.
- Loan Extension Fees when a loan matures and is continued for another term, which may also include an increase in the amount borrowed. Fees are calculated on the loan amount borrowed. This fee covers the cost of reviewing the loan file, the payment record of the Borrower and may include updating information held such as the valuation, credit checks, statement of position and serviceability. It will also cover the cost of any documentation required to renew/extend the loan.
- Early Repayment and Exit Fees can be charged for a loan repaid in full prior to the contracted term. This will vary from loan to loan.

Each Borrower is responsible for paying the costs incurred in connection with the Borrower's loan. Examples of these costs include: collection fees, legal fees, receiver/manager fees and expenses, statutory fees such as stamp duty, registration fees and court filing fees, expert fees and expenses. Although the Fund must pay the cost initially, the Fund is entitled to recover them from the Borrower. The initial payment of these costs is not included in the Fund's management costs as they are costs that an Investor would incur if the Investor invested directly in the loan. If any of these costs are not recovered from the Borrower, there will be a credit loss on that loan for the amount not recovered. Angas will apply any available money held in the Dedicated Reserve Account towards the loss.

EXAMPLE

BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR

The following table gives an example of how the fees and costs in Angas Prime can affect your Investment over a 1 year period. You should use this table to compare the Fund with other managed investment products.

Example	Fee	Balance of \$50,000 with a contribution of \$5,000 during year
Contribution Fees	0%	You will not be charged a Contribution Fee.
Plus Management Costs	2.2%	
Plus Indirect Costs	2.3%	
Equals Cost of Fund	4.5%	

If you had an investment of \$50,000 at the beginning of the year, you would be charged \$2,250.00 for the year.
If you had an investment of \$50,000 at the beginning of the year and you invest an additional \$5,000 in six months, you would be charged \$2,362.00 in total for the year.*

*Refer to the Additional Explanation of Fees and Costs on page 20.

IMPORTANT NOTE:

1. If you are permitted to leave Angas Prime early, you may also be charged an Early Withdrawal Fee of not less than 3.3% of your total fund balance, that is, \$1,650 for every \$50,000 you withdraw.
2. The Management Fees referred to in this Example are subject to income being generated by Angas Prime to meet the fees. Investors are not liable to meet the fees if the Angas Prime income is insufficient.

ADDITIONAL INFORMATION

AML ACT

Angas is a reporting entity pursuant to the AML Act and as such must meet the identification and verification requirements set by AUSTRAC. This includes the identification of Investors and Borrowers and adopting certain risk protocols to prevent money laundering or terrorism financing activities affecting Angas Prime and its Investors. The performance of that requirement is reviewed annually by the Compliance Auditor.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Angas has adopted Australian equivalents to International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board from 1 January 2005.

COMMON REPORTING STANDARDS

As a Reportable Financial Institution Angas is required by law to collect certain financial information relating to non-residents and report the same to the Australian Taxation Office.

PRIVACY ACT

In order to make an Investment in Angas Prime, Investors are required to provide Angas with personal information. Angas collects and uses personal information about Investors to process applications and manage the investment, collate statistical information for internal research purposes, to assist Investors with any queries and to take measures to detect or prevent fraud and other illegal activity.

Angas has a duty to keep such information confidential, except in certain limited circumstances (for example where the law requires Angas to disclose such information). Angas may also disclose personal information to third parties such as auditors, lawyers, accountants and other professional advisers, information technology support providers or regulatory bodies.

Angas aims to ensure that the personal information of all Investors is accurate, complete and up-to-date. If an Investor provides Angas with incomplete or inaccurate information, it may not be able to provide that Investor

with the products or services requested. From time to time, Angas may wish to advise Investors about other financial services and products that may suit their needs. However, if an Investor does not want Angas to use their information for such marketing purposes he or she should advise Angas accordingly.

If an Investor has any concerns about the completeness or accuracy of the information held by Angas about him or her or would like to request access to his or her own personal information, the Investor can contact Angas on 1800 010 800.

The Angas Privacy Policy is available on our website or Investors can contact Angas on 1800 010 800 and request to have a copy provided directly.

TAXATION

Angas recommends Investors obtain their own advice regarding tax and social security laws which are both complex and subject to change. Angas notes that the acquiring, holding and disposing of interests in managed investment schemes can have taxation and social security implications for Investors. Angas Prime is not liable for income tax as all income is distributed to Investors. Australian resident Investors will need to include in their taxable income for the year any taxable income distributed to them by Angas Prime. This remains the case where distributions are not actually received in that financial year. For non-residents of Australia, Angas will deduct the appropriate withholding tax.

GST is not payable on the issue, withdrawal or transfer of interests in Angas Prime as these are input-taxed financial supplies for GST purposes. Investors do not need to be registered for GST to invest in Angas Prime. Fees and expenses in respect of the management of the Fund are subject to GST. In certain circumstances the Fund may be entitled to reduced input tax credits of 75% or 55% of GST paid which effectively reduces the GST payable from 10% to 2.5% or 4.5% respectively.

Investors may choose to provide Angas with their tax file number (TFN), TFN exemption or ABN (if applicable) by completing the TFN or ABN notification section of the Application Form accompanying this PDS. It is not compulsory for Investors to quote their TFN, exemption or ABN, but if not quoted, Angas is required to deduct tax from any distributions calculated at the maximum personal rate, plus Medicare levy, together with any other applicable government charges. Angas is authorised to collect TFN, exemption or ABN by law and may only use it

for the purposes permitted by law.

WITHDRAWAL OF INVESTMENT

An Investor does not have the right to withdraw an investment during the term of the investment. This means that during the term, there is no access to Principal (including any amounts added to the initial investment during its term). Investments may only be withdrawn on their maturity date and subject to Angas receiving written and signed instructions from the Investor a minimum of seven (7) days prior to the maturity date of the investment. Angas will notify Investors in writing prior to the maturity date of the pending maturity of their investments. In the event that a request to withdraw the investment is not received in the manner described above, the investment will be rolled over for a further twelve (12) months at the prevailing Target Rate.

Factors that may impact the ability of an Investor to redeem funds at maturity are detailed on:

Page 8 – Management of Liquidity

Page 10 – Benchmark 8 - Withdrawal Arrangements

Page 17 – Withdrawal Price Risk

Death of an Investor does not trigger automatic withdrawal of an investment in Angas Prime. Proceeds of the investment will be paid to the estate of the deceased Investor at maturity, subject to Angas being provided with requisite documentation and standard withdrawal conditions being satisfied.

ADDITIONAL INVESTMENTS AND BPAY®

Investors can add to their investments in Angas Prime. Payment can be made by cheque, electronic funds transfer (EFT) or by BPAY®.

A minimum additional investment amount of \$1,000 (and in multiples of \$1,000 thereafter) applies. Any additional funds will be added to the existing investment up to 90 days from the maturity date of the initial investment. The additional funds invested in Angas Prime will attract the same Target Rate as the existing investment to which the funds are added. Angas has the right at its absolute discretion to refuse any additional funds contributed by an Investor. In the event of such refusal, Angas shall refund the money to the Investor without addition or deduction.

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.

No cooling-off rights apply to additional investments (refer to page 24, “Cooling Off Period”).

RIGHTS AND LIABILITIES

The rights of the Investor are set out in this PDS, the Constitution, the Corporations Act, and other relevant laws. Each Investor has a beneficial interest in the assets of Angas Prime. The rights of the Investor can be varied by changes to the Constitution, the Corporations Act and any related laws. An Investor, by investing in the Fund, agrees to indemnify Angas against any losses they may suffer from their investment in the Fund. The Constitution provides that Angas may claim indemnity from Angas Prime. Angas is not entitled to be indemnified by Angas Prime unless it acts in good faith and without fraud or negligence. The extent of the indemnity is limited to the value of Angas Prime assets.

INCOME DISTRIBUTIONS

Income distributions are paid monthly in arrears within fourteen (14) days of the end of the preceding month to Investors' nominated bank, building society or credit union account. Investors must provide details of their nominated account at the point of initial lodgement.

Distributions will not be paid by cheque. If Angas Prime is unable to credit distributions to a nominated account due to closure of that account or like event, Angas Prime will hold the distributions in a suspense account pending appropriate instructions from an Investor of an alternative account. Angas Prime requires seven (7) business days' notice, in writing, in order to effect a change to an Investor's nominated account details.

INVESTOR STATEMENTS

Angas will issue an annual statement at no cost to Investors. This will note all interest paid, Principal invested, early withdrawal fees charged (if any) and the return to the Investor. This document, which will incorporate an Annual Taxation Statement, will be provided by Angas to all Investors free of charge within two months of the end of the financial year. Details of interest earned by each Investor is required by law to be provided by Angas to the Australian Taxation Office.

FINANCIAL REPORTS

An Annual Financial Report is prepared each year by Angas for Angas Prime. This is subject to audit by the Financial Auditor of the Fund. As a disclosing entity, Angas Prime is subject to regular reporting and disclosure obligations. Copies of Angas Prime documents that are lodged by Angas at ASIC may be inspected at or obtained from ASIC. The audited Financial Report of Angas Prime as at 30 June each year will be available within 90 days of the end of each

ADDITIONAL INFORMATION

financial year. Investors who wish to receive a copy of this Financial Report should contact Angas on 1800 010 800. Alternatively, it will be available from the Angas Prime website.

COMPLAINTS

The Constitution provides a mechanism for Investors to make any complaints known to Angas. Complaints should be made to:

Angas Complaints Officer,
GPO Box 2948,
Adelaide SA 5001

Phone: 1800 010 800
Fax: (08) 8410 4355

Email: reception@angassecurities.com

The Complaints Officer will immediately acknowledge your complaint and has a maximum of forty-five (45) days from the date of the complaint first being received by Angas in which to satisfactorily resolve the complaint. If the response to the complaint by Angas is not satisfactory, Investors may refer the matter to the independent complaints resolution service Credit and Investments Ombudsman Service Ltd.

Credit and Investments Ombudsman,
PO Box A252,
Sydney South NSW 1235

Phone: 1800 138 422
Fax: (02) 9273 8440

Website: www.cio.org.au

From no later than 1 November 2018, all finance industry complaints will be handled by the Australian Financial Complaints Authority (AFCA). Angas will update the contact details for AFCA on its website when they become available.

All complaints will be recorded in the Complaints Register maintained by Angas and will be acknowledged in writing. Angas is committed to fair and prompt dealing of all complaints. All suggestions from Investors for service improvements are welcomed.

ELIGIBLE INVESTORS

An intending investor must be 18 years or over to invest in the Fund. An adult can make an investment on behalf of a minor by completing the Application Form in the name of the adult to be held in trust for the specified minor. Angas does not provide any taxation advice in relation to such an investment.

The offer of investing in the Fund is available to persons receiving an up-to-date copy (electronic or otherwise) of this PDS within Australia.

COOLING OFF PERIOD

Subject to the Corporations Act, an Investor can exercise cooling off rights in relations to the initial investment. Cooling off rights do not apply to investments that are rolled or to additional investments.

If after investing in Angas Prime the Investor changes his or her mind and wishes to exercise cooling-off rights under the Corporations Act, the Investor may do so by contacting Angas within fourteen (14) days from the earlier of:

- the time of receipt of written confirmation of Angas Prime investment; or
- five (5) days after the day Angas Prime investment was issued.

An Investor who cools off is not entitled to income. If a distribution has occurred between acceptance of the application and receipt of the cooling-off period notification, the Investor must repay the distribution to the Fund.

If an Investor wishes to cancel the investment during the cooling-off period, the Investor should inform Angas in writing of the intention to exercise this right before the end of the cooling-off period (and before exercising any rights or powers in respect of the investment in the Fund).

TERMINATION OF THE FUND

The Fund terminates on the earlier of:

- the date specified by Angas as the Responsible Entity as the date of termination of Angas Prime;
- if there are changes in the market such that Angas believes Angas Prime will be unable to achieve its investment objectives; or
- the date that the Fund terminates in accordance with any other provision of the Constitution or the law.

The net proceeds of realisation of Angas Prime's assets (after making allowance for all actual and anticipated liabilities and meeting the expenses of the termination) must be distributed to Investors in proportion to the investment of each Investor on the termination date.

GLOSSARY

ABN

Means Australian Business Number

AFSL

Means Australian Financial Services Licence. This Licence is granted by ASIC and permits the holders to provide financial services.

AML ACT

Means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).

ANGAS

Means Angas Securities Limited ACN 091 942 728.

Angas Prime

Means Angas Prime Income Fund ARSN 091 887 400.

APPLICATION FORM

Means the six page form appearing at the end of this PDS.

ARSN

Means Australian Registered Scheme Number and is the number allocated by ASIC.

ASIC

Means the Australian Securities and Investments Commission or any regulatory body that replaces it or performs its functions.

AUSTRAC

Means the Australian Transaction Reports and Analysis Centre or any regulatory body which replaces it or performs its functions.

BORROWER

Means any person who Angas approves to borrow funds from Angas Prime.

COMPLIANCE COMMITTEE

Means the body established by Angas under the Corporations Act to ensure that Angas Prime carries on business in accordance with the Compliance Plan.

COMPLIANCE PLAN

Means the document which outlines the principles and procedures that Angas will invoke to ensure that Angas Prime complies with the Corporations Act.

CONSTITUTION

Means the Constitution of Angas Prime Income Fund dated 10 December 2012 as varied from time to time.

CREDIT COMMITTEE

Means an internal Angas group comprising any of an Executive Director, the Head of Lending, the Head of Funds Management, and any Angas Board appointed delegate.

CORPORATIONS ACT

Means the Corporations Act 2001 (Cth).

DEDICATED RESERVE ACCOUNT

Means money specifically set aside by Angas to meet losses arising from shortfalls of loan principal and interest which Angas cannot recover from a Borrower or the realisation of Security Property.

DEVELOPMENT LOAN

Means a loan that meets the following criteria: the purpose of the loan is "land development", total funding does not exceed 70% of the "on completion" value of the project and there is to be a program of progressive drawdowns that are made as the development proceeds. As opposed to a "construction loan", which is a loan that meets the following criteria: the purpose of the loan is "construction" of either new buildings or additions/ alterations, there is to be a program of progressive drawdowns to be made as the development proceeds, total funding does not exceed 70% of the "asis" value of the unimproved property plus 100% of construction costs and provided that the sum of costs does not exceed 70% of the "on completion" value of the project.

DIRECTOR

Means a Director of Angas.

FUND

Means the Angas Prime Income Fund ARSN 091 887 400.

INVESTOR

Means a person registered as a member of the Fund.

LVR

Means Loan to Valuation Ratio calculated by the loan amount divided by the Security Property valuation and expressed as a percentage.

PDS

Means Product Disclosure Statement.

PRINCIPAL

Means money you invest with Angas as Responsible Entity of Angas Prime.

PRIVACY ACT

Means the Privacy Act 1988 (Cth).

REAL PROPERTY

Means land (including tenements and hereditaments corporeal and incorporeal and every estate and interest whether vested or contingent freehold or leasehold and whether at law or in equity) wheresoever situated within Australia. Without limitation, this includes any equity of redemption, fixtures to land and any property to be used in association with any land or fixtures that Angas may from time to time consider to be calculated to enhance the value of or render profitable any land or fixtures.

RESPONSIBLE ENTITY

Means Angas or any subsequent Responsible Entity of the Fund from time to time.

SECURITY PROPERTY

Means Real Property mortgaged as security for a loan made by Angas Prime.

TARGET RATE

The Target Rate is the rate of return set by Angas and offered on an investment, but which may vary from time to time during the term of the investment.

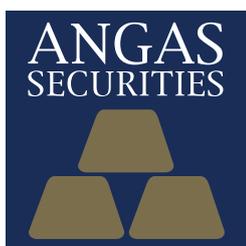
TERMS

Means the terms and conditions of the investment which have been agreed between Angas and the Investor as recorded in this PDS and the Constitution.

TFN

Means Tax File Number.

CORPORATE DIRECTORY



OFFICES

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
Royal Exchange, PO Box R1835, SYDNEY NSW 2001
Phone 02 9259 0777

PERTH

Suite 12, 448 Roberts Road, SUBIACO SA 6008
PO Box 1602, SUBIACO WA 6904
Phone 08 9380 4983
Fax 08 9380 4480

FUND AUDITOR

PERKS AUDIT PTY LTD
180 Greenhill Road, PARKSIDE SA 5063
Phone 08 8273 9300
Fax 08 8274 1466

COMPLIANCE AUDITOR

ACCRU + HARRIS ORCHARD
172 Fullarton Road, DULWICH SA 5065
Phone 08 8431 1488
Fax 08 8431 1441

MANAGED INVESTMENT SCHEME

Angas Prime
ARSN 091 887 400

RESPONSIBLE ENTITY & CUSTODIAN

Angas Securities Limited
ABN 50 091 942 728
AFSL 232 479

INVESTOR SERVICE LINE 1800 010 800

WWW.ANGASPRIME.COM.AU

GUIDE TO APPLICATION

APPLICANTS MAY BE ONE OR MORE INDIVIDUALS, PARTNERSHIPS, COMPANIES, AND TRUSTS OR SUPERANNUATION FUNDS.

INDIVIDUALS

Provide given names in full, not initials:

Correct Michael John Smith
Incorrect M-J-Smith; Mick-Smith

Requirements:

Signature of Investor
Identification of Investor
TFN of Investor

JOINT INVESTORS

Provide given names in full, not initials:

Correct Michael John Smith and Sara Jane Smith
Incorrect M-J-Smith and S-J-Smith

Requirements:

Signature of both Investors
Identification of both Investors
TFN of both Investors

Other notes:

- > Agree to hold the interests as joint tenants
- > Agree all liability shall be both joint and several
- > State whether one or both signatures are required for written withdrawal requests and applications

PARTNERSHIPS

Provide the Partners' personal names in full, not the partnership:

Correct Michael John Smith and Robert Jones
Incorrect Smith & Jones

Requirements:

Signature of both Partners
Identification of both Partners
TFN of the Partnership

Other notes:

- > Agree all liability shall be both joint and several
- > Acknowledge you are a partner in the partnership and are investing on behalf of the partnership
- > Acknowledge you have the authority to bind the partnership
- > State whether one or both signatures are required for written withdrawal requests and applications

COMPANIES

Provide the full Company name, not abbreviations:

Correct MNO Pty Ltd
Incorrect MNO; MNO Co; MNO P/L

Requirements:

Signature of two Directors, or Director and Company Secretary, or Sole Director
Copy of Certificate of Incorporation
ASIC company search to be performed by Angas
TFN of the Company

Other notes:

- > Acknowledge you are the officer(s) of the company
- > Acknowledge you have the authority to bind the company
- > State whether one or more signatures are required for written withdrawal requests and applications

GUIDE TO APPLICATION

TRUSTEES & SUPERANNUATION FUNDS

Provide the full name of Trustee(s) or Corporate Trustee, and of the Superannuation Fund or Trust, no abbreviations:

Correct Michael John Smith as trustee for Smith Superannuation Fund; MNO Pty Ltd as trustee for Smith Superannuation Fund
Incorrect MJ-Smith ATF Smith Super Fund; MNO ATF Smith Super Fund

Requirements:

Signature of the Trustee(s), or signature of two Directors, or Director and Company Secretary, or Sole Director for a corporate trustee
Copy of Trust Deed
Identification of individual Trustees
ASIC company search to be performed by Angas for corporate Trustees
TFN of the Superannuation Fund or Trust

Other notes:

- › Acknowledge that investing in Angas Prime is an authorised investment of the trust
- › If joint trustees or company state whether one or more signatures are required for written withdrawal requests and additional applications

POWER OF ATTORNEY

Provide given names in full of Investor and Attorney, not initials:

Correct Michael John Smith as power of attorney for Betty Mary Smith
Incorrect B-M-Smith

Requirements:

Signature of Attorney
Certified copy of Power of Attorney
Identification of Investor and Attorney
TFN of Investor

COMMUNICATION

All communications from Angas will be sent to the nominated address on the Application Form. For joint applicants only one address is required, unless otherwise stipulated. Business telephone, facsimile, home and mobile telephone, and e-mail address details to be provided for all applicants.

INVESTMENT MONIES

Funds for investment must be provided to Angas with the lodgement of the Application Form. Investments can be made by:

- › Bank Cheque made payable to Angas Prime and crossed “not negotiable”;
- › Direct deposit to Angas Prime; or
- › BPAY® to Angas Prime. If you wish to make your initial deposit using BPAY®, please call Angas for your BPAY® Reference Number.

Further investments can be made at any time thereafter provided that a new Application Form is completed but may be refused by Angas at its absolute discretion.

INVESTOR BANK DETAILS

For investment monies to be returned to you through a withdrawal and for income distributions to be paid, you need to provide the Bank and Branch, BSB and account number, and the full name of a bank account Angas can direct deposit to by electronic funds transfer.

DECLARATION

By completing and lodging an Application Form the Investor:

- › Declares to have read and understood this PDS; and
- › Acknowledges and agrees to be bound by the provisions of the Constitution and the Terms of the offer set out in this PDS to the extent required by law.

LODGEMENT

All Application Forms are to be lodged with Angas:

- › In person at any office of Angas; or
- › By mail to any office of Angas.

ANGAS PRIME

ANGAS SECURITIES LIMITED | ACN 091 942 728 | AFSL 232 479 | ARSN 091 887 400

INVESTMENT AMOUNT

INVESTMENT: \$

TRUST OR SUPERANNUATION FUND

NAME

TFN

ABN

ADDRESS

COMPANY

IN THEIR OWN RIGHT AND/OR AS A TRUSTEE FOR THE ABOVE

NAME

TFN

ABN

ADDRESS

PHONE

EMAIL

INDIVIDUALS

IN THEIR OWN RIGHT AND/OR AS A TRUSTEE OR DIRECTOR/SECRETARY FOR THE ABOVE

1

Single Joint Partnership Trustee Director/Secretary

NAME

ARE YOU A TAX RESIDENT OF ANOTHER COUNTRY? YES NO
IF YES, PLEASE STATE WHICH COUNTRY

TFN

ADDRESS

DOB

MOBILE

PHONE

EMAIL

ANGAS PRIME

ANGAS SECURITIES LIMITED | ACN 091 942 728 | AFSL 232 479 | ARSN 091 887 400

INDIVIDUALS (CONTINUED) IN THEIR OWN RIGHT AND/OR AS A TRUSTEE OR DIRECTOR/SECRETARY FOR THE ABOVE

2 Single Joint Partnership Trustee Director/Secretary

NAME

ARE YOU A TAX RESIDENT OF ANOTHER COUNTRY? YES NO
IF YES, PLEASE STATE WHICH COUNTRY

TFN

ADDRESS

DOB MOBILE

PHONE EMAIL

3 Single Joint Partnership Trustee Director/Secretary

NAME

ARE YOU A TAX RESIDENT OF ANOTHER COUNTRY? YES NO
IF YES, PLEASE STATE WHICH COUNTRY

TFN

ADDRESS

DOB MOBILE

PHONE EMAIL

CONTACT DETAILS ALL COMMUNICATIONS TO BE SENT TO:

ADDRESS

PHONE EMAIL

NAME FAX

BANK ACCOUNT DETAILS ALL INCOME DISTRIBUTIONS AND WITHDRAWALS TO BE DEPOSITED TO:

NAME

BANK BRANCH

BSB ACCOUNT NUMBER

ANGAS PRIME

ANGAS SECURITIES LIMITED | ACN 091 942 728 | AFSL 232 479 | ARSN 091 887 400

APPOINTMENT OF INVESTOR REPRESENTATIVE

OTHER THAN FINANCIAL ADVISER **OPTIONAL**

I/We wish to appoint the following party to represent and deal with my/our Fund investment in the limited manner set out below. I/We acknowledge that investments in or withdrawals from the Fund and changes to my/our bank account details can only be done by me/us or by a person holding my/our Power of Attorney.

.....
FULL NAME OF INVESTOR REPRESENTATIVE

.....
SIGNATURE OF INVESTOR REPRESENTATIVE

I/We request that my/our Investor Representative, as nominated above, receive access to my/our financial records in relation to my/our Fund investment and consistent with the terms and conditions, agree that my/our Investor Representative has the same powers as I/we do to make enquiries of you concerning matters pertaining to the Fund. I/We hereby release, discharge and agree to indemnify Angas Prime and the Investment Manager from and against all actions, proceedings, accounts, claims and demands however arising out of acting upon the instructions of my/our Investor Representative or the release of this information to my/our Investor Representative named above.

.....
SIGNATURE OF INVESTOR 1

..... ///
DATE

.....
SIGNATURE OF INVESTOR 2

..... ///
DATE

ANGAS PRIME

ANGAS SECURITIES LIMITED | ACN 091 942 728 | AFSL 232 479 | ARSN 091 887 400

SIGNATURE DETAILS

THIS APPLICATION FORM MUST BE READ IN CONJUNCTION WITH THE PRODUCT DISCLOSURE STATEMENT ISSUED BY ANGAS ACN 091 942 728 UNDER AFSL NO 232 479 FOR Angas Prime ARSN 091 887 400 AND MUST NOT BE ISSUED TO ANY PERSON UNLESS THAT PERSON HAS FIRST RECEIVED A COPY OF THE PRODUCT DISCLOSURE STATEMENT.

I/We hereby apply for registration in Angas Prime, and in doing so acknowledge, agree and understand that:

- > I/we declare that the details given in this form are true and correct.
- > I/we have legal authority to invest in accordance with this Application.
- > I/we agree to be bound by the terms of the Fund’s Constitution.
- > I/we acknowledge that we have received and read a copy of the Product Disclosure Statement and agree to its terms.
- > I/we acknowledge that Angas may accept or reject any applications.
- > I/we acknowledge that Angas does not guarantee the performance of the Fund or the repayment of Principal or any particular rate of return or any distribution.
- > I/we understand that Angas cannot provide me/us with advice and that if I/we require advice I/we should consult a licensed financial adviser.
- > I/we understand and acknowledge that Angas Prime is authorised to collect Tax File Numbers (TFN) by law, and whilst I am not required to provide my TFN, if I do not, or do not provide exemption details, Angas is required to withhold tax from income distributions at the highest marginal tax rate plus the Medicare levy.
- > I/we confirm that I/we have honestly stated our tax residency status.
- > I/we understand that Angas may disclose my/our information (or parts of it) to government agencies that may lawfully request information from time-to-time, or in other circumstances where required by law to do so.
- > I/we understand that Angas may disclose my/our information (or parts of it) to its service providers to enable the printing, distribution and administration of documentation related to services.
- > I/we understand that Angas may use my/our information on occasions, to inform me/us about other services or products offered.
- > I/we hereby acknowledge that neither Angas nor its Authorised Representatives has provided me/us with any financial product advice, made any representation or given any guarantee as to the Fund performance or the maintenance of Principal.
- > I/we acknowledge that there shall be no entitlement for income to be earned on our investment until all necessary information has been supplied to Angas.

SIGNATURES REQUIRED FOR INVESTMENT APPLICATIONS AND WITHDRAWALS

- Single
 Joint - one to sign
 Joint - both to sign
 Other

..... SIGNATURE / DATE
..... SIGNATURE / DATE
..... SIGNATURE / DATE

NOTE: If signing under a Power of Attorney, you must provide the appropriate identification and a certified copy of the Power of Attorney including the appropriate signatures, and are verifying that at the time of signing you have not received notice of revocation of that power.

ANGAS PRIME

ANGAS SECURITIES LIMITED | ACN 091 942 728 | AFSL 232 479 | ARSN 091 887 400

IDENTIFICATION DETAILS

IN ACCORDANCE WITH THE AML ACT, PRIOR TO ACCEPTING AN APPLICATION FORM, ANGAS IS REQUIRED TO OBTAIN THE FOLLOWING IDENTIFICATION AND VERIFICATION INFORMATION FOR INVESTORS. NO INCOME WILL BE PAYABLE ON AN INVESTMENT UNTIL THE DATE THAT ALL NECESSARY INFORMATION HAS BEEN PROVIDED.

TRUST OR SUPERANNUATION FUND

- A certified copy of the Trust Deed (including any variations)
- Identification of the Trustees either as individuals or Company per below

COMPANY IN ITS OWN RIGHT AND/OR AS A TRUSTEE FOR ABOVE

- A certified copy of the Certificate of Registration
- Identification of the Directors as individuals per below
- A company search conducted on the ASIC database (performed by Angas)

INDIVIDUALS IN THEIR OWN RIGHT OR AS A TRUSTEE OR DIRECTOR/SECRETARY FOR ABOVE OR AS INVESTOR REPRESENTATIVE

- A certified copy of a current Drivers Licence OR Passport issued in Australia or overseas that contains a photograph and signature

If unable to provide a certified copy of a Drivers Licence or Passport, then both one Part A document and one Part B document are required.

PART A

- A certified copy of a Birth Certificate issued by an Australian State or Territory or an overseas government, the United Nations or an agency of the United Nations
- OR
- A certified copy of an Australian Citizen Certificate or a citizen certificate issued by a foreign government
- OR
- A certified copy of a Centrelink Pension Card or Health Card

PART B

- A notice that was issued by the Commonwealth or an Australian State or Territory within the preceeding 12 months that contains the name of the individual and current address, and records the provision of financial benefits to the individual (eg a Centrelink letter confirming entitlement to assistance payments)
- OR
- A notice that was issued by a local government or utilities provider within the preceeding 3 months that contains the name of the individual and current address, and records the provision of services by that body to the individual and/or to their address (eg an electricity bill or rates notice)
- OR
- For a person under the age of 18, a notice that was issued by a school principal within the preceeding 3 months that contains the name of the individual and current address, and records the period of time that the individual attended the school

OFFICE USE ONLY

_____/_____/_____
DATE FUNDS RECEIVED

- CHEQUE
- EFT
- BPay®

_____/_____/_____
FIRST WITHDRAWAL DATE

SOURCE OF FUNDS

IDENTITY CHECK COMPLETED

- YES
- NOT REQUIRED (EXISTING INVESTOR)

INVESTOR NUMBER

INVESTMENT NUMBER

BPay® REFERENCE NUMBER

ANGAS PRIME

ANGAS SECURITIES LIMITED | ACN 091 942 728 | AFSL 232 479 | ARSN 091 887 400

CERTIFICATION OF DOCUMENTS

THE CERTIFYING OFFICER MUST BE:

- › Currently employed in one of the professional or occupational groups listed below; and
- › Contactable by telephone during normal working hours.

THE CERTIFYING OFFICER MUST:

- › Write on the copy “this is a true copy of the original documents sighted by me”;
- › Sign and print their name;
- › Provide an address and a contact telephone number;
- › State their profession or occupation group (as below);
- › Write on the copy the date certified; and
- › Affix the official stamp or seal of the certifier’s organisation on the copy.

IN ADDITION, IF THE CERTIFYING OFFICER IS A JUSTICE OF THE PEACE, THE CERTIFYING OFFICER MUST:

- › List registration number and state/territory of registration.

WHO CAN CERTIFY DOCUMENTS WITHIN AUSTRALIA?

- › Accountant - member of the recognised professional accounting body or a registered tax agent
- › Manager of a bank or credit union, other than managers of bank travel centres
- › Manager of an Australian bank overseas
- › Barrister, solicitor or patent attorney
- › A police officer
- › Postal manager
- › Principal of an Australian secondary college, high school or primary school
- › A justice of the peace with a registration number
- › A dentist
- › A veterinary practitioner
- › A pharmacist
- › A registered medical practitioner
- › A notary public
- › A minister of religion authorised to celebrate marriages (not a civil servant)
- › A finance company officer with two or more continuous years of service with one or more financial companies
- › An officer with, or an authorised representative of, a holder of an Australian financial services licence, having two or more continuous years of service with one or more licensees

WHO CAN CERTIFY DOCUMENTS OUTSIDE AUSTRALIA?

- › An authorised officer of an Australian overseas diplomatic mission
- › An authorised officer of an Australian education centre
- › A private representative of a university
- › A university or college registrar
- › A school headmaster or other recognised examining authority

ANGAS PRIME SUPPLEMENTARY PRODUCT DISCLOSURE
STATEMENT ISSUED BY ANGAS SECURITIES LIMITED ACN 091 942 728 AFSL No 232 479

This Supplementary Product Disclosure Statement replaces any previous Supplementary Product Disclosure Statement and must be read together with the Angas Prime Product Disclosure Statement dated 26 July 2018 (the PDS) and the other disclosure documents which are incorporated by reference.

The purpose of this disclosure is to provide investors in Angas Prime with updated information on Angas' debenture run-off and the current Net Tangible Assets (NTA) position of Angas.

Angas Securities Limited Debenture Run-Off

As previously advised, Angas Securities Limited (**Angas** or **Company**) is undertaking a program to exit its debenture business through an orderly realisation of its assets and repayment of amounts owed to holders of Angas debentures (**Run-Off**). The Run-Off most recently approved by debenture holders extended the redemption date for debentures to 30 June 2019. The Directors of the Company met on 5 October 2018 and based on the information available to them on the status of all property sales, concluded that the Company would not be able to meet the payments contained in the Run-Off by 30 June 2019. The Directors then resolved to seek approval for a restructure of the remaining debenture debt (the **2019 Restructure Proposal**).

The Company's Directors subsequently met with representatives of Trustco on 30 October 2018 and 14 December 2018 to discuss the 2019 Restructure Proposal and a formal report was made by Angas to the Federal Court on the 2019 Restructure Proposal under consideration. At the Federal Court hearing held 8 February 2019, the Honourable Justice Beach made Orders scheduling the preparation and disclosure of material information necessary for debenture holders to vote on the 2019 Restructure Proposal. Pursuant to those Orders the debenture holders met on 30 April 2019 to consider and if they saw fit to implement a Scheme of Arrangement (**the Scheme**) which, in essence, provided for the Debentures issued by the Company to be cancelled, for the debenture funded assets to be transferred to a new closed trust owned by the debenture holders and for those holders to receive 70% of the ordinary capital of the Company. 86.39% of those who voted, voted in favour of the Scheme. The resolution put to the meeting was passed as an extraordinary resolution. Implementation of the Scheme is subject to conditions precedent (including Federal Court approval) which the Company is working to satisfy.

As with the current Run-Off, the 2019 Restructure Proposal and implementation of the Scheme does not directly affect investors in Angas Prime given the assets of Angas Prime are the property of Angas Prime investors and remain legally and operationally separate from the assets of Angas.

Angas' Required Level of Net Tangible Assets as Holder of an Australian Financial Services Licence

As the holder of an Australian Financial Services Licence, Angas is subject to certain financial requirements, including a requirement that it hold a minimum level of NTA.

Following full implementation of the Scheme, Angas expects its gross revenues and NTA position to be stable and reflective of Angas' business as a fund manager. Angas will provide further updates once the conditions precedent to Scheme implementation have been satisfied.

Dated 3 May 2019



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