

WIN SECURITIES LIMITED (the Borrower)

REPORT TO THE TRUSTEE QUARTER ENDED 31st March 2015

Pursuant to the provisions of the Corporations Act and the Debenture Trust Deed dated 1 December 1999, we herewith provide our report for above quarter in relation to WIN Securities Limited.

Report pursuant to Section 283BF of the Corporations Act.

- a) The Borrower confirms that there has been no failure by the Borrower or any guarantor to comply with the terms of the debentures or the provisions of the Trust Deed or Chapter 2L of the Corporations Act during the quarter.
[Sec 283BF(4)(a)]
- b) The Borrower confirms that the Borrower has had no events during the quarter that have caused or could cause one or more of the following:
 - (i) any amount deposited or lent under the debentures to become immediately payable;
 - (ii) the debentures to become immediately enforceable;
 - (iii) any other right or remedy under the terms of the debenture or provisions of the Trust Deed to become immediately enforceable.*[Sec 283BF(4)(b)]*
- c) The Borrower confirms that the Borrower has not had any circumstances that have occurred during the quarter that materially prejudice:
 - (i) the Borrower, any of its subsidiaries, or any of the guarantors; or
 - (ii) any security or charge included in or created by the debentures or the Trust Deed.*[Sec283BF(4)(c)]*
- d) The Borrower confirms that the Borrower, its subsidiaries and guarantors have not had any substantial change in the nature of their business during the quarter.
[Sec 283BF(4)(d)]
- e) The Borrower confirms that the Borrower remains focused on its principal activities of Issuing Debentures, Mortgage lending and other Investments as permitted under the above Trust Deed.
- f) The Borrower confirms that none of the following has happened to the Borrower during the quarter:
 - (i) the appointment of a guarantor;
 - (ii) the cessation of liability of a guarantor body for the payment of the whole or part of the money for which it was liable under the guarantee;
 - (iii) a change in name of a guarantor.*[Sec 283BF(4)(e)]*

- g) The Borrower confirms that the Borrower has not created a new charge during the quarter.

[Sec 283BE, Clause 10.2]

- h) The Borrower confirms that the Borrower has no amounts outstanding on any advances at the end of the quarter from a charge created where:
- (i) the total amount to be advanced on the security of the charge is indeterminate; and
 - (ii) the advances are merged in a current account with bankers, trade creditors or anyone else.

[Sec 283BF(4)(f) and Sec 283BE]

- i) The Borrower confirms that the Borrower has not experienced any matters that may materially prejudice any security or the interest of debenture holders.

[Sec 283BF(4)(g)]

- j) The Borrower confirms that during the quarter the following amounts have been deposited with or lent to a related body corporate: NOT APPLICABLE

| | | |
|-------------|-----------------|----|
| (Company A) | A.C.N. (number) | \$ |
| (Company B) | A.C.N. (number) | \$ |
| (Company C) | A.C.N. (number) | \$ |

[Sec 283BF(5)(a)]

- k) The Borrower confirms that the total amount of money owing to the Borrower at the end of the above quarter in respect of the deposits or loans to related body corporate are as follows: -NOT APPLICABLE-

| | | |
|-------------|-----------------|----|
| (Company A) | A.C.N. (number) | \$ |
| (Company B) | A.C.N. (number) | \$ |
| (Company C) | A.C.N. (number) | \$ |

[Sec 283BF(5)(b)]

- l) The Borrower confirms that the Borrower has not assumed any liability for a related body corporate during the quarter. If a liability is assumed for the quarter please provide details of the extent of the liability during the quarter and the extent of the liability at the end of the quarter.

[Sec 283BF(6)]

- m) The Borrower confirms that the Borrower has issued the following securities:

| | This Quarter \$ | Total \$ |
|---|--------------------|---------------|
| Value of Securities issued | -170,382.48 | 37,985,298.34 |
| Value of Securities maturing within 12 months | - | 33,428,328.15 |
| Value of Securities maturing beyond 12 months | - | 4,556,970.19 |

[Clause 9.06(a)]

- n) The Borrower confirms that the Trust Deed:
- i) covenants;
 - ii) representations; and
 - iii) warranties
- are in full force and effect and have been complied with.
[Trust Deed]
- o) The Borrower confirms that the Borrower has provided to the Trustee, a copy of all:
- i) reports;
 - ii) accounts;
 - iii) notices; and
 - iv) circulars
- sent by the Borrower or any Directors to its members, debenture holders or ASIC at the same time that it has sent the same.
[Clause 6.08(f)]
- p) The Borrower confirms that the Borrower has lent all monies within the permitted lending policies determined under the Security and Risk Assessment section in the Prospectus.
[Prospectus, Section 6.7]
- q) The Borrower confirms that the Borrower has complied at all times with the requirements of Chapter 6CA (dealing with continuous disclosure) of the Corporations Act 2001 and no circumstances arose during the quarter that required the Borrower to issue a supplementary prospectus, replacement prospectus or issue a continuous disclosure notice.
- r) The Borrower confirms that the Borrower continues to meet the minimum requirements of the borrowing Limitations.
[Clause 8.01, 8.04 & 9.07(b)(i)]
- s) The Borrower confirms that the Borrower has not exceeded the LVR of any loan as published in the current prospectus or, if not published, in the abovementioned Debenture Trust Deed, unless arising from a default.
- t) The Borrower confirms that the Borrower has provided to the Trustee a Six Monthly Report of the Auditor within the specified timeframe.
[Clause 9.05]
- u) The Borrower confirms that the Borrower has made all interest and principal payments to debenture holders when they fell due.
[Clause 9.06(a)]
- v) The Borrower confirms that the Borrower and its subsidiaries have not sustained any material trading or capital loss, trading as a group.
[Clause 9.07(b)(vii)]

- w) The Borrower confirms that the Borrower or any Guarantor has not incurred any contingent liabilities. -NOT APPLICABLE-
If contingent liabilities have been incurred:

- The amount is \$
- A liability of \$ has matured, or is likely to mature within the succeeding twelve (12) months which will materially affect the Borrower and any Guarantor in its or their ability to repay stock.

[Clause 9.07(b)(viii)]

- x) The Borrower confirms that there has been no change in any accounting method or methods of valuation or assets or liabilities and no circumstances have arisen, which render adherence to the existing method of valuation of assets or liabilities, misleading or inappropriate. [If there are any changes provide particulars.]

[Clause 9.07(b)(ix)]

- y) The Borrower confirms that in the opinion of the Directors the Current Assets of the Borrower and its subsidiaries, appear in the relevant books at values which are realisable in the ordinary course of business.

[Clause 9.07(b)(x)]

- z) The Borrower confirms that the Directors are not aware of any material changes in the laws of any place which might affect the enforceability of Guarantees and Charges given to or in favour of the Trustee.

[Clause 9.07(b)(xi)]

- aa) The Borrower confirms that the Borrower has maintained such insurance with a reputable insurer as would be effected by a prudent company engaged in a similar business and has at all times ensured the premiums and other sums have been paid when they fall due.

[Clause 9.08]

- bb) The Borrower confirms that the Borrower has ensured that the funds have been invested in accordance of Clause 11 and that there have been no breaches of restrictions or limitations contained therein.

[Clause 11]

- cc) The Borrower confirms that the Borrower has not entered into any joint first mortgages without first notifying the Trustee

[Clause 11.03]

- dd) The Borrower confirms that the Borrower has had no Events of Enforcement and Default.

[Clause 12]

- ee) The Borrower confirms that it complied with each condition of its Australian Financial Services Licence and Australian Credit Licence during the quarter.

ASIC Regulatory Guide 69: Debentures – improving disclosure for retail investors

ff) The Borrower confirms that it has made all necessary disclosures against the benchmarks in its disclosure documents and all disclosures remain true and correct.

NO MATERIAL EVENTS HAVE OCCURRED THAT HAVE CHANGED THE ORIGINAL DISCLOSURES MADE IN OUR PROSPECTUS DATED 18 DECEMBER 2014.

gg) The Borrower confirms that it continues to meet all benchmarks that the Borrower has stated in disclosure documents that it meets.

REFER TO ANNEXURE A

hh) The Borrower confirms that where the Borrower has disclosed that it does not meet the benchmarks on an "if not, why not" basis, the disclosure the Borrower has made continues to be correct and accurate in all material respects and is not misleading.

ii) The Borrower confirms that hereunder details the "promises" (as referred to, for instance, in RG69.118) it has made in disclosure documents it has issued and confirms that it has complied with each of the promises it has made in those disclosure documents:

THE DISCLOSURE DOCUMENT OF THE BORROWER DOES NOT MAKE "PROMISES". THE DISCLOSURE DOCUMENT DATED 18 DECEMBER 2014 MAKES FACTUAL STATEMENTS AND REMAINS UNCHANGED AS AT THE DATE OF THIS DECLARATION.

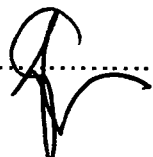
(jj) The Borrower confirms that its use of the term "Secured Notes" rather than "Unsecured Notes" is in accordance with the requirements so specified in the above ASIC Class Order and further confirm that the Secured Notes are first ranking.

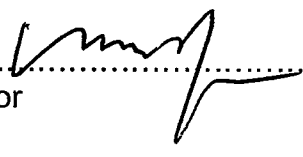
Annexure "A" provides disclosure as to whether or not the Borrower has met each of the benchmarks outlined in ASIC Regulatory Guide 69: Debentures – improving disclosure for retail investors.

Annexure "B" provides disclosure of the investment portfolio.

On the basis of the above, the directors declare that they are of the view that the financial position and performance of the Borrower is such that the property of the Borrower (and of each guarantor, if relevant) that is or should be available will be sufficient to repay the amount of each Debenture when it becomes due and payable.

This declaration has been made in accordance with a resolution of Directors on the 21st April 2015.

.....
Director 

.....
Director 

Annexure "A"

ASIC Regulatory Guide 69: Debentures and Notes – improving disclosure for retail investors Disclosure against Benchmarks

PLEASE NOTE: These Quarterly figures used in this report are unaudited.
Please disclose whether the Borrower met each of the benchmarks outlined in ASIC's Regulatory Guide 69: Debentures – improving disclosure for retail investors during the quarter. Where the Borrower did not meet a benchmark during the quarter, please explain why that is.

1. Benchmark 1: Equity Ratio

Win Securities Limited does NOT comply with ASIC's benchmark with regards to equity capital.

ASIC's benchmark is that issuers should use the following equity ratio benchmarks:

- (a) where more than a minor part (e.g. 10%) of the issuer's activities is property development or lending funds directly or indirectly for property development – the issuer should maintain a minimum equity ratio of 20%;
- (b) in all other cases – the issuer should maintain a minimum equity ratio of 8%;
- (c) the issuer's equity ratio should be calculated as follows:

$$\frac{\text{Total Equity}}{\text{Total Liabilities} + \text{Total Equity}}$$

- (d) the issuer should disclose its comparative equity ratio from the prior year.

Explanation - If the issuer has less equity capital invested in the business, there might be no safety margin to tide things over if the business runs into financial difficulties. It could also mean that the issuer has less incentive to operate the business prudently and responsibly because less of its own money is at risk.

As at the 31st March 2015 the Company's loans for property development represented approximately 3.82% by value of its total loans. These figures will change over time. However, historically property development has formed more than a minor part of the Company's activities.

If not, why not:

Prior to the introduction of the ASIC benchmarks, Win Securities Limited has always operated in accordance with its Trust Deed which generally requires that it maintain capital of \$500,000.00 in order to issue Winsec Notes. The Company maintains capital equity well in excess of this minimum requirement as prudent management of equity capital held (see figures below) as at 30th June in each of the last two years since 2014.

| | Equity Capital | Equity Ratio |
|------|----------------|--------------|
| 2013 | \$1,102,692.00 | 2.73% |
| 2014 | \$1,572,393.00 | 3.89% |

However, where the Company makes loans for property development the loan to valuation ratio never exceeds 70% and usually, it is less. That means that the borrower has significant funds of its own in the projects which are at risk before the funds advanced by the Company.

The Company believes that its current policy ensures that it maintains an equity level adequate for the nature of its business. Nevertheless, it will increase its equity ratio nearer to the ASIC benchmark.

2. Benchmark 2: Liquidity

Win Securities Limited complies with ASIC's benchmark with regards to liquidity.

ASIC's benchmark is that all issuers should:

- (a) have cash flow estimates for the next three months; and
- (b) ensure that at all times they have cash or cash equivalents sufficient to meet their projected cash needs over the next three months.

All issuers should also disclose whether they would have cash on hand or cash equivalents sufficient to meet their projected cash needs if:

- (a) the percentage of note funds to be rolled over during the next three months were 20% less than the percentage that was rolled over in the past three months; or
- (b) for note funds that are held on an "at call" basis – the amount of note funds retained during the next three months were 20% less than the amount that was retained during the past three months.

Explanation – Liquidity is an important measure of the short-term financial health of an issuer or business. If the issuer has insufficient cash or liquid assets, it might be unable to meet its short-term obligations (eg: to run the business properly, pay interest, or pay investors their money back at the end of the term).

Win Securities Limited has a policy of maintaining a minimum 10% liquidity (expressed as a percentage of cash or cash equivalents over Winsec Note funds held). As at the 31st March 2015 the Company held liquidity of \$ 14,124,483.54 or 37.18 % of Winsec Notes (this amount will change over time). The Company has not breached this policy since it commenced trading on the 1st July 1990.

In the event that the Company's liquidity nears 10%, the Company will stop lending until its liquidity level increases.

All loans advanced by the Company are repayable upon 30 days written notice by the Company to the Borrower. Accordingly, this would allow the Company under extreme circumstances the ability to call up loans to repay investor funds.

The experience of the Company has been that its liquidity level requirement is sufficient to meet its normal cash flow estimates for the next three months on a rolling three months basis.

From the Company's recent records the historical rollover rate of existing Winsec Note Holders from the 1st January 2014 to 31st March 2015 was 95.25% (which is subject to change). This figure is comparable to past historical figures. This rollover rate is taken into account in calculation of the Company's projected cash needs. In maintaining this liquidity level, the Company does not rely on any increase in the total level of Winsec Notes on issue.

The Company believes that its approach to liquidity and assumptions in calculating cash on hand or cash equivalents is sufficient to meet its projected cash needs if:

- (a) The percentage of Winsec Note funds to be rolled over during the next three months were 20% less than the percentage rolled over in the past three months; or
- (b) For Winsec Note funds that are held on an "at call" basis, the amount of Winsec Note funds retained during the next three months were 20% less than the amount that was retained during the past three months.

When applying the above "liquidity stress test" based on the rollover rate, the Company would still have sufficient cash levels to meet its projected cash needs.

The calculation for the Company's projected cash needs is prepared on a quarterly basis and more often if required to assess the Company's financial resources.

The estimates under the benchmark can include a reasonable estimate by the issuer of "rollovers", redemption, payments of interest and repayments of debt based on its previous experience, but not new fundraising.

3. Benchmark 3: Rollovers

Win Securities Limited complies with ASIC's benchmark with regards to rollovers.

ASIC's benchmark is that issuers shall clearly disclose their approach to rollovers including:

- (a) what process is followed at the end of the investment term; and
- (b) how they inform those rolling over or making further investments of any current Prospectus and continuous disclosure announcements.

Prior to the maturity of existing Winsec Notes, Noteholders will be sent a pre-maturity letter approximately two weeks before maturity, offering the opportunity to re-invest for a further term on current interest rates and term.

The pre-maturity letter will also state that the current Prospectus (and any relevant ongoing disclosures) are available to Noteholders from the Company's website (www.winsec.com.au) and if investors do not have access to the website, that they may request a hard copy, free of charge, of these documents. In cases where no instructions are received, the Company will renew the investment for a similar term at the current rate of interest for that term. A new "Certificate of Winsec Notes" will then issue.

The Company believes its practices meet the requirement of the relevant ASIC benchmark, which can be summarised as being that the Company must disclose its approach to handling the maturity of Winsec Notes investments and later maturities in the case of no instructions being provided at the time of maturity by the holders.

4. Benchmark 4: Debt Maturity

Win Securities Limited complies with ASIC's benchmark with regard to debt maturity. ASIC's benchmark is that all issuers should disclose:

- (a) an analysis of the maturity profile of interest bearing liabilities (including notes on issue) by term and value; and
- (b) the interest rates, or average interest rates, applicable to their debts.

This table represents the total value and investment maturity profile of investors funds held by the Company as at the 31st March 2015.

| | |
|--|------------------------|
| 'At Call' investments | \$2,137,662.48 |
| 'Fixed Term' investments due before the 30/06/15 | \$13,488,044.54 |
| 'Fixed Term' investments due between 01/07/15 and 30/06/17 | \$22,359,591.32 |
| 'Fixed Term' investments due after the 01/07/17 | \$0.00 |
| Total interest-bearing liabilities | \$37,985,298.34 |

Winsec Notes Issued:

Terms of Winsec Notes Total Amount on Issue:

| | | |
|---------------|------------------------|----------------|
| At Call | \$2,137,662.48 | 5.63% |
| 30 Days | \$1,487.27 | 0.01% |
| 60 Days | \$171,727.01 | 0.45% |
| 90 Days | \$5,464,417.18 | 14.38% |
| 6 Months | \$4,733,247.62 | 12.46% |
| 12 Months | \$19,206,991.46 | 50.56% |
| 24 Months | \$6,269,765.32 | 16.51% |
| Total: | \$37,985,298.34 | 100.00% |

The Company reserves the right to redeem early any notes by giving 30 days notice to the holder and redemption may be with or without a premium. The average interest rate applicable to the above interest-bearing liabilities as at the 31st March 2015 was 4.590% p.a. The average interest rate and the amount of interest bearing liabilities will change over time.

5. Benchmark 5: Loan Portfolio

Win Securities Limited complies with ASIC's benchmark with regards to its loan portfolio. ASIC's benchmark is that issuers who directly on-lend funds, or indirectly on-lend funds through a related party, should disclose the current nature of their (or the related party's) loan portfolio, including:

- (a) how many loans they have and the value of those loans;
- (b) an analysis of the maturity profile of interest bearing assets (including loan portfolio) by term and value;
- (c) the interest rates, or average interest rates, applicable to the assets;
- (d) by number and value, the loans they have by class of activity and geographic region;
- (e) an analysis (number of loans, value of loans, value of principal and/or interest) of those loans more than 30 days past due and renegotiated loans;
- (f) by number and value, what proportion of the total loan money is lent on a "secured" basis and what is the nature of the security;
- (g) by number and value, what proportion of the total loan money they have lent to their largest borrower and their ten largest borrowers; and
- (h) by number, value and percentage, what loans are subject to legal proceedings.

Explanation – Is the issuer's loan portfolio heavily concentrated into a small number of loans, or loans to a small number of borrowers? If so, there is a higher risk that a single negative event affecting one loan will put the overall portfolio (and investors' money) at risk.

The more diversified a loan portfolio is, the lower the risk that an adverse event affecting one borrower or one type of loan will simultaneously affect the majority of borrowers.

As at the 31st March 2015 the total number of loans advanced by the Company was 64. The total value of these loans was \$23,498,780.62. This amount will change over time. All loans are advanced by the Company on a "secured" basis by a registered first mortgage over real property (and, if applicable, a mortgage of an associated water share/s).

Loan Portfolio:

| | | |
|-------------|-----------------|--------|
| Residential | \$13,898,651.17 | 36.94% |
| Commercial | \$5,112,404.44 | 13.59% |
| Development | \$897,666.74 | 2.38% |
| Rural | \$3,331,968.86 | 8.86% |
| Industrial | \$258,089.41 | .69% |

Other Assets:

| | | |
|----------------|------------------------|-----------------|
| Bank/Liquidity | \$14,124,483.54 | 37.54% |
| Total: | \$37,623,264.16 | 100.00 % |

The above table represents the composition of the Company's investment portfolio by dollar value per class of activity and also as a percentage of the total portfolio. The mix will change over time.

Term of Investment:

| | |
|-------------------------------------|------------------------|
| At Call | \$5,610,699.78 |
| Due in 30 days to less than 90 days | \$32,012,564.38 |
| Total: | \$37,623,264.16 |

The average weighted interest rate on the Company's investment portfolio is 6.72%. This rate will change over time. All loans advanced by the Company are repayable upon 30 days written notice by the Company to the Borrower.

The above table represents the maturity profile of the Company's interest bearing assets by term and value as at 31st March 2015. This mix will change over time.

| | | |
|--------------|-----------|----------------|
| Residential | 33 | 51.56% |
| Commercial | 15 | 23.44% |
| Development | 2 | 3.13% |
| Rural | 13 | 20.31% |
| Industrial | 1 | 1.56% |
| Total | 64 | 100.00% |

The above table represents the number of loans advanced for each property type offered as security and also shows each number as a percentage of the total number of loans advanced as at 31st December 2014. This mix will change over time.

| | | |
|--------------------------|------------------------|----------------|
| Metropolitan Victoria | \$9,647,157.53 | 41.05% |
| Regional Victoria | \$12,269,410.74 | 52.22% |
| Regional New South Wales | \$1,582,212.35 | 6.73% |
| Total | \$23,498,780.62 | 100.00% |

The above table represents the total dollar value of loans advanced by geographic region and also shows each amount as a percentage of the total amount of loans advanced as at 31st March 2015. This mix will change over time.

| | | |
|--------------------------|-----------|----------------|
| Metropolitan Victoria | 19 | 29.69% |
| Regional Victoria | 39 | 60.94% |
| Regional New South Wales | 6 | 9.37% |
| Total | 64 | 100.00% |

The above table represents the number of loans advanced by geographic region and also shows each number as a percentage of the total number of loans advanced as at 31st March 2015. This mix will change over time.

As at 31st March 2015 the Company had advanced one loan totalling \$2,057,293.28 to its largest borrower which represents 8.75% of the total loans advanced in dollar terms and 3.07% of the total number of loans advanced.

As at 31st March 2015 the Company had advanced eleven loans totalling \$10,927,858.64 to its ten largest borrowers which represents 46.50% of the total loans advanced in dollar terms and 18.18% of the total number of loans advanced.

Loans in Arrears:

As at 31st March 2015 the Company had advanced five loans totalling \$767,235.70 which were more than one month past due.

| Loan No: | Original Loan Limit: | Loan Balance: | Days in Arrears: | Amount in Arrears: |
|-----------------|-----------------------------|----------------------|-------------------------|---------------------------|
| 50039 | \$66,000.00 | \$51,024.22 | 123 | \$1,906.23 |
| 50031 | \$133,400.00 | \$131,413.53 | 34 | \$2,204.84 |
| 50145 | \$110,000.00 | \$97,537.31 | 142 | \$5,569.96 |
| 50248 | \$256,000.00 | \$259,119.50 | 32 | \$3,119.50 |
| 50241 | \$224,250.00 | \$228,141.14 | 46 | \$3,891.14 |

Loans Subject to Legal Proceedings:

As at 31st March 2015 the Company had no loans which were subject to legal proceedings.

6. Benchmark 6: Related Party Transactions

Win Securities Limited complies with ASIC's benchmark with regards to related party transactions.

ASIC's benchmark is that issuers who on-lend funds should disclose their approach to related party transactions, including:

- (a) how many loans they have made to related parties;
- (b) the value of those loans;
- (c) the value of loans as a percentage of total assets; and
- (d) the assessment and approval process they follow with related party loans when loans are advanced, varied or extended (e.g. are they subject to the approval of the Trustee?)

Explanation – The risk with related party transactions is that they might not be made with the same rigor and independence as transactions made on an arm's-length commercial basis.

There is a greater risk of the loans defaulting and, therefore, investors' money is at greater risk if the issuer has a high number of loans to related parties and the assessment and approval process for these loans is not independent.

The Company does not have any loans to related parties.

The Company has a policy that it does not make loans to the Directors, Secretaries, Shareholders or staff members or other related parties of the Company.

7. Benchmark 7: Valuations

Win Securities Limited does comply with ASIC's benchmark with respect to valuations. ASIC's benchmark is that where issuers (directly or indirectly) on-lend money in relation to property related activities, it should take the following approach to obtaining and relying upon valuations:

- (a) properties (i.e. real estate) should be valued on an "as is" and (for development property) an "as if complete" basis;
- (b) development properties should be re-valued at least every 12 months unless the funds are retained by the issuer and only released in stages to cover project completion costs;
- (c) issuers should have a clear policy on how often they obtain valuations, including how recent a valuation has to be when they make a new loan;
- (d) issuers should establish a panel of valuers and ensure that no single valuer conducts more than one-third of the total number of valuations obtained; and
- (e) the appointment of valuers should be with the Trustees' consent.

Issuers should also include information about the valuation of a particular property in the issuer's prospectus where:

- (a) the property accounts for 5% or more of the total value of property assets of the issuer;

8. Benchmark 8: Lending Principles - Loan to Valuation Ratios

Win Securities Limited does comply with ASIC's benchmark with regard to lending principles – loan to valuation ratios.

ASIC's benchmark is that where an issuer (directly or indirectly) on-lends money in relation to property-related activities, it should maintain the following loan-to valuation ratios:

- (a) where the loan relates to property development – 70% on the basis of the latest complying valuation; and
- (b) in all other cases – 80% on the basis of the latest complying valuation.

Where the loan relates to property development by a second person (even if related to the issuer), the issuers should ensure that funds raised by the issue of notes are only provided to the developer in stages, based on external evidence of the progress of the development.

Explanation – A high loan-to-valuation ratio means that the investment is more vulnerable to changing market conditions, such as a downturn in the property market. Therefore, the risk of investors losing their money could be higher.

The Company's loan-to-valuation ratio is limited to 70% for all loans but under the Company's Trust Deed dated 1st December 1999 it may advance funds in excess of 80% but only with the benefit of Lender's Mortgage Insurance on such amount. (Lender's Mortgage Insurance is an insurance policy which protects the Company from incurring a loss on a loan in the event of a default). It is only when the Company lends more than 70% of the valuation that the Company does not comply with this benchmark. As at the date of this Prospectus the Company has not advanced funds in excess of 70% of a valuation.

All lending for property development is made on a progressive value basis with valuations or quantity surveyor reports obtained at various stages of the development and do not exceed 70% of the "as if complete" valuation at the time of approval.

Annexure "B"
WIN Securities Limited

Quarter End 31st March 2015

1. The Balance Sheet of the Company is as follows:-

| Assets | Previous Quarter | % | Current Quarter | % |
|--|-------------------------|---------------|------------------------|---------------|
| Cash and deposits at call | 5,479,065.93 | 13.52 | 5,610,699.78 | 13.88 |
| Other Authorised Investments | 10,262,214.46 | 25.32 | 8,513,783.76 | 21.06 |
| Real Property # | 2,281,736.15 | 5.63 | 2,430,000.57 | 6.01 |
| Secured lending (excluding Prop. Dev.) | 20,679,127.43 | 51.01 | 22,601,113.88 | 55.90 |
| Property Development lending | 1,373,553.21 | 3.39 | 897,666.74 | 2.22 |
| Intangible assets | 81,638.88 | 0.20 | 12,096.77 | .03 |
| Other (balance) | 446,900.39 | 1.10 | 365,798.12 | .9 |
| Lending Risk Reserves | (70,000.00) | -.17 | | |
| Total Assets | 40,534,236.45 | 100.00 | 40,431,159.62 | 100.00 |
| Liabilities | | | | |
| Debenture note holders | 38,155,680.82 | 98.59 | 37,985,298.34 | 98.61 |
| Other liabilities | 544,432.76 | 1.41 | 534,699.75 | 1.39 |
| Total Liabilities | 38,700,113.58 | 100.00 | 38,519,998.09 | 100.00 |
| Net Assets | 1,834,122.87 | | 1,911,161.53 | |
| Equity | | | | |
| Contributed equity | 140,932.00 | 7.31 | 140,932.00 | 7.37 |
| Preference Shares | 200,000.00 | 10.37 | 200,000.00 | 10.46 |
| Share Premium Reserve | (47,220.40) | -2.45 | (47,220.40) | -2.46 |
| Asset Revaluation Reserves | 9,825.00 | .51 | 9,825.00 | .51 |
| Accumulated profits/losses | 1,530,586.27 | 79.36 | 1,607,624.93 | 84.12 |
| Total Equity less Lending Risk | 1,834,122.87 | 100.00 | 1,911,161.53 | 100.00 |

limited to 10% of monies deposited

2. The Lending portfolio as at this quarter end is as follows:-

| | |
|---|--|
| Number of loans | 64 |
| Average loan size | \$361,519.70 |
| Number of loans that comprise more than 10% of the Principal Moneys to any one party or associated party. | NIL |
| Value of loans that comprise more than 10% of the Principal Moneys to any one party or associated party. | NIL |
| Longest term to loan maturity | The term of the loan ends ninety (90) days after the date of the first advance but can continue and after that date the loan will become repayable on us giving thirty (30) days |
| Average term to loan maturity | The term of the loan ends ninety (90) days after the date of the first advance but can continue and after that date the loan will become repayable on us giving thirty (30) days |
| Average interest rate charged to Borrowers | 9.316% |
| Average loan to value ratio | 54.7% |
| Average Profit Margin | 2.22% |

3. Total Loan Portfolio by Security Type as at this quarter end is as follows:-

| Security Type * | No. | \$ | % |
|------------------------|------------|----------------------|---------------|
| Residential | 33 | 13,898,651.17 | 51.56 |
| Commercial | 15 | 5,112,404.44 | 23.44 |
| Development | 2 | 897,666.74 | 3.13 |
| Rural | 13 | 3,331,968.86 | 20.31 |
| Industrial | 1 | 258,089.41 | 1.56 |
| Total | 64 | 23,498,780.62 | 100.00 |

** Please add other types as required*

4. Total Secured Property/Loan Portfolio by State/Territory as at this quarter end is as follows:-

| State / Territory | Loan Portfolio | | | Secured Property | |
|--------------------------|-----------------------|------------------------|------------|-------------------------|------------|
| | No. | \$ | % | \$ | % |
| NSW | 6 | 1,582,212.35 | 6.73 | 3,252,770.00 | 7.57 |
| QLD | | | | | |
| VIC | 58 | 21,916,568.27 | 93.27 | 39,699,294.00 | 92.43 |
| WA | | | | | |
| SA | | | | | |
| TAS | | | | | |
| ACT | | | | | |
| NT | | | | | |
| Total | 64 | \$23,498,780.62 | 100 | \$42,952,064 | 100 |

**5. Level of Arrears for the Loan Portfolio
(provide details of loans in arrears)**

| Loan No. | Loan Balance \$ | No. of days in arrears > 30 days | Amount of Arrears in excess \$1,000 | Value of Security \$ | Current Valuation Date | LVR % |
|----------|--------------------|----------------------------------|-------------------------------------|-------------------------|------------------------|-------|
| 50284 | 259,119.50 | 32 | 3,119.85 | 400,000.00 | 15/05/2014 | 64.77 |
| 50241 | 228,141.14 | 46 | 3,891.14 | 345,000.00 | 15/02/2011 | 66.12 |
| 50039 | 51,024.22 | 123 | 1,906.23 | 105,000.00 | 13/10/2005 | 48.59 |
| 50145 | 97,537.31 | 142 | 5,569.96 | 159,000.00 | 09/06/2006 | 61.34 |
| 50031 | 131,413.53 | 34 | 2,204.84 | 230,000.00 | 15/01/2014 | 57.13 |

6. Financial Ratios

| Ratio | Previous Quarter End | This Quarter End |
|--|----------------------|---------------------|
| Working capital (%) | 1.08 | 1.12 |
| Debt to Equity Ratio (%) | 21.1 to 1 | 20.15 to 1 |
| Interest cover (Interest revenue over interest expense) % | 1.63 to 1 | 1.58 to 1 |
| The amount Total Tangible Assets exceeds Total External Liabilities (Clause 8) | 1,752,483.99 | 1,899,064.76 |
| The amount Total Tangible Assets exceeds Total External Liabilities as a percent. (Clause 8) | 4.59% | 4.99% |