

WIN SECURITIES LIMITED (the Borrower)

REPORT TO THE TRUSTEE - QUARTER ENDED 31 DECEMBER 2011

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 283BF4(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 283BF4(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.*[Sec283BF4(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 283BF4(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 283BF4(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	1,217,030.60	38,356,769.00
Value of Securities maturing within 12 months	-	36,810,386.14
Value of Securities maturing beyond 12 months	-	1,546,382.86

[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(i)]
- 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 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 20 DECEMBER 2011.

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:

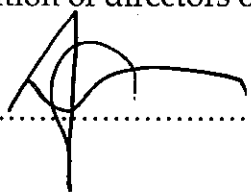
THE DISCLOSURE DOCUMENT OF THE BORROWER DOES NOT MAKE "PROMISES". THE DISCLOSURE DOCUMENT DATED 20TH DECEMBER 2011 MAKES FACTUAL STATEMENTS AND REMAINS UNCHANGED AS AT THE DATE OF THIS DECLARATION.

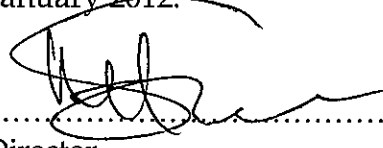
Annexure "A" provides disclosure as to whether or not the Borrower has met each of the benchmarks outlined in ASIC Regulatory Guide 69: Debentures – improving disclosure for retail investors.

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 11th of January 2012.


.....
Director
(Signature)


.....
Director
(Signature)

Annexure "A"
**ASIC Regulatory Guide 69: Debentures - improving disclosure for
retail investors**
Disclosure against Benchmarks

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 One - Equity capital

The borrower refers to page 7 of its Prospectus dated 20th December, 2011 and confirms that there has been no material changes to the Borrowers performance of the Benchmark.

2. Benchmark Two - Liquidity

The borrower refers to page 7 of its Prospectus dated 20th December 2011 and confirms that there has been no material changes to the Borrowers performance of the Benchmark.

3. Benchmark Three - Rollovers

The borrower refers to page 8 of its Prospectus dated 20th December, 2011 and confirms that its disclosure under this benchmark remains unchanged.

4. Benchmark Four -Debt Maturity

The borrower refers to page 9 of its Prospectus dated 20th December, 2011 and confirms that its disclosure under this benchmark remains unchanged.

'At Call' investments	\$1,548,111.24
'Fixed Term' investments due before the 31/03/11	\$14,700,368.13
'Fixed Term' investments due between the 01/04/12 and the 31/12/12	\$20,561,906.77
'Fixed Term' investments due after the 01/11/13	\$1,546,382.86
Total interest-bearing liabilities	\$38,356,769.00

The above table represents the maturity profile of the Company interest-bearing liabilities by term and value as at 31st December 2011 – This mix will change over time.

The average weighted interest rate on the total investors funds is 6.88% per annum. This rate will change over time.

5. Benchmark Five – Loan portfolio

The borrower refers to page 9 of its Prospectus dated 20th December, 2011 and confirms that there has been no material changes to the Borrowers performance of the Benchmark.

6. Benchmark Six – Related party transactions

The borrower refers to page 9 of its Prospectus dated 20th December, 2011 and confirms that its disclosure under this benchmark remains unchanged.

7. Benchmark Seven – Valuations

The borrower refers to page 10 of its Prospectus dated 20th December 2011 and confirms that there has been no material changes to the Borrowers performance of the Benchmark.

8. Benchmark Eight – Lending principles – loan-to-valuation ratios

The borrower refers to page 11 of its Prospectus dated 20th December 2011 and confirms that its disclosure under this benchmark remains unchanged.

Annexure "B"
WIN Securities Limited

Quarter End 31 December 2011

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

Assets	Previous Quarter	%	Current Quarter	%
Cash and deposits at call	286,630.61	0.73	1,093,470.59	2.69
Other Authorised Investments	9,372,982.07	23.82	12,863,495.32	31.66
Real Property #	1,738,162.16	4.42	1,522,490.22	3.75
Secured lending (excluding Prop. Dev.)	24,219,321.24	61.54	19,151,522.54	47.13
Property Development lending	3,660,072.50	9.29	5,687,536.74	13.99
Intangible assets	16,781.74	0.04	41,914.99	0.10
Other (balance)	64,728.29	0.16	277,637.01	0.68
Total Assets	39,358,678.61	100	40,638,067.41	100
Liabilities				
Debenture note holders	37,139,738.40	98.22	38,356,769.00	98.27
Other liabilities	675,892.91	1.78	676,559.50	1.73
Total Liabilities	37,815,631.31	100	39,033,328.50	100
Net Assets	1,543,047.30		1,604,737.76	
Equity				
Contributed equity	140,932.00	9.14	140,932.00	8.78
Asset Revaluation Reserves	272,366.00	17.65	272,366.00	16.97
Lending Risk Reserves	392,295.00	25.42	392,295.00	24.45
Accumulated profits/losses	737,454.30	47.79	799,144.76	49.80
Total Equity	1,543,047.30	100	1,604,737.76	100

limited to 10% of monies deposited

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

Number of loans	74
Average loan size	\$335,662.96
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	10.565%

Average loan to value ratio	Less than 70%
Average Profit Margin	1.871%

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

Security Type *	No.	\$	%
Residential	31	8,646,477.53	34.81
Commercial	19	6,022,656.93	24.25
Development	5	5,687,536.74	22.89
Rural	19	4,482,388.08	18.05
Total	74	\$24,839,059.28	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	5	1,141,535.04	4.60	1,836,033.00	4.11
QLD					
VIC	69	23,697,524.24	95.40	42,848,233.00	95.89
WA					
SA					
TAS					
ACT					
NT					
Total	74	\$24,839,059.28	100	\$44,684,266.00	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 %
50005	631,744.54	545	108,406.42	Handed to our Solicitors to commence recovery action. Statement of Claim sealed by Court.		
50061	160,232.66	66	4,235.99	265,000.00	26 May 03	60.46
50123	162,921.77	176	9,803.81	240,000.00	24 Nov 05	67.88
50125	2,558,085.77			Mortgagee in Possession. Works complete. Property is on the market		
50145	104,533.23	54	1,908.14	159,000.00	9 June 06	74.00

Financial Ratios

Ratio	Previous Quarter End	This Quarter End
Working capital (%)	1.04	1.03
Debt to Equity Ratio (%)	24.50 to 1	24.32 to 1
Interest cover (Interest revenue over interest expense) %	1.35 to 1	1.41 to 1
The amount Total Tangible Assets exceeds Total External Liabilities (Clause 8)	1,543,047.30	1,604,737.76
The amount Total Tangible Assets exceeds Total External Liabilities as a percent. (Clause 8)	3.95%	4.18%