



Build a portfolio of individual first mortgage investments - online.

Balmain Private provides exclusive opportunities to invest in monthly income producing individual first mortgage loans backed by commercial real estate that have been credit approved and settled by Australia's largest non-bank commercial loan manager.

¹ The Average Income achieved p.a. net is calculated as a weighted average on all Loan Units issued and repaid since inception to 27/01/2017. Note, past performance is no guarantee of future performance.



balmain
arrange . lend . manage

The benefits

Balmain Private is designed to allow both direct investors and those that invest using the assistance of accountants or financial planners to participate in the diverse sources of income available from this substantial (est. \$500 bn) asset class.

Balmain Private is managed by the Balmain Group, Australia's largest and longest established commercial loan manager outside the major banks. Launched in 1979, Balmain has focussed on commercial real estate lending and arranged over \$30bn in commercial loans on behalf of many thousands of Australian businesses and high net worth individuals.

As well, Balmain originates several billions of dollars of new loans each year, has a stable, experienced and long-established credit team and many years experience in commercial loans, funds and portfolio management.

Balmain Private was established to meet the needs of HNW and SMSF investors who seek different sources of income outside those traditionally available and is especially suited to the structurally lower interest rate environment seen in Australia today.

The Balmain Private offer is online, allowing you to transact when convenient and once invested it is paperless. It is easy to use, provides daily reporting and regular updates. Investors manage their portfolio via an Investor Control Console which details your current investments, provides you complete details of all capital movements, including income distributions, and allows you to determine which investments you choose to invest in and for how long.

YOU CHOOSE.

Unique investments in stand-alone mortgages.

YOU'RE IN CONTROL.

Returns, fixed terms and risks that are right for you.

WE DO THE HARD WORK.

Managing the assets so you don't have to.

Investments

LETS YOU BE THE BANK

The investments offered by Balmain Private have been selected, credit accepted, funded and are managed by the Balmain Group.

The Supplementary PDS on each investment contains sufficient information to make an informed decision as to what is best for you or your client.

The Loans are diverse by type, location, loan to valuation ratios (LVR's), term, returns, risks, borrowers and more, and to date, have offered returns from 5.4% p.a. to 10.0% p.a. on terms from a few months to 2 years.

The type of assets have included: commercial offices, industrial, retail, residential and land and been located in QLD, the ACT, NSW and VIC.

The minimum investment of \$10,000 in each Loan allows the building of portfolios of registered first mortgage investments, diverse by location, term, risk and reward.

New Loans are added regularly and as current Loans come up for repayment, investors or their accountant/financial planner are notified in advance so they can reinvest in other Loans or transfer proceeds back to their bank account.

OPEN



Warialda, Northern NSW Prime Cattle Producing Rural Property

INVESTMENT DETAILS

RETURN	LVR	TERM
7.60%	44%	12Mths

OPEN



Gungahlin, ACT Major Commercial Site

INVESTMENT DETAILS

RETURN	LVR	TERM
7.40%	55%	11Mths

FULLY FUNDED AND CREDIT CHECKED
by Australia's largest non-bank commercial loans manager.

DIVERSIFICATION
The Loans available are diverse by type, location, interest rate and term.

You take control

The structure of Balmain Private is that it puts control firmly in the hands of the investor or their accountant/financial planner.

The decision in what to invest in is firmly in your hands, this includes; the level of risk and reward sought, term, asset type, location and more.

THE INVESTOR CONTROL CONSOLE (ICC)

For direct investors, the online ICC is the tool that allows the easy management of your account with Balmain Private. It is the hub from which you direct investments, manage existing investments move monies between your bank account and Cash Units and determine which investments you choose to invest in. It is paperless, able to be accessed by PC, tablet or smartphone and is simple to use - just point and click. Of course if you have any questions you can call the Balmain Private team and we will assist.

THE ADVISER PORTAL (AP)

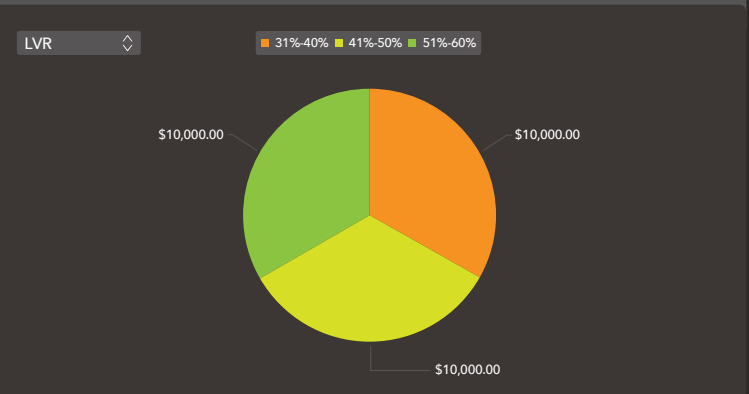
The AP operates in a similar fashion to the ICC, the primary difference is that it provides an aggregated view of all clients investments in Balmain Private. Once a client is invested it too is paperless, simple to use and operates on a point and click basis.

INVESTMENTS SUMMARY

LOAN INVESTMENTS

Investment	Loan Status	Open	Interest Rate	Current Investment
Residential Hermitage Road Sub-Trust			8.10%	\$10,000.00
Residential Power Avenue Sub-Trust			6.10%	\$10,000.00
Residential North High Street Sub-Trust			8.95%	\$10,000.00

STATISTICS



LINKS TO ACCOUNTANT/FINANCIAL PLANNER REPORTING

Balmain Private is available on XPLAN.

Performance

As at 27 January 2017, the average return from Loans settled and repaid was 7.52% p.a. (paid monthly). Of course past performance is no indicator of future returns and investors should carefully consider the current investments made available from time to time.

Of the Loans repaid 71% have exceeded their Target Rate of Return with the remaining Loans all meeting their Target Rate of Return¹.

Loans that exceed the Target Rate of Return generally do so because they repay early (sometimes late) or did not meet a specific loan condition that was designed to mitigate risk or focus the borrower on an agreed outcome such as the provision of a lease for a vacant space. Excess returns are paid at the conclusion of the Loan and are shared 50/50 between the investor and the Manager. Excess returns cannot be relied upon and investors should consider the Target Rate of Return only.

All completed Loans are detailed on the Balmain Private website and available for review by investors.

FULLY INVESTED



Wheelers Hill, VIC In-fill Residential Development

INVESTMENT DETAILS

RETURN	LVR	TERM
8.60%	59%	9Mths

FULLY INVESTED



Marsden Park, NSW Commercial Development

INVESTMENT DETAILS

RETURN	LVR	TERM
7.75%	48%	12Mths

¹ Average Income achieved p.a. net is calculated as a weighted average on all Loan Units issued and repaid since inception to 27/01/2017. Note, past performance is no guarantee of future performance.

Online, 24/7

Balmain Private provides investors the ability to consider stand-alone investments in individual first mortgage loans. You can build a commercial loan portfolio by investing in individual loans of your own choice backed by the loan management skills of Australia's largest non-bank commercial loan manager. Online, 24/7 at times and places that suit you.

You initially invest in Cash Units, in turn held in a CMA with an AA rated Australian bank, currently the National Australia Bank (NAB). Once invested in Cash Units, you have the ability to look in detail at all of the underlying individual first mortgage investment Sub Trusts (Loan Units), considering those that best meet your return, term and risk requirements. All activities occur through your private Investor Control Console (ICC) which provides 24/7 transaction and reporting functionality.

You can move money from Cash Units to your bank account and vice versa, top-up and redeem your Cash Units, invest in Loan Units and track the progress of your investments easily and securely, all at the click of a button and once invested it is paperless.

Balmain Private makes available a wide range of first mortgage investments which Balmain have credit reviewed, arranged, fully funded and settled.



IDEAL FOR SELF-MANAGED SUPER FUNDS

Easy to access, easy to understand and suitable for SMSF's in both Accumulation and Pension phases.

Structure

You commence investing with Balmain Private via the Balmain Discrete Mortgage Income Trusts by completing the online Application Form. Once you have applied, you transfer your investment (minimum \$50,000) to Cash Units, via Eftpos, Bpay or cheque. With cleared funds in Cash Units you are ready to start considering the underlying mortgage investments.

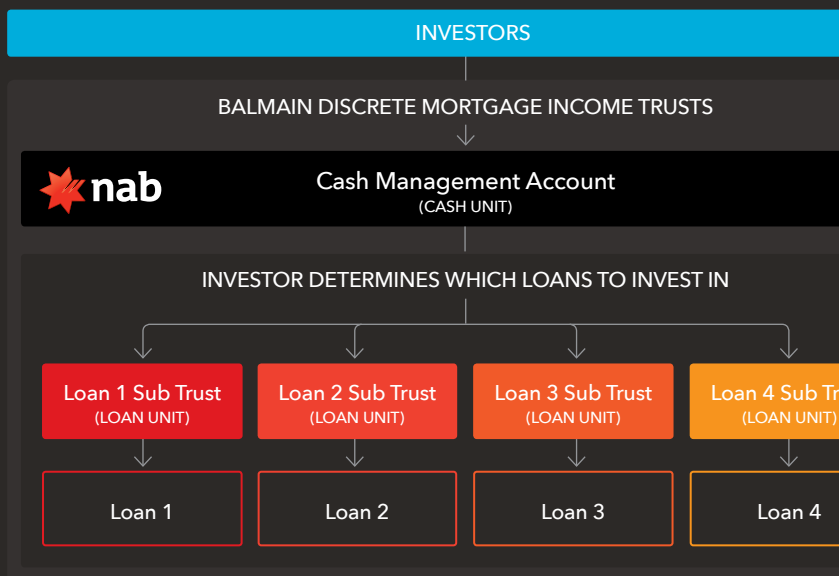
Your investment in Cash Units entitles (but does not obligate) you to consider details of investments in specific and distinct commercial property loans via individual Loan Units, each of which relates to a single stand-alone commercial loan¹. Find one or more you like, simply click a button enter how much you wish to invest and the ICC moves money from your Cash Units to the Loan Units you selected. No fuss, no paperwork.

Balmain Private has been designed to provide investors with choice, clarity and control over investment decisions, supported by 24/7 online transaction and reporting capabilities. It allows you to build and control your own income producing first mortgage loan portfolio by allowing you to choose the underlying Loan Unit investments that best suit your particular needs and all at the click of a button.

ABOUT THE FEES

There are no fees charged to investors on Cash Units.

Whilst invested in Loan Units you are charged a fee, but 50% of this is deferred and only paid to the Manager once the investor has received the full return of their capital subscribed and the target return has been received. Refer to the PDS for complete details.



1. DEPOSIT FUNDS
Cash Units are invested in a NAB Cash Management Account, currently earning 1.50%[^] p.a.

2. SELECT YOUR IDEAL INVESTMENTS
Access detailed investment information on each Loan. Choose from individual investments, diverse by location, type, term and return.

3. YOU CONTROL YOUR PORTFOLIO
Online. Anytime.

¹ Investors must first invest in Cash Units before they can invest in Loan Units.

[^] As at 30 November 2016

Unit Classes

CASH UNITS

Cash Units are invested in a Cash Management Account with an AA rated Australian bank, currently National Australia Bank (NAB). As at 27/01/2017 this earns 1.5% p.a. and income is paid monthly.

There are no fees charged to investors in Cash Units, including application, management and withdrawal fees.

Cash Units can be redeemed at any time, with a click of a button and returned to your nominated bank account within 7 business days.

LOAN UNITS

Higher Return: Each Loan is held in a discrete Sub Trust and exhibits a risk-return profile unique to that Loan. We estimate returns will typically range between 5-9% p.a. net with risk generally commensurate to return. Income from Loan Units is paid monthly in arrears and can be reinvested back into Cash Units or paid to your nominated bank, building society or credit union account.

Term: The Loan Unit investment terms will vary and typically be between a few months up to 24 months and longer. Investors should be aware that Loans may repay, in part or full, ahead of the scheduled repayment date. Where early repayment occurs, investors will be notified in advance and receive their pro-rata share of such repayment direct into their Cash Units at which time they can reinvest in other Loan Units, or return the funds to the nominated bank account.

Specific Exposure: Each class of Loan Unit will contain a single/individual Loan and provide investors with exposure exclusively to that particular Loan and to no other Loan or asset of the Trust.

CASH UNITS

Cash Units are invested in a Cash Management Account with an AA rated Australian Bank, currently National Australia Bank (NAB).

Return
1.50% p.a.[^]

Term
No minimum or maximum term

Minimum Initial Investment in Cash Units
\$50,000

Investment Risk
Minimal[†]

Liquidity
Up to seven business days

Interest Payments
Monthly in arrears

Deposits/Investments
via EFT, BPAY or cheque

Redemptions/Withdrawal
To nominated bank account

Management Fees and Expenses
None

LOAN UNITS

Each Loan Unit contains an Individual registered first mortgage loans secured over commercial property in Australia.

Return net of fees
5-10% p.a.*

Term
3-24 months*

Minimum Initial Investment
Varies per investment, but usually \$10,000*

Investment Risk
Varied[†]

Liquidity
Nil. Invested for term of Loan Unit Sub Trust

Interest Payments
Monthly in arrears

Deposits/Investments
Transfer from Cash Units

Redemptions/Withdrawal
At end of term to Cash Units

Management Fees and Expenses
Estimated at up to 1.65% p.a.*

Investor Account Access
24/7 via your Investor Control Console

* As disclosed in the relevant Supplementary PDS

[^] Variable rate, subject to change without notice

⁺ Similar to investing with an AA rated Australian bank direct

[†] Subject to the risk profile of underlying Loan Security

The Investments

DIVERSITY

Balmain Private allows investors to build a diversified portfolio of first mortgage secured commercial loans. The particular attributes of each Loan are described in detail in a Supplementary PDS which allows investors to consider the merits and the risks of each investment. Loans may range in size from \$250,000 to \$3m and have different loan terms, different loan to value ratios and different interest coverage ratios. The minimum investment will be advised in the supplementary PDS, but is usually \$10,000.

CREDIT ASSESSED

Balmain's experienced credit team undertake a detailed and thorough assessment of the credit quality of each and every Loan, the borrower(s) and loan security and seek to identify risks and mitigate these by structuring the individual loan conditions before the Loans are offered to investors. Balmain settles each Loan prior to listing the investment and Supplementary PDS online.

PROFESSIONALLY MANAGED

Each Loan is managed by Balmain Funds Management Pty Ltd. Balmain also utilises AMAL Asset Management Pty Ltd¹ to provide independent loan administration services on each Loan.

Collectively Balmain and AMAL have over 40 years experience in commercial real estate lending and loan management.

COMPLETED



Central Coast, NSW Residential Strata

INVESTMENT DETAILS

TARGET RETURN	ACTUAL RETURN	DATE REPAID
8.10%	9.23%	8/2013

COMPLETED



Western Sydney, NSW Residential

INVESTMENT DETAILS

TARGET RETURN	ACTUAL RETURN	DATE REPAID
10.00%	10.10%	9/2016

TERM INVESTMENTS, TYPICALLY FROM 5% TO 10% P.A. NET
Income paid monthly on terms ranging from a few months to up to 24 months.

FIRST MORTGAGE SECURED

Investments are secured by registered first mortgages over Australian commercial real estate.

¹ Balmain is a substantial shareholder in AMAL Asset Management Pty Ltd

Sensible Investing

WHO SHOULD CONSIDER INVESTING?

Balmain Private is tailored to investors who seek higher levels of income, have the skill and confidence to make informed investment choices and the desire to take control of their investment portfolio.

Features of the Trusts include:

- Known assets, with clarity as to risk, returns and investment term;
- Management fees aligned to investor outcomes;
- A fund manager that has long standing experience and the complete skill set to arrange and manage the underlying individual investment.

These features make the investment particularly suited to:

- Self Managed Super Funds (in both accumulation and pension phase);
- High Net Worth Investors;
- Family Offices;
- Expats; and
- Charitable Institutions.

SENSIBLE INVESTING

The first principle of investing is to never forget that it's your money that is being invested. Therefore it is important that, prior to making any investment decision, you ensure that you understand what you are investing in, its risks and rewards and that these fit to your needs, time frame and risk appetite.

This is particularly true in the aftermath of the recent Global Financial Crisis, which revealed with disturbing frequency poorly understood or managed investment products. It is now more important than ever to understand the choices available to you as an investor and to seek clarity prior to investing so that your decisions are informed.

There are some basic rules to investing that should always be at the forefront of an investor's mind. One of these is to ensure you have an appropriate strategy that is designed to achieve your goals, that considers risk - both underlying investment risk as well as asset allocation and volatility - and provides effective diversification. With diversification, the spreading of your investments over a range of distinct categories ensures that no single investment puts at risk the majority of your investment portfolio. The old adage of not putting all your eggs in the one basket, which some may consider trite, should not be forgotten.

In considering an investment with Balmain Private and in particular when considering investing in a Loan in an underlying Sub Trust, Investors should never forget that no investor should invest a substantial proportion of their assets in a single Loan. Diversification can be better achieved by investing across a number of Loans to meet your risk reward and term appetite. It also follows that no investor should place a substantial proportion of their investment portfolio in the Trust or indeed any investment to ensure that the benefits of diversification are not overlooked for return.

About Balmain

Balmain is Australia's leading non-bank commercial property loans manager. Since its foundation in 1979, Balmain has originated over \$30 billion in commercial property loans. Today it has 8 offices in Australia and New Zealand, around 100 staff and is one of the leaders in the non-bank property lending sector.

Balmain has concentrated on the commercial property debt sector for well over 35 years – it is well established in major markets and undertakes fund, asset and receivables management for some of the world's largest banks, investment banks and financial institutions.

Balmain's borrower client base consists of SMEs, High Net Worth Borrowers (HNW) and large Corporations, a large proportion of whom have had relationships with Balmain for many years.

Balmain is committed to the commercial real estate lending sector and over the years has continued to invest in developing its' capabilities, with respect to both the systems that support the business and the people that deliver these to our clients.

Outside of the 4 major banks, there is no other single organisation in Australia that contains the 5 essential skill sets required to manage commercial loan investments.

- Proven origination sourced from an educated, informed and aligned origination network;
- Credit acceptance and management skills that have been long established and are proven and capable of assessing all forms of commercial property loans;
- A funds management capability that covers both Institutional and private investors;
- Highly rated loan servicing;
- Asset management and recovery skills that devise and implement recovery strategies from single loans to portfolios with values of several billion dollars.

COMMERCIAL LOAN ORIGINATION

Balmain's annual origination is circa \$1.5bn and Balmain services circa \$5bn of current commercial loans on behalf of around 3,000 SMEs and HNW borrower clients.

FUNDS AND ASSET MANAGEMENT

Over \$6bn in assets managed on behalf of private investors, SMSFs and some of the world's largest investment organisations.

LOAN SERVICING

Our sister company, AMAL Asset Management, manages circa \$9bn in loan receivables for close to 30 Institutional clients, including many Australian banks, Fund Managers and large global banks and investment organisations. It is rated as 'Strong' by S&P.

The business is supported by a credit acceptance team that has a long track record in approving and managing commercial property loans and loan portfolios.

www.balmainprivate.com.au

To find out more please contact the Balmain Private Investments Team on 02 9232 8888 or visit our website.

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DISCLAIMER

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The information in this document is general information only and does not take into account the objectives, financial situation or particular needs of any person. You should consider whether this information is appropriate for you in light of your own objectives, financial situation and needs and consult with your financial advisor. This is not an offer to invest in the Balmain Discrete Mortgage Income Trusts (Trust). You should obtain and consider the PDS before deciding whether to acquire units in the Trust. The issuer of units in the Trust will be Balmain. If units in the Trust are acquired, Balmain and its associates may receive fees and other benefits, which are disclosed in the relevant PDS. All investment is subject to investment risk, including possible delays in payment of loss of income and principal invested. None of Balmain or any of its associates, related entities or directors guarantee the performance of the Trust, or the repayment of monies invested.

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