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Product Disclosure Under ASIC Regulatory Guide 45

Balmain (MMT) Mortgage Trust

31 July 2010

1. Liquidity

1.1 Treasury Function

In December 2009 we commenced a new Treasury Function to assist us to better monitor and manage the liquidity of the Trust and taking to account:

- the term of loans offered by the Trust to borrowers.
- the projected liquidity of the Trust after allowing for payments of both distributions and projected redemptions.

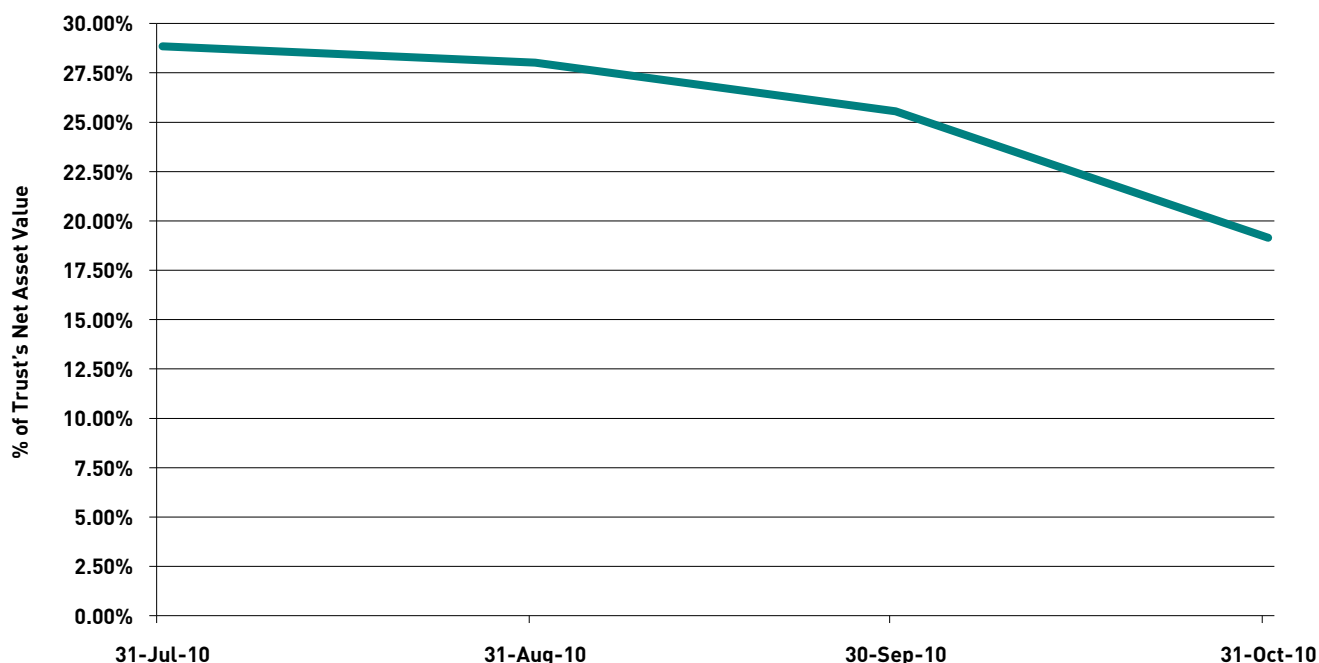
We did this because the changes we made to the structure of the Trust, from offering 'at call' investments, to offering 'term' investments. As a consequence we are able to better manage the term of the assets of the Trust (by shortening and lengthening loan terms offered to borrowers), to manage any liquidity mismatch between assets and liabilities.

1.2 Liquidity Status

Current Investment as at 31 July 2010	Amount in \$	% of Portfolio
Cash or cash equivalents	\$32,818,087.51	26.96%
Mortgage Loans	\$88,900,046.10	73.04%
Net Asset Value of the Trust	\$121,718,133.61	100%

1.3 Cashflow Forecast

Forecast Liquidity
(as a % of Total Funds Under Management)



2. Scheme Borrowings

The Trust may borrow money to increase the amount it has to invest or increase the diversity of its investments. The Trust may also borrow to cover short term cash flow needs, or if emergency or extra ordinary situations arise.

Currently the Trust has never had any borrowings and no plans to change this. Any updates or changes to our position in respect of the Trust borrowings will be provided on our website.

3. Portfolio Diversification

3.1 Manager's Aim

The Trust diversifies loan type, locations and borrowers to help protect the Trust from significant loss, because it reduces the inherent risks associated with a concentration of assets into a single category (such as a single geographic location, or a single borrower).

The Trust aims to write new loans with an average loan size (of the total loan book) of no more than \$1 million, with a maximum exposure to any one borrower of 5% of the outstanding loan book at the time of any advance. To further mitigate risk, the Trust also limits the maximum loan to valuation ratio to 70%, and also undertakes an appropriate credit assessment of borrowers, so as to reduce the incidence of defaulting (arrears) loans.

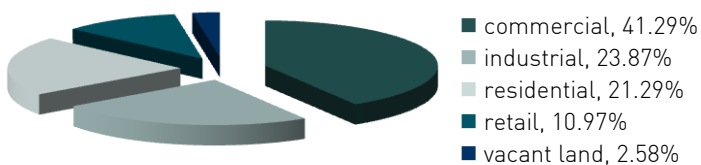
The Constitution of the Trust allows the manager to use derivatives, however the manager does not currently engage in or plans to use derivatives.

3.2 Loan Portfolio Statistics

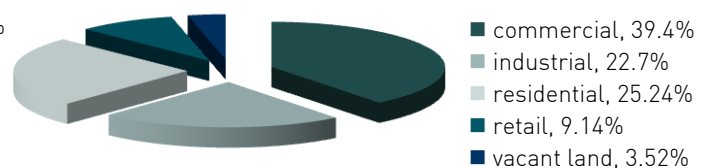
Number of mortgages	155
Number of mortgagors	119
Average loan to value ratio	60.38%
Average loan size per mortgagor	\$747,059
Largest loan size	\$4,767,423.95
Undrawn loan commitments	\$0

3.3 Sector Spread

**Sector Spread (by number)
as at 31 July 2010**



**Sector Spread (by value)
as at 31 July 2010**

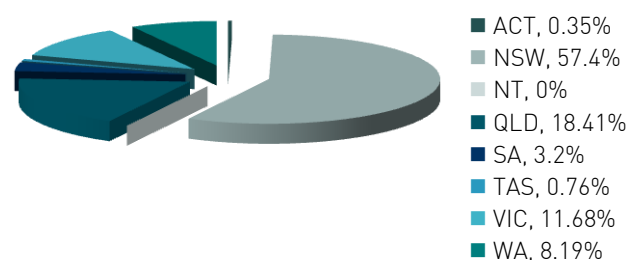


3.4 Geographic Spread

**Loan Geographic Region (by number)
as at 31 July 2010**



**Loan Geographic Region (by value)
as at 31 July 2010**



3.5 Arrears Profile

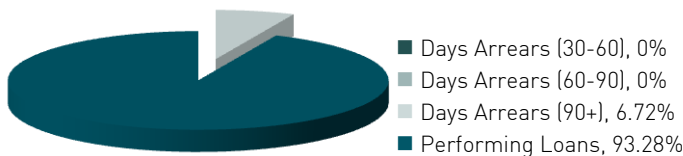
The Trust has a well developed arrears recovery policy to ensure that defaulting loans are either brought back into order by the borrower at the earliest possible time, or the property used as security for the loan is ultimately sold by us as mortgagee.

We commence formal recovery action once a borrower has defaulted on two monthly interest payments. This action continues until we gain possession of any property used as security for a loan, or until the borrower rectifies the arrears on the loan.

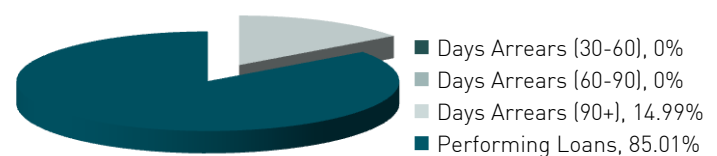
If at any time we determine that there will not be full recovery on any defaulting loan we cease the accrual of income on that loan and subsequent payment in the distribution (of course the interest and penalties continue to accrue to the borrowers loan account). If we determine that the principal outstanding is at risk of not being recovered in part or full we make a provision for a bad and doubtful debt in the accounts of the Trust.

In recovery situations we may on occasion undertake capital improvements to property used as security where we believe the expenditure will enhance its salability. We may also consider re-zoning applications or other value add activities to improve the salability of a property. As well, we may defer the sale of a property if we believe the return to investors would be greater by selling the property at a later date.

Trust Performing and Non-Performing Loans (by number) as at 31 July 2010



Trust Performing and Non-Performing Loans (by value) as at 31 July 2010



3.6 Borrower Profile

Borrower Profile	LVR	% of total assets (loan portfolio)	Value
Top 10 Borrowers	N/A	35.25%	\$31,339,380.42
Largest Borrower	96%	5.36%	\$4,767,423.95

3.7 Maturity Profile

Variable	By Number		By Value	
	Percentage	Count	Percentage	Value
< 3 months	36.13%	43	34.39%	\$30,576,128.60
>= 3 months and < 1 year	10.92%	13	12.06%	\$10,723,025.49
1-2 years	11.76%	14	13.24%	\$11,773,155.73
2-3 years	37.82%	45	36.69%	\$32,616,905.03
> 3 years	3.36%	4	3.61%	\$3,210,831.25
Total:	100%	119	100%	\$88,900,046.10

3.8 LVR Bands

LVR Range	No. of Loans	% of Portfolio (by value)	Loan Value
0-10%	1	0.01%	\$12,870.08
10-20%	1	0.82%	\$727,208.73
20-30%	3	1.12%	\$991,851.46
30-40%	1	0.18%	\$158,000.00
40-50%	6	4.43%	\$3,936,411.80
50-60%	20	17.38%	\$15,448,241.01
60-70%	71	60.08%	\$53,412,216.28
70-80%	16	15.99%	\$14,213,246.74
80-100%	0	0.00%	\$0.00
Total:	119	100%	\$88,900,046.10

3.9 Interest Rate Bands

Interest rate	% of total (by number)	% of total (by value)
Less than 6%	3.36%	8.33%
6% to 8%	0.00%	0.00%
8% to 10%	5.88%	7.83%
In excess of 10%	90.76%	83.84%
Total:	100%	100%

4. Related Party Transactions

It is our policy that we do not make loans to related parties.

5. Valuation Policy

For all new loans and property types our maximum loan to valuation ratio will not exceed 70%. An independent, qualified valuer must value the property being used as security for the loan, and the valuation must not be more than 3 months old when the loan is advanced. Valuations are completed on an 'as is' basis or current state of repair (i.e. without any further improvements). It is a policy of the Trust that we use a panel of valuers which have all received proper accreditation. As an additional qualification, no one particular valuer is allowed to conduct more than one third of the Trust's valuation work at a time.

6. Lending Principles

We undertake to check the credit history of prospective borrowers with an independent credit monitoring service, to satisfactorily establish the credit worthiness of a borrower. We use a variety of measures to assess a borrower's capacity to repay interest on their loan. These measures include (but are not limited to) assessing and verifying a range of current and historical financial data of the borrower and reviewing lease and / or rental income from the property to be mortgaged.

The Trust does not lend on specialised property (such as hotels, motels, nursing homes, petrol stations and squash courts for example), nor does the Trust provide loans over property which require construction or development funding. Consequently the Trust does not have any outstanding commitments on loans which have not been fully drawn.

7. Distribution Practices

Unit holder's income entitlements are distributed on a monthly basis. The responsible entity is focused on the preservation of unit holder's capital, and as such, it is not intended that the Trust will make distributions from capital. Distributions will be paid monthly in arrears (usually within 14 days of the end of the month).

8. Withdrawal Arrangements

8.1 'Existing Units'

Existing units will be paid a compulsory 4% redemption each quarter, based on their balance as at 26 February 2010. This will result in the investment being completely repaid in 6.3 years. The period may decrease if we make any supplementary compulsory redemption payments.

8.2 'FT36 Units'

FT36 units may redeem up to 10% of their outstanding principal in years 1, 2 and 3 of their investment, on a non cumulative basis.

8.3 'FT18 Units'

FT18 units cannot redeem any of their units until maturity of their investment.

8.4 Hardship

On 26 November 2008 the Australian Securities and Investments Commission (as amended on 9 September 2009) granted relief so that we can process requests for redemption in cases where we are satisfied that a member has experienced hardship or is likely to experience hardship if the member is not allowed to withdraw from the Trust. If we are satisfied that a member has experienced hardship or is likely to experience hardship then we may process up to 4 hardship redemption requests each calendar year for a maximum of \$100,000 per annum in total.