

BALMAIN DISCRETE MORTGAGE INCOME TRUSTS

Financial Services Guide

What is the purpose and content of this guide?

This Financial Services Guide (FSG) is an important document provided to you to give you information about the financial services that we offer you. The FSG is designed to assist you in deciding whether or not to use any of the financial services that are offered in this FSG. This FSG has been prepared by Balmain Fund Administration Limited AFSL 333213 (“**Balmain**” or “**We**”) in its capacity as the Responsible Entity of the ASIC registered scheme, the Balmain Discrete Mortgage Income Trusts ARSN 155 909 176 (“**Scheme**” or “**Product**”).

This FSG contains information about who is providing the financial services, how the financial services licensee and other parties are remunerated, details of our internal and external complaints and dispute resolution procedures and how you can access them, and how we will deal with your personal information.

If you need more information or clarification of any matter raised in this document, please contact the Balmain Private Sales Team during office hours on 02 9232 8888 or by email info@balmainprivate.com.au

The Balmain Discrete Mortgage Income Trusts ARSN 155 909 176

We may provide you with a Product Disclosure Statement (PDS) in relation to the scheme. The PDS, and if applicable, any Supplementary PDS (SPDS), will set out the terms and conditions of investing in the scheme.

We will provide you with a copy of the PDS and any applicable SPDS if you wish to consider making an investment in the scheme.

The purpose of the PDS and any SPDS is to give you sufficient information to help you make a decision about whether or not to invest in the scheme. The PDS and any SPDS contains information about the scheme including the features, benefits, fees and risks associated with the scheme to assist you in making an informed decision.

If you want to invest in the scheme, you will need to complete the Application Form attached to the PDS. You will be supplied with an SPDS if you want to invest in any sub-trust of the scheme.

The SPDS will provide you with details about the specific mortgage investment opportunity being made available. You should consider both the PDS and the SPDS in deciding whether to invest in the Fund.

The financial services referred to in this FSG are:

1. the provision of general financial product advice in relation to interests in the scheme;
2. dealing in interests in the scheme;
3. dealing in any basic deposit products, interests in our own managed investment schemes or securities that the scheme invests in; and
4. operating the scheme.

We also encourage you to read the Target Market Determination (“TMD”) for the scheme. A copy can be obtained free of charge by following the following link: https://www.balmainprivate.com.au/Content/Files/BDMIT_TMD-2021.pdf

Or you can contact the Balmain Private Sale Team during office hours on 02 9232 8888 or by email info@balmainprivate.com.au and request a copy of the TMD to be sent to you, free of charge.

This TMD assists Balmain staff, our distributors (Distributors) and potential and current investors of the Product in understanding the target market for this Product. Distribution, as stated in this TMD, includes the following conduct in relation to investors:

- Dealing in the Product (e.g. issuing or arranging for the Product to be issued to a customer);
- Giving a Product Disclosure Statement (PDS) or other regulated disclosure document; and
- Providing financial product advice in relation to the Product

This TMD is required under section 994B of the Corporations Act 2001 (Cth). It sets out the class of investors for whom the Product, including its key attributes, would likely be appropriate having regard to the likely objectives, financial situation and needs of the target market. In addition, the TMD outlines the triggers to review the TMD and certain other information. It forms part of Balmain's design and distribution arrangements for the Product as offered under the PDS.

The financial services are offered by:

Balmain Fund Administration Limited ABN 134 526 604 Licence No. 333213
Level 14, 60 Castlereagh Street
Balmain NSW 2000
Telephone: 02 9232 8888

We are responsible for the financial services provided including the distribution of this FSG. When we are providing the general financial product advice referred to in this FSG, we are acting on our own behalf. The other financial services referred to in this FSG are provided by us as responsible entity of the scheme on behalf of the scheme unitholders.

Who is Balmain?

Balmain holds Australian Financial Service Licence No. 333213 as issued by ASIC and Balmain is the responsible entity of the Scheme. For further information about us, please refer to the PDS.

How much do we and our Authorised Representatives receive for providing the financial services?

We do not directly charge you for providing you with financial product advice or other information in relation to the scheme.

There are no entry fees to invest in the scheme. However, there are certain fees and other costs that are payable once you have become an investor in the scheme, and these are outlined in the PDS and any applicable SPDS.

Balmain charges the scheme an investment management fee, which is basically the difference between the interest amounts paid by the borrowers to the Fund and the amounts paid to investors as distributions from the scheme. Further details of the fee and other costs that are charged to the scheme are outlined in the PDS and any applicable SPDS. Balmain Funds Management Pty Ltd ("BFM") is the investment manager of the scheme and Balmain pays BFM fees out of Balmain's fees.

How will I pay for the financial services?

You will not be required to pay any amount (in addition to the amount that you invest in the Fund) for the financial services described in this FSG, and no amount will be deducted from the amount that you invest in the scheme.

However, the fees and other costs outlined in the PDS will be deducted from the scheme, and this will impact on the returns that are generated on your investment in the scheme.

Balmain does not provide personal financial advice.

Balmain's Authorised Representatives and staff may be entitled to a salary or share bonus, subject to their performance, the performance of Balmain and the overall performance of the Balmain Group.

Commissions, Benefits & Referral Fees

Balmain and the Investment Manager do not pay any referral fees, or upfront or ongoing commissions to any adviser or authorized intermediary as a result of their direction to Investors to invest in the scheme.

Complaints

Balmain has established complaints resolution procedures that aim to deal with and resolve your complaint within 30 days. If you have a complaint about our products or services, you should raise this with our Complaints Manager.

Mail: Complaints Manager,
Balmain Fund Administration Limited,
Level 14, 60 Castlereagh Street, NSW 2000
Phone: 02 9232 8888
Email: complaints@balmain.com.au

We will acknowledge your complaint within one business day from when we receive it.

What if the complaint is not resolved?

If your complaint has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
Telephone: 1800 931 678 (free call)
Email: info@afca.org.au
Website: www.afca.org.au

Privacy

Personal information that you provide to Balmain is subject to applicable Privacy laws including the Privacy Act (1998) and the Australian Privacy Principles. This information is handled in accordance with the Balmain Privacy Policy and to meet our obligations under the Anti-Money Laundering and Counter Terrorist Financing Act (2006). If you have any questions on how the Balmain handles your personal information or your rights to access your personal information, please contact us directly by calling 02 9232 8888 or write to the Privacy Officer. The Privacy Officer's details are:

Postal Address: GPO Box 3570, Sydney NSW 2001
Telephone: +61 2 9232 8888.
Fax: +61 2 9232 8588
Email: complaints@balmain.com.au
Website: www.balmainprivate.com.au

Conflicts of interest

Balmain in its capacity as a Responsible Entity and in accordance with the Corporations Act has a duty to act in the best interests of the members and, if there is a conflict between the members' interests and the Responsible Entity's own interests, give priority to the members' interests.

Compensation arrangements

Balmain, as the holder of an Australian Financial Services Licence, maintains the required Professional Indemnity Insurance for compensating you for loss or damage suffered because of breaches of the relevant obligations under the Corporations Act by officers of the company. This cover includes claims in relation to the conduct of Authorised Representatives of Balmain. The insurance cover maintained satisfies the requirements for compensation arrangements under section 912B the Corporations Act and Balmain's AFSL.

General advice warning

To the extent that any statement constitutes financial product advice, that advice is general advice only and has been prepared without taking into account your objectives, financial situation or needs. You should, before deciding to acquire or to continue to hold an interest in the Fund, consider the appropriateness of the advice having regard to your objectives, financial situation or needs and obtain and consider the Product Disclosure Statement for the Scheme.

This FSG is dated 3 May 2022.