

BALANCED SECURITIES LIMITED

AFSL 241382

TARGET MARKET DETERMINATION

1. Summary

This Target Market Determination ("TMD") provides investors with a broad understanding of the product and its characteristics in respect to the financial objectives and needs of the target market.

Investors should read our Prospectus in detail as that provides full details of our Secured Note product. This document is not intended to be a full summary of the terms and conditions relating to our Secured Notes and is not intended to provide you with financial advice.

This TMD only applies to Secured Notes issued by Balanced Securities Limited under a current Prospectus

Issuer	Balanced Securities Limited
Product	Secured Notes
TMD Version	V2 (09/23)

The following summarises the type of Consumers the characteristics and features of the Product may be suitable for:-

- Individuals
- Companies and their associated trusts
- Incorporated Associations
- Self-Managed Super Funds

2. Key Features and Description of the Product

- The investment is backed by a pool of First Registered Mortgages to a maximum Loan to Valuation ("LVR") of 67%. Our trustee holds security over the pool of mortgages on behalf of our investors.
- The Interest Rate you receive is fixed for the investment term that you select.
- The investment term available to you to select from ranges from 6 months to 3 years.
- You can select to either receive interest paid monthly or at the end of the investment term.

- The minimum investment amount is \$10,000.
- Your investment can be redeemed on the maturity date or you have the option to:-
 - Rollover your investment for the same term
 - Rollover your investment for a different term
 - Redeem part of your investment
 - Add to your investment
- You have no right to withdraw your investment until maturity. However at our absolute discretion we may allow an early withdrawal and we may charge a fee for doing so.
- The Issuer has substantial retained earnings and paid up capital to help protect your investment.

Financial Objectives and Needs

Secured Notes provide investors with a fixed income for a fixed term. The interest rates paid to investors will be higher than the interest rates that can be obtained from retail term deposits rates generally available from Australian Banks.

To invest in a Secured Note you will need to be able to read and understand our Prospectus. You will need to be able to understand the risks of investing in our Secured Notes which are contained in our Prospectus.

Our Prospectus is updated each year and it will contain updated financial information and other important information about our business. Our website also carries updated information that you should read before making an investment.

You will need to ensure that your application is made using the current Prospectus. We cannot accept investments using the application form in a non-current Prospectus.

The Product has been designed for investors who:-

- Seek a fixed income for a specific investment term
- Have a minimum of \$10,000 to invest
- Are able to invest their funds for a defined term knowing their investment is not redeemable until maturity
- Require comfort by knowing that they can redeem their investment on the maturity date
- Understand their investment is secured by a charge over all of our assets that is held by our trustee. The main security under that charge is a pool of first registered mortgages and cash liquidity that we hold.

Excluded Class of Consumers

This product may not suit investors:-

- Seeking capital appreciation
- Requiring access to their funds on short notice
- Seeking a franked dividend or franked distribution on their investment
- Unable to invest a minimum of \$10,000

Investors seeking the above characteristics are excluded from the target market.

3. Distribution

There is no third-party distribution channel for this Product. The Product is currently distributed by the Issuer via the following distribution Channels:-

- Direct access and download of our Prospectus from our website;
- Direct mail to our investors including the provision of an updated Prospectus annually via mail to all investors on the issue of our new Prospectus
- Direct mail out of our Prospectus upon receipt of an email or telephone request
- Collection of a Prospectus from our office

The product is only distributed in Australia. Investors must have an Australian Bank account for crediting of interest payments.

Our Product is not complex and is able to be promoted without the need for specific financial advice. Under our Australian Financial Services Licence we are only able to provide advice specific to our Product. We are not authorised to provide investors with general financial advice.

Investors in our Secured Notes must obtain a current Prospectus to access the Secured Note application form. Investors are advised to read the Prospectus to ensure that the risk factors are compatible with their investment objectives.

We recommend that investors who have questions after reading the Prospectus and this TMD:-

- **Contact the Issuer if the questions relate to the Product; or,**
- **Seek formal financial advice from a qualified professional if the questions relate to the suitability of the product for their specific needs and requirements.**

Our Prospectus and marketing material that we send to our investors contains a statement highlighting that an investment in the Product is not a bank deposit and that investors may lose all or part of their capital.

Our staff are trained to identify if investors via their questions and comments do not conform with the TMD set out herein and will direct the investor to seek independent financial advice before accepting a Secured Note application.

4. Review and Updating of this target market determination

This target market determination will be reviewed by the Issuer:-

1. Annually;
2. If there are any material or substantive changes to the characteristics of the Product
3. If an event occurs that adversely effects the business operation of the Issuer
4. If a business or economic event occurs that may negatively impact the risk of a Secured Note investor or the characteristic of the Product as detailed herein.
5. If a third-party distribution channel is established for this Product.
6. Upon any significant dealings in the Product by investors outside of the target market are identified.

If a review trigger event occurs under Clause 2, 3, 4, 5 or 6 above, this TMD will be reviewed within 10 working days of that trigger event.