

Your Ref:
Our Ref: DMG:DXW

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6 September 2011

BY FACSIMILE TRANSMISSION: 02 9028 5942
Email: Yvonne.kelaher@aetlimited.com.au
3 Pages (including this one)

Mr Philip Joseph
CEO Corporate Trusts
Australian Executors Trustees Limited
Locked Bag 4010
Queen Victoria Building Post Office
SYDNEY NSW 1565

Attention: Yvonne Kelaher

Dear Philip/Yvonne

Reporting

We refer to the Trust Deed dated 4 January 2000 and in compliance with the reporting requirement for the quarter ended **31 August 2011**, in clause 6.1.6 of the Deed pursuant to matters required by Section 283BF of the Corporations Act 2001 [formerly 260 GF and prior to that Section 1058(2)] of the Corporations Law], advise pursuant to Section 283BF (4) of the Corporations Act as follows:

- (a) Balanced Securities Limited has not failed to comply with the Terms of the Unsecured Notes, Provisions of the Trust Deed or Provisions of Chapter 2L.2 of the Corporations Act.
- (b) No event has occurred during the course of the quarter that has caused or could cause:
 - (i) Any amount deposited or lent under the unsecured notes to become immediately payable.
 - (ii) The unsecured notes to become immediately enforceable.
 - (iii) Any right or remedy under the terms of the unsecured notes or the provisions of the Trust Deed to become immediately enforceable
- (c) No circumstances have occurred during the quarter that materially prejudice:

- (i) The Borrower.
 - (ii) Any security or charge included in or created by the unsecured notes or the Trust Deed.
- (d) There has been no change in the nature of the business of the Borrower during the quarter.
- (e) None of the following events occurred:
- (i) No guarantor was appointed.
 - (ii) There was no cessation of liability of a guarantor.
 - (iii) There was no change of name of a guarantor
- (f) No new charges were created during the quarter and no advances are outstanding in relation to any charge, other than the charge to Australian Executor Trustees Limited.
- (g) During the quarter, no other matters occurred that may prejudice any security or interests of the unsecured note holders.

Pursuant to RG 69.101 we advise that:

1. There has been **no** failure of the Borrower to comply with the terms of issue of the unsecured notes as detailed in the Borrower's prospectus [No.12 dated 29 April 2011](#) and there have been **no** material changes (other than as recorded on the Company's website in relation to the continuing disclosure obligations required by Chapter 6CA of the Corporations Act and RG 198) to the Borrower's performance against the 8 Benchmarks and recorded as;

1.1. Benchmark 1	Equity Capital	Satisfied
1.2. Benchmark 2	Liquidity	Satisfied
1.3. Benchmark 3	Rollovers	Satisfied
1.4. Benchmark 4	Debt Maturity	Satisfied
1.5. Benchmark 5	Loan Portfolio	Satisfied
1.6. Benchmark 6	Related Party Transactions	Satisfied
1.7. Benchmark 7	Valuations	Satisfied
1.8. Benchmark 8	Loan to Value Ratios	Satisfied

FROM

BALANCED SECURITIES LIMITED

TO

Australian Executors Trustees Limited 3

6 SEPTEMBER 2011

Pursuant to Section 283BF (5) of the Corporations Act we advise that during the quarter, no money was deposited with or lent to a related corporation.

Pursuant to Section 283BF (6) of the Corporations Act we advise that during the quarter, the Company did not assume any liabilities of a related corporation.

This report is made in accordance with a resolution of directors dated **6 September 2011** covering the quarter ending **31 August 2011**.

Yours faithfully

BALANCED SECURITIES LIMITED

AFS Licence 241382

David Geer
Managing Director

Anthony May
Director