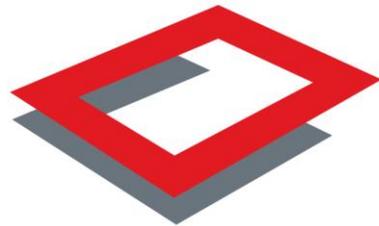


Trustee
Melbourne Securities Corporation
ACN 160 326 545
AFSL No.428289

Manager
DomaCom Australia Ltd
ACN 153 951 770
AFSL No. 444365



DomaCom
FRACTIONAL INVESTING

Fractional Investing
Multi-Asset-Classes

DomaCom Fund
Product Disclosure Document

DomaCom Fund
Product Disclosure Statement
23rd August 2021

ARSN 167 020 626

Important Notice & Disclaimer

This Product Disclosure Statement (**PDS**) is dated 23rd August 2021 and has been issued by Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL No. 428289 as the responsible entity and trustee (**Trustee**) of the DomaCom Fund ARSN 167 020 626 (**DomaCom Fund**). This PDS relates to the offer (**Offer**) of interests in the DomaCom Fund consisting of interests in the cash pool (**Cash Pool**) and units (**Units**) in Sub-Funds to be established in the DomaCom Fund. DomaCom Australia Ltd ACN 153 951 770 AFSL No. 444365 (**DomaCom**) is the Manager for the DomaCom Fund. This PDS is not required to be, and has not been, lodged with the Australian Securities and Investments Commission (**ASIC**). A Supplementary PDS will be issued with details in respect of each Underlying Asset.

In preparing this PDS and making the Offer, the Trustee has not taken into account the investment objectives, financial situation or particular needs of individual Investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer having regard to their objectives, financial situation and needs. It is important that Investors read the entire PDS before making any investment in the DomaCom Fund. In particular, in considering the prospects of the DomaCom Fund, Investors should consider the risk factors that could affect the financial performance of the DomaCom Fund. The significant risk factors affecting the DomaCom Fund are summarised in section 7 of this PDS. The specific risk relating to specific Underlying Assets are summarised in their respective sections of this PDS (Property Complete Interest 9, Property Partial Interest 10, Loan 12.3 and Special Opportunities 14.3).

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not contained in this PDS may not be relied on as having been authorised by the Trustee in connection with the Offer or the DomaCom Fund.

An investment in the DomaCom Fund does not represent a deposit with or a liability of the Trustee or DomaCom. An investment in the DomaCom Fund is subject to investment risk, including possible delays in repayment and loss of income or capital invested.

None of the Trustee, DomaCom or any of their directors, advisers, agents or associates in any way guarantee the performance of the DomaCom Fund, any return of capital or any particular rate of return on an investment in the DomaCom Fund and, to the maximum extent permitted by law, they each deny liability for any loss or damage suffered by any person investing in the DomaCom Fund. Investors should note that the DomaCom Fund includes a

number of Sub-Funds. The assets of one Sub-Fund are not available to satisfy liabilities in another Sub-Fund.

This PDS is available in electronic format at the DomaCom Website. If Investors receive this PDS electronically, Investors should ensure that they have received the complete Application Form and this PDS. If Investors are unsure whether the electronic document is complete, Investors should contact the Trustee or DomaCom. A printed copy is available free of charge. Unless otherwise determined by the Trustee, interests in the DomaCom Fund to which this PDS relates will only be issued on receipt of an Application Form.

The Trustee authorises the use of this PDS as disclosure to clients and prospective clients of an Investor Directed Portfolio Service (**IDPS**), IDPS-like scheme such as a master trust or wrap account or nominee and custody service.

If Investors invest in the DomaCom Fund through an IDPS, IDPS-like service or nominee and custody service, Investors should note that the operator or custodian of the service will be recorded in the register as the Cash Holder and/or Unit Holder in the DomaCom Fund and will have the rights attaching to the Cash Pool and/or Units in the DomaCom Fund. DomaCom is not responsible for the operation of any of these services through which Investors invest. Therefore, certain rights of Cash Holders and Unit Holders will not apply to Investors if Investors are investing through any of these services, such as the right to receive reports and statements from the Trustee and the right to attend meetings. Investors investing in the Fund indirectly via an IDPS are entitled to rely upon the complaint resolution procedures set out in section 17.10. If Investors invest through an IDPS, IDPS-like service or nominee and custody service, Investors should also take into account the fees and charges of the operator of the service.

In addition to reading this PDS, Investors should also read the document which explains the relevant IDPS or IDPS-like service.

Unless otherwise indicated, all fees set out in this PDS are inclusive of GST less any input tax credits and all dollar amounts refer to Australian Dollars (AUD).

ASIC Class Order (CO 14/1252) applies to this PDS.

Selling restrictions – Offers made in Australia

This Offer is open only to persons in Australia receiving this PDS, whether in paper or electronic form. This PDS does not constitute an offer or invitation in any other place. No action has been taken to register or qualify the Offer or otherwise to permit a public offering of interests in the DomaCom Fund in any jurisdiction outside Australia. Accordingly, the distribution of this PDS in jurisdictions outside Australia is limited and may be restricted by law. Persons holding copies of this PDS who are not in Australia should familiarise

themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law.

SMSF Trustees

SMSF trustees should satisfy themselves as to the suitability of a sub-fund investment (e.g. the SMSF trustees should obtain and rely on their own professional advice from their tax, legal and accounting and other professional advisers in respect of the trustee/s objectives, financial position or needs and suitability of the Fund. The Trustee is encouraged, prior to the consummation of their investment, to ask questions of, and receive answers from, DomaCom concerning the Fund and to request any additional information in order to verify the accuracy of the information or otherwise.

The attention of prospective SMSF trustee investors is specifically drawn to the risk factors associated with investing in the Fund set out in [section 7 of this PDS](#). Any SMSF trustee investor who is in doubt about the investment should consult appropriately qualified persons specialising in advising on the issue of the kind in question. Where SMSF Investors have any queries in relation to the taxation impact of their investment, they should consult a taxation advisor to determine any tax consequence applicable to their individual situation.

Currency of Information

This PDS is current as at 23rd August 2021. Information in this document is subject to change from time to time. If the change is not materially adverse to Investors, the Trustee may update the PDS by posting a notice on the DomaCom Website. The Trustee will provide at no charge a paper copy of the updated information on request. If there is a change that is materially adverse, the Trustee will replace this PDS or issue a Supplementary PDS.

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Letter from the Manager

Dear Investors,

DomaCom's aim is to provide Investors with a new and exciting way to gain exposure to high value asset classes without incurring a significant outlay upfront as the cost of investing individually in a high value asset is generally beyond the reach of most investors.

Through its unique multi-asset-class Fractional Investing Platform, the DomaCom Fund not only provides retail investors with the opportunity to obtain exposure to high value investment assets, it also provides the ability for investors to select the specific assets they want an exposure to.

It's this lack of investor control over the selection and diversification decisions which the DomaCom Fund seeks to resolve for investors.

DomaCom Investors have complete control over which individual investment asset they wish to invest in. In addition, with a minimum investment amount of just \$500 for most Sub-Funds, DomaCom Investors can build a diversified portfolio of assets of their choosing and with a level of diversification that suits their personal needs and risk profile.

DomaCom offers this control to Investors through its Fractional Investing Platform. Provided enough Investor interest is obtained to invest in a particular investment asset, DomaCom will create a Sub-Fund that will invest in that asset and then issue Units in the Sub-Fund to Investors in proportion to their investment.

Some of the key benefits of the DomaCom Fund:

Access to Asset classes not generally available to retail investors

Retail investors are able to obtain exposure to assets which would normally be beyond their financial reach, by indirectly acquiring the asset (or a portion of the asset) with other likeminded Investors.

The DomaCom Fund allows Investors to allocate their investment across a range of different asset classes including:

- Property assets across the spectrum of property classes including residential, commercial, retail, rural and industrial. There is also choice in respect of geographical location including different capital cities and regional areas across Australia.
- Loans which provide a competitive interest rate and are secured against a first registered mortgage with a conservative loan to valuation ratio.

- Other special opportunities which will be set out in a SPDS, that provide access to specific assets that are often not available to retail investors.

Ease of access and administration

Retail investors obtain exposure to different asset classes where the investment administration is managed online from the initial application, to the receipt of monthly distributions and all reporting is provided electronically by DomaCom.

Certainty of income yield and acquiring incremental units in a Partial Interest Property Sub-Fund

The nature of the equity release product allows Investors to receive a fixed income return from the service fees paid by the Property Owner and therefore it is not subject to risks of tenant vacancy and also allows Investors to increase their investment in the Property approximately every 5 years.

As with any investment, an investment in the DomaCom Fund also carries risk.

Some of the key risks include:

Withdrawing an investment from a Sub-Fund

Investments in a Sub-Fund are illiquid. Currently an investment in a Sub-Fund can only be cashed out when the Sub-Fund is terminated.

Different Sub-Funds will have different expected terms depending on a range of factors including the nature of the Underlying Asset. The expected term will be specified in a Campaign and/or SPDS.

DomaCom's Australian Financial Services License does however authorise it to 'make a market'. This means that it can provide a liquidity facility which allows Unit Holders in a Sub-Fund to trade their Units.

DomaCom can create a market for the trading of Units in a Sub-Fund by buying Units from Unit Holders wanting to sell their Units and then selling those Units to other Investors wishing to buy those Units in the Sub-Fund.

However, DomaCom does not guarantee that it will purchase a Unit Holder's Units if they wish to sell their Units or that DomaCom will be prepared to pay the price at which a Unit Holder wishes to sell their Units.

Loss of Funds

The value of an investment in a Sub-Fund will go up and down in accordance with the fluctuating value of the Underlying Asset.

Market and Economic Risk

All investment returns are influenced by the performance of the market in which the Underlying Asset is exposed. These market forces may impact the performance of an investment in the DomaCom Fund.

Reliance on platform technology

The DomaCom Fund relies on an online technology solution which is delivered by DomaCom to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom ceases to provide this service or is removed as the Manager, there may not be any alternative provider who can provide an adequate substitute technology system.

Full details of the risks involved in investing in the DomaCom Fund are set out in section 7.

DomaCom invites you to learn more about our products at www.domacom.com.au.

Please Note

Neither DomaCom Australia, nor its Representatives, guarantee the performance of the DomaCom Fund, the return of investment capital, the payment of any particular return or the increase in value for a Sub- Fund or the Underlying Asset or your investment.

Arthur Naoumidis

CEO DomaCom

1 The DomaCom Fund – at a Glance

The table below provides a general overview of the DomaCom Fund. Investors should read this PDS in full prior to deciding to invest in this Fund.

| Questions | Answer | Section |
|---|--|---|
| What is the DomaCom Fund? | <p>The DomaCom Fund is a Managed Investment Scheme that is registered with ASIC. The DomaCom Fund allows Investors to purchase a fractional interest in an Underlying Asset, held by a Sub-Fund.</p> <p>In order to invest in a Sub-Fund an Investor must first open an account in the Cash Pool.</p> <p>DomaCom will then issue a SPDS in respect of each Underlying Asset and place the relevant details for each Underlying Asset on the DomaCom Website.</p> <p>If sufficient capital is raised through the Campaign to acquire the Underlying Asset, Investors will ultimately be issued Units in a Sub-Fund which will acquire and hold the Underlying Asset on behalf of the Investors in the DomaCom Fund.</p> | <p>Section 2 <i>About the DomaCom Fund</i></p> |
| What asset class can I gain exposure to by investing in the DomaCom Fund? | After opening an account in the Cash Pool, investors can then invest in a Sub-Fund and gain exposure to real property, loans secured by real property, and special opportunities. | <p>Sections 3, 9 12 and 14</p> |
| Why Fractional Investing? | Fractional Investing provides Investors with the ability to gain exposure to specific, often high value assets that would otherwise not be attainable, for as little as \$500. DomaCom Investors raise the funds to purchase these assets using DomaCom's unique multi-asset-class Fractional Investing Platform where Investor's funds are pooled with funds of other investors to purchase an asset (or a portion of an asset) through a Sub-Fund. | <p>Section 2 <i>About the DomaCom Fund</i></p> |
| What does the Fund consist of? | The Fund consists of a Cash Pool and several individual Sub-Funds. Each Sub-Fund generally holds a single | <p>Section 2</p> |

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| | investment asset called an Underlying Asset. | <i>About the DomaCom Fund</i> |
| What is the Cash Pool? | <p>The Cash Pool is required so that the Trustee can be satisfied that an Investor's commitment to invest in a particular Sub-Fund is fully funded.</p> <p>The Cash Pool will be held in a trust account in the name of the Custodian (on behalf of the Trustee), which will be held with ANZ and reviewed by the Trustee periodically, taking into account Investors' best interests. However, during the term of the interest rate agreement with ANZ, we will not withdraw any part of your investment in the Cash Pool except at your direction.</p> | <p><i>Section 3</i></p> <p><i>Investing in the Cash pool</i></p> |
| Will interest be earned on the amount held in the Cash Pool? | <p>Yes. Any funds that an Investor has invested in the Cash Pool will earn interest for Retail Clients equal to the ANZ Official Cash Rate subject to variation from time to time (based on the rate offered by the bank with which the Cash Pool account is held).</p> <p>Wholesale Clients will be paid a slightly lower interest rate. Refer to our website www.domacom.com.au to see the interest rates that are offered to our retail and wholesale clients.</p> <p>Interest will be calculated on a daily basis and credited to an Investor's balance in the Cash Pool at the end of each month.</p> | <p><i>Section 3</i></p> <p><i>Investing in the Cash pool</i></p> |
| How do you invest in the Cash Pool? | <p>You will need to complete an online Application Form and deposit a minimum of \$1,000 in the Cash Pool.</p> <p>The Cash Pool is an interest-bearing trust account in the name of the Custodian and is held with ANZ.</p> <p>You can withdraw your Available Funds in the Cash Pool by providing notice before 1pm on a Business Day and your funds will be transferred to you on the next Business Day.</p> | <p>Section 3</p> <p><i>Investing in the Cash pool</i></p> |

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| <p>How do you invest in a Sub-Fund?</p> | <p>Once your funds have cleared in the Cash Pool, you can indicate your interest in investing in an Underlying Assets by placing a Bid through the Fractional Investing Platform. This process is called the Campaign.</p> <p>If sufficient investor Bids in the Campaign are received to enable DomaCom to make an offer, DomaCom will seek to purchase the Underlying Asset, or when the Underlying Asset is a loan, to provide the requested finance.</p> <p>If successful, a Sub-Fund will be created to hold the Underlying Asset and you will be issued Units in that Sub-Fund in proportion to the total funds raised.</p> | <p>Section 4 <i>Investing in a Sub-Fund</i></p> |
| <p>Are all the Sub-Funds pooled like the Cash Pool?</p> | <p>No. One of the particular features of the DomaCom Fund is that the investment performance of each Sub-Fund is kept separate from any other Sub-Fund within the DomaCom Fund.</p> | <p>Section 4 <i>Investing in a Sub-Fund</i></p> |
| <p>What are the two main types of Underlying Assets that may be held by a Sub-Fund?</p> | <p>A Sub-Fund's Underlying Asset will be either:</p> <ul style="list-style-type: none"> ▪ Complete Interest -The Sub-Fund will from the outset own 100% of the Underlying Asset in which case the Custodian will be the sole registered proprietor noted on the certificate of title. ▪ Partial Interest (Equity Release)- The Sub-Fund will acquire part of the Underlying Asset pursuant to an Equity Release Deed in which case the Custodian will not be a registered proprietor, but will have rights under the Equity Release Deed. These rights will be secured by a mortgage registered on the title of the Underlying Property in the name of the Custodian. | <p>Sections 9 and 10</p> |
| <p>What is an Equity Release Deed?</p> | <p>An Equity Release Deed is an agreement between a Property Owner the Custodian and the Equity Release Administrator where the</p> | <p>Section 10</p> |

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| | Property Owner sells an interest in their property to the Custodian. | |
| What are the main classes of Assets that may be held by a Sub-Fund? | <p>The Underlying Asset of a Sub-Fund can be one of 3 asset classes:</p> <ul style="list-style-type: none"> • Property (both Complete Interest and Partial Interest); • Loans; and • Special Opportunities which could be represented by a debt or equity security. | |
| What does my investment in a Sub-Fund entitle me to? | <p>You receive Units in that Sub-Fund which provides you with an exposure to the Underlying Asset of that Sub-Fund.</p> <p>As a Unit Holder in a Sub-Fund, you are entitled to receive a fractional share of the Net Income (if any) of the Sub-Fund and a fractional share in the net proceeds when the Underlying Asset is sold and the Sub-Fund is terminated.</p> | <p>Section 4 <i>Investing in a Sub-Fund</i></p> |
| What is the Property Investment Option? | <p>This option allows Investors to gain an exposure to the property market through a Property (for a Complete Interest) or part of a Property (for a Partial Interest) that the DomaCom Fund will acquire.</p> <p>The specific details of the property will be set out in the SPDS.</p> | <p>Section 9 <i>Investment Option Property</i></p> |
| What is the Loan Investment Option? | <p>This option allows Investors to gain an exposure to the loan market. All loans will be secured by first registered mortgage over a property and will have a maximum LVR of 60%.</p> <p>The specific details of the Loan and security will be set out in the SPDS for the particular Sub-Fund.</p> | <p>Section 12 <i>Investment Option Loans</i></p> |
| What is the Special Opportunities Investment Option? | <p>This option allows Investors to gain an exposure to a range of different markets including for example an exposure to a share or security in a company. Details of the Underlying Asset will be set out in the SPDS for the particular Sub-Fund.</p> | <p>Section 14 <i>Investment Option Special opportunities</i></p> |

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| <p>If I invest in a Sub-Fund, what do I get?</p> | <p>You receive Units in that Sub-Fund which provides you with an exposure to the Underlying Asset of that Sub-Fund.</p> | <p>Section 4 <i>Investing in a Sub-Fund</i></p> |
| <p>Who is the Trustee, Manager and Custodian of the Fund?</p> | <p>The Trustee of the Fund is Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL No. 428289.</p> <p>DomaCom Australia Ltd ACN 153 951 770 AFSL No. 444365 is the Manager of the DomaCom Fund (Manager or DomaCom)</p> <p>The Custodian of the Fund is Perpetual Corporate Trust Limited ACN 000 341 533.</p> | <p>Section 14 <i>Management of the Fund</i></p> |
| <p>What rights and obligations does the Trustee have after an acquisition of an Underlying Asset?</p> | <p>Complete Interest Sub-Funds</p> <p>The Custodian (on behalf of the Trustee) is entitled to all of the benefits and obligations associated with being the owner of the Underlying Asset, including receiving any income.</p> <p>The Custodian (at the direction of the Trustee and as its agent only) pays out the costs associated with the ownership of the Underlying Asset (including finance costs, if applicable).</p> <p>These costs will be recovered from the Gross Income of the relevant Sub-Fund and if DomaCom considers necessary, from a Provisional Amount maintained for the Sub-Fund.</p> <p>The Custodian holds the Underlying Asset only as the agent of the Trustee and is indemnified by the Trustee for any costs incurred by the Custodian in paying costs associated with the ownership of the Underlying Asset.</p> <p>Partial Interest Sub-Funds (Equity Release)</p> <p>The Custodian (on behalf of the Trustee) is entitled to all of the benefits and obligations associated with owning a Partial Interest in the Underlying Property, which includes receiving a fixed payment of the base Service Fee amount of 3.88% per annum of the value of the Custodian's</p> | <p>Section 3.1</p> |

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| | interest in the Underlying Property adjusted approximately every 5 years. | |
| What's a Campaign? | A Campaign is the term DomaCom uses to describe the Fractional Investing capital raising process. | Section 4 <i>Investing in a Sub-Fund</i> |
| Who is the legal owner of the Underlying Asset? | <p>Complete Interest Sub-Funds</p> <p>The Underlying Asset in a Sub-Fund is held by the DomaCom Fund's Custodian which acts as an agent of the Trustee. The Custodian holds the Underlying Assets on behalf of the Trustee who in turn holds its interests in the Underlying Asset on trust for the Investors in the DomaCom Fund.</p> <p>Partial Interest Property Sub-Fund</p> <p>The Underlying Asset will be held in the name of the Property Owner. The Custodian will secure its interest on behalf of the Trustee who in turn holds its interests on trust for the Investors via a registered mortgage.</p> | Section 4 <i>Investing in a Sub-Fund</i> |
| Will distributions be paid from a Sub-Fund? | Yes, you will receive distributions from a Sub-Fund in which you hold Units based on your proportional share of the Sub-Fund's Net Income (if any). | Section 4 <i>Investing in a Sub-Fund</i> |
| Can I withdraw my investment from a Sub-Fund? | <p>No. You cannot withdraw your investment in a Sub-Fund until the Underlying Asset is sold (or repaid for the Loan Sub-Fund) and the Sub-Fund is terminated.</p> <p>The net proceeds (if any) are distributed on a proportional basis to you and the other Unit Holders in that Sub-Fund.</p> | Section 4 <i>Investing in a Sub-Fund</i> |
| How are Sub-Funds terminated | <p>Complete Interest Sub-Funds</p> <p>Both Unit Holders of the relevant Sub-Fund and the Trustee can initiate the termination of a Sub-Fund.</p> <p>A Sub-Fund will be terminated, and the Underlying Asset sold on the earlier of:</p> <ul style="list-style-type: none"> • the date the DomaCom Fund is terminated; | Section 5 <i>Termination of a Sub-Fund</i> |

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| | <ul style="list-style-type: none"> the date determined by a resolution of Unit Holders in that Sub-Fund that hold at least 75% of all Units on issue in that Sub-Fund; at the expiration of the term that is specified in a Campaign and SPDS unless extended by an ordinary resolution of Unit Holders in that Sub-Fund (present in person or by proxy); and the date determined by the Trustee as the date on which the Sub-Fund is to be terminated, being a date at least 30 days after the date of the provision of notice of such termination to all Unit Holders in that Sub-Fund. <p>Partial Interest Sub-Funds</p> <p>Partial Interest Sub-Funds can only be terminated in limited circumstances pursuant to the Equity Release Deed.</p> <p>These include where the Property Owner seeks to buy-back the Sub-Fund's interest in the Underlying Property or sell the Underlying Property to a third party.</p> <p>The Custodian can also terminate the Sub-Fund on behalf of the Trustee if the Property Owner breaches certain provisions of the Equity Release Deed and fails to remedy the relevant breach.</p> | |
| <p>What happens when a Sub-Fund is terminated?</p> | <p>The Trustee will sell the Underlying Asset of the Sub-Fund, cancel the Units that have been issued and then pay the net sale proceeds into Unit Holders' cash accounts in the Cash Pool in proportion to their Unit Holding.</p> | <p>Section 5 <i>Termination of a Sub-Fund</i></p> |
| <p>Can I trade my Units in a Sub-Fund?</p> | <p>Potentially, yes. DomaCom is licensed to provide a liquidity facility which allows Unit Holders to trade their Units. However, this facility is only available if a corresponding buyer of your Units can be found.</p> | <p>Section 4 <i>Investing in a Sub-Fund</i></p> |
| <p>What are the key benefits of investing in the DomaCom Cash Pool?</p> | <p>Interest on funds in the Cash Pool</p> <p>You receive a competitive rate of interest on your funds in the Cash Pool.</p> | <p>Section 6 <i>Benefits of Investing in</i></p> |

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| | <p>Overnight access to funds</p> <p>Provided DomaCom receives a withdrawal request from you before 1.00 pm on a Business Day, your Available Funds will usually be transferred overnight to your nominated personal bank account.</p> | <p><i>the DomaCom Fund</i></p> |
| <p>What are the key benefits of investing in the DomaCom Sub-Funds?</p> | <p>Control of investment decisions</p> <p>You remain in control of your investment decisions.</p> <p>Control of asset allocation</p> <p>You control your overall exposure to any Underlying Asset in accordance with your needs and risk profile.</p> <p>Diversification</p> <p>With the minimum investment in most Sub-Funds of just \$500, Investors can have a diversified portfolio across different Sub-Funds and Underlying Assets without significant costs.</p> <p>Potential Net Income from the Sub-Fund</p> <p>For those Sub-Funds that generate income from the Underlying Asset, Unit Holders will periodically receive a proportional share of the Sub-Fund's Net Income (if any).</p> <p>Potential Capital growth</p> <p>Some Underlying Assets may have the prospect of capital growth which will increase the value of your Units in the Sub-Fund.</p> | <p>Section 6</p> <p><i>Benefits of Investing in the the DomaCom Fund</i></p> |
| <p>What are the key risks of investing in the DomaCom Fund?</p> | <p>Investments in a Sub-Fund can't be withdrawn</p> <p>Investments in the Sub-Fund are illiquid and can generally only be cashed out when the Sub-Fund is terminated.</p> <p>Loss of Funds</p> <p>The value of your Units in a Sub-Fund in the DomaCom Fund can go up and down in accordance with the value of the Underlying Asset. This could result in the loss of the money invested in a Sub-Fund.</p> | <p>Section 7</p> <p><i>Risks of investing in the the DomaCom Fund</i></p> |

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| | <p>A proposed Sub-Fund may not proceed</p> <p>If a proposed Sub-Fund does not proceed, any costs incurred will be deducted from funds that had been committed by Investors in the Campaign.</p> <p>No Guarantee</p> <p>Neither the money that an Investor has invested in the DomaCom Fund or the returns earned from their investment are guaranteed.</p> <p>Market and Economic Risk</p> <p>Market and economic forces can impact on the value of any Underlying Assets which in turn will affect the performance a Sub-Fund.</p> <p>Reliance on platform technology</p> <p>The DomaCom Fund relies on its online technology platform to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom ceases to provide this service or is removed as Manager by the Trustee, there may not be any alternative provider with an appropriate technology solution.</p> | |
| <p>What reports do I get?</p> | <p>DomaCom produces a range of transaction reports, including annual taxation statement and periodical statements.</p> | <p>Section 8 <i>Keeping you Informed</i></p> |
| <p>What are the management fees?</p> | <p>Management Fees inclusive of GST are:</p> <ul style="list-style-type: none"> ▪ 0.22% per annum of the balance of the cash held in the Cash Pool; and ▪ Generally, between 0.44% and 0.88% per annum of the Gross Asset Value of a Sub-Fund (depending on the Underlying Asset). The actual fee charged to each specific Sub-Fund will be detailed in the Supplementary PDS that is | <p>Section 15 <i>Fees and other Costs</i></p> |

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| | issued by DomaCom for each Sub-Fund. | |
| How can I contact DomaCom with any questions? | DomaCom can be contacted at DomaCom Australia Limited, GPO Box 1866, Melbourne Victoria 3001. An Investor can email or telephone the Client Service Centre on clientservices@domacom.com.au or 1300 365 930. | Section 19 <i>Corporate Directory</i> |

2 About the DomaCom Fund

The DomaCom Fund is a Fractional Investing Platform which is a registered Managed Investment Scheme that is registered with ASIC.

The DomaCom Fund is managed by DomaCom Australia Ltd. The Trustee of the Fund is Melbourne Securities Corporation Ltd, and the Custodian is Perpetual Corporate Trust Limited. For more details relating to their respective roles and obligations, refer to section 14 titled Management of the DomaCom Fund.

The DomaCom Fund comprises a Cash Pool and Sub Funds. Each Sub-Fund will generally only hold one Underlying Asset.

2.1 Fractional Investing

Fractional Investing is a method of raising capital through the collective effort of a large number of individual investors.

Fractional Investing provides Investors with the ability to gain exposure to specific, high value assets for a fraction of the total cost to purchase the asset. DomaCom Investors raise the funds to purchase these assets using DomaCom's unique multi-asset-class Fractional Investing Platform where investor's funds are pooled to purchase an asset through a Sub-Fund.

2.2 How is Fractional Investing Different?

Traditionally, if you wanted to raise capital to purchase an expensive investment asset, you would be limited to approaching just wealthy individuals or institutions. These funding sources really limit your options to a limited pool of investors.

Fractional Investing platforms on the other hand, work in the opposite way. Through DomaCom's Fractional Investing Platform, hundreds of Investors with relatively smaller amounts to invest can pool their funds with the funds of other Investors to purchase an expensive investment asset.

2.3 Investment Overview

The DomaCom Fund is comprised of a Cash Pool and Sub-Funds. All Investors must first invest in the Cash Pool before they can allocate their money towards a Sub-Fund. The Investors' initial investment must have been deposited into the Cash Pool for a period of at least 14 days before the Investor may use any of those funds to invest in a Sub-Fund.

Each Sub-Fund will generally relate to a single Underlying Asset chosen for investment by Investors. The Underlying Asset will be acquired by the Custodian on behalf of the Trustee for the Sub-Fund.

2.4 Selecting an Investment that Suits You

Investing through the DomaCom Fund can be a suitable strategy for Investors in a variety of different situations, stages of life or financial position. These may include but are not limited to:

- existing Investors;
- self-managed super funds;
- first time Investors;
- investment syndicates; and
- retirees requiring income returns to supplement their income.

When deciding whether a Sub-Fund and its Underlying Asset is suitable, you should consider whether:

- The length of time that you would like to invest (your investment time horizon) is consistent with the term of the proposed Sub-Fund;
- Your appetite for investment risk (your investment risk tolerance) matches the risk associated with the Underlying Asset. You should seek advice regarding your personal investment risk tolerance from a suitably qualified adviser; and
- Whether the Underlying Asset and its potential Net Income and capital gain matches your investment needs.

You should seek professional investment advice from a suitably qualified investment adviser before proceeding to place a Bid in any Campaign.

3 Investing in the Cash Pool

3.1 About the Cash Pool

All Investors are required to open up a Cash Account in the Cash Pool prior to investing in a Sub-Fund.

The Cash Pool will be held in a trust account in the name of the Custodian (on behalf of the Trustee), which will initially be held with ANZ and reviewed by the Trustee periodically, taking into account Investors' best interests.

In order to invest in the DomaCom Fund, the amount of an Investor's investment must be deposited in the Cash Pool. An Investor cannot invest in a Sub-Fund until their initial investment has been in the Cash Pool and the Cooling Off Period has expired.

3.2 Depositing Your Funds

Before depositing your funds, either you or your adviser (on your behalf) need to complete an online Application Form. This can be found on the DomaCom Website.

On this form, you will need to nominate how you are going to deposit your funds. Your options are:

- Electronic Funds Transfer (EFT); or
- By cheque.

You will also need to nominate an external bank account on your application. You can choose to have any interest you earn on your investment held in the Cash Pool and any distributions you may receive from a Sub-Fund paid into your external bank account or directed into your Cash Account.

When an Investor opens a Cash Account with the DomaCom Fund, their initial and subsequent investments in the DomaCom Fund will be placed into that Investor's Cash Account in the Cash Pool.

All monies in the Cash Accounts are pooled in the Cash Pool and are not held separately (although there are separate bank accounts for money held for Retail Clients in the Cash Pool and for money held for Wholesale Clients in the Cash Pool). DomaCom records each Investor's Cash Account balance to ensure that each Client's money can be identified.

The money an Investor has deposited in their Cash Account within the Cash Pool earns interest that is calculated on a daily balance and paid each month either into an Investor's Cash Account or directly into their linked bank account.

Any funds that a Retail Client has invested in the Cash Pool will earn interest equal to the ANZ Official Cash Rate subject to variation from time to time (based on the rate offered by the bank with which the Cash Account is held). Wholesale Clients will be paid a slightly lower interest rate, Monies will only be withdrawn from the relevant Cash Account in the Cash Pool under the relevant Investor's instructions. Refer to our website www.domacom.com.au to see the interest rates that are offered to our retail and wholesale clients.

At the date of this PDS, an agreement exists between the Trustee, Custodian and ANZ in respect of the interest rates earned by the Cash Accounts. The Trustee will periodically review the investment of the Cash Pool and may after a 12 month notice period invest the Cash Pool in a different account (with ANZ or another provider) if the Trustee considers that it is in an Investor's best interests to do so.

Once your funds have cleared and the Cooling Off Period has expired, you can start participating in any Campaigns that are of interest to you.

3.3 Withdrawing Your Funds

You can usually withdraw your Available Funds in the Cash Pool within one Business Day, provided DomaCom receives a withdrawal request by 1.00 pm on the previous Business Day.

Your withdrawal will be transferred to your nominated external bank account by Electronic Funds Transfer. (EFT)

Please note however, the Trustee has discretion to suspend withdrawals from the Cash Pool if it reasonably determines that it is in the best interest of Investors to do so, for example where there was a risk of a fraudulent transaction' or similar activity.

3.4 Receiving Your Interest

You will receive interest on your funds held in the Cash Pool.

Interest is calculated on your daily balance and is either paid monthly into your account in the Cash Pool or it can be paid by EFT to your nominated external bank account.

The interest rate payable to the Retail Client is the ANZ's official cash rate. The ANZ official cash rate is a variable interest rate and generally in line with official interest rates set by the Reserve Bank of Australia. Wholesale Clients will receive slightly lower rate. Refer to our website www.domacom.com.au to see the interest rates that are offered to our retail and wholesale clients.

3.5 Available Funds and Quarantined Funds

Any of your funds in the Cash Pool that you have allocated toward a Campaign (your Bids) are referred to as Quarantined Funds.

These funds remain unavailable for withdrawal until either you withdraw your Bid/s or DomaCom fails to arrange the purchase the asset (or in the case of a loan investment, provide the finance) and the Campaign for that Underlying Asset is terminated.

At any point in time, your Available Funds is the difference between your account balance in the Cash Pool and your total Quarantined Funds.

Available Funds = Account balance in the Cash Pool – total of your Quarantined Funds

4 Investing in a Sub-Fund

4.1 About Sub-Funds

Each class of Units within the DomaCom Fund is referred to as a "Sub-Fund" in this PDS.

Each Sub-Fund will generally acquire a single investment asset (or part of an asset) on behalf of Investors in the Sub-Fund. This investment asset is referred to as the Underlying Asset.

When a Sub-Fund has a Complete Interest in an Underlying Asset, the Custodian will hold title (or be the lender on record) to the Underlying Asset from Settlement and have all the rights and obligations associated with owning the Underlying Asset, including the right to receive income on behalf of the DomaCom Fund.

When a Sub-Fund has a Partial Interest in an Underlying Asset, the Custodian will secure its interest in the Underlying Asset from Settlement through registering a mortgage. Prior to Settlement the Custodian may lodge a caveat over the Underlying Asset's title to give notice of its interest in the Underlying Asset. From Settlement, it will generally share all the rights and obligations associated with owning the Underlying Asset with the Property Owner, other than certain rights which are specified in section 10.

In relation to the Equity Mortgage product which is described in section 13, the Sub-Fund will consist of an income sub-class and a growth sub-class.

4.2 An Investor in a Sub-Fund is not a direct investor

Even though an investment in a Sub-Fund simulates a direct investment in the Underlying Asset, it is important to note that it is a simulation only.

Some of the key differences between owning an asset directly compared to having an exposure to the asset through a fund structure include that an Investor that holds Units in a Sub-Fund:

- does not have any direct control over the Underlying Asset;
- does not have any right to make changes to the nature or use of the Underlying Asset;
- cannot pledge the Underlying Asset as security for debt. However, subject to the requirements of an Investor's financier, an Investor may be able to pledge their Units in the Sub-Fund as security; and
- cannot unilaterally determine when the Underlying Asset should be liquidated. However, Investors in a Sub-Fund other than a Partial Interest Sub-Fund may pass a resolution (approved by Unit Holders in that Sub-Fund that hold at least 75% of the Units on issue in that Sub-Fund) requiring the Trustee to terminate the Sub-Fund and sell the Underlying Asset.

4.3 The Decision to Invest is Yours

It is important to remember that the decision whether to invest in a Sub-Fund is made by Investors and not by the Trustee or DomaCom. As such, a proposal to establish a Sub-Fund or the availability of a particular Sub-Fund should not be construed as an endorsement of the Underlying Asset by the Trustee or DomaCom or as a warranty or representation as to the investment potential of any Underlying Asset.

4.4 Segregation of Sub-Funds

The investment performance of your Units in a Sub-Fund is directly related to the performance of the Underlying Asset in that Sub-Fund and the fees and costs applicable to that Sub-Fund.

Investors who hold Units in the Sub-Fund will receive a share of both the Net Income of the Sub-Fund (if any) and the net sale proceeds of the Underlying Asset on its eventual disposal. In this regard, their investment in the Sub-Fund simulates a direct investment in the Underlying Asset.

As a Unit Holder, your share of the Net Income and Net Sale Proceeds will be calculated as a proportion of the number of Units you hold relative to the total number of Units issued in the Sub-Fund.

It is important to note that both the asset and income of each Sub-Fund are held separately from any other Sub-Fund. This means that the Net Income of one Sub-Fund is not available to make good the losses of another Sub-Fund. Likewise, the assets of one Sub-Fund are not available to settle the liabilities of another Sub-Fund.

The rights of an Equity Mortgage Sub-Fund and its Sub-classes is slightly different to the description above and is set out in section 13.

4.5 Unit Pricing

When Units are first issued in a Sub-Fund, the price of each Unit is \$1.00.

The Unit Price of a Unit (after the initial issue of Units in the Sub-Fund) is determined by dividing the value of the Underlying Asset held by the Sub-Fund (less any liabilities attributable to the Sub-Fund) by the number of Units issued in the Sub-Fund. The frequency of the unit pricing will be dependent upon the Underlying Asset and will be set out in the SPDS.

Some aspects of the formula used to calculate the Unit Prices may involve the Trustee exercising discretion in accordance with the law. The Trustee has a policy regarding its use of discretion in Unit pricing and must keep records relating to the use of its discretion. The Trustee must keep these documents for 7 years after they cease to be current. Investors may obtain copies of these documents from the Trustee at no charge.

4.6 Distribution of Net Income

Depending on the type of Underlying Asset in your Sub-Fund, you might be entitled to receive regular income distributions. Information relating to the frequency of expected distributions will be detailed in the Supplementary Product Disclosure Statement issued for each potential Sub-Fund.

At the end of each period, DomaCom will calculate the Net Income for that period.

Each Sub-Fund that acquires a Complete Interest in the Underlying Asset will distribute to Unit Holders 100% of the Net Income it receives (subject to Provisional Amounts, discussed below).

For Sub Funds that acquired a Partial Interest in the Underlying Asset, it will distribute to Unit Holders an amount derived from the Service Fees paid by the Property Owner.

These Distributions are paid periodically (if the relevant Sub-Fund has earned Net Income in a particular period) and can be either paid into your nominated bank account or paid into your Cash Account held within the Cash Pool where the funds can be withdrawn or invested into another Sub-Fund later.

Your Distributions will be calculated on a pro rata basis based on the proportion of Units you hold in the Sub-Fund. Generally, distributions are paid monthly. However, this frequency may vary depending on the Underlying Asset held in a Sub-Fund.

Set out below is an example of the method used for calculating the monthly Net Income of a Complete Interest Sub-Fund.

Monthly Net Income = Monthly Gross Income from the Underlying Asset

LESS

**All the expenses incurred for the month in
maintaining and administering the Sub-Fund and
Underlying Asset which have been paid by the Sub-Fund.**

For more details regarding the typical costs incurred by a particular type of Sub-Fund, please refer to the relevant Investment Options (section 9, 10 or 14).

4.7 Provisional Amounts

Provisional Amounts are only relevant to Complete Interest Sub Funds. Partial Interest Sub Funds do not require Provisional Amounts as Investor's income is fixed irrespective of the expenses to be incurred.

In respect of Complete Interest Sub-Funds, they are required to meet certain costs associated with the Underlying Asset. To help ensure these costs can be met, Complete Interest Sub-Funds may maintain Provisional Amounts to meet ongoing running costs.

Meeting the ongoing costs and any Provisional Amounts from Gross Income will in turn reduce the Net Income of a Complete Interest Sub-Fund and ultimately, the Distributions to Investors.

DomaCom may require investors to fund any Provisional Amounts at the time of Settlement. If so, any proposed Provisional Amounts will be disclosed in the Supplementary PDS.

Once the Complete Interest Sub-Fund is established, any Gross Income earned by the Underlying Asset may be set aside to maintain these Provisional Amounts.

Provisional Amounts are held in reserve and are an asset of the Complete Interest Sub-Fund.

If a Complete Interest Sub-Fund is unable to meet its costs and Provisional Amounts out of Gross Income, any shortfall amounts can be funded through the issuing of additional Units in the Complete Interest Sub-Fund.

If there is insufficient interest from Investors to purchase these additional Units, the Trustee has the right to wind up the Sub-Fund and sell the Underlying Asset to settle the Complete Interest Sub-Fund's debts.

For more details, please refer to section 5 titled ***Termination of a Sub-Fund***.

4.8 Capital Gains

If the Underlying Asset held by the Sub-Fund that you have invested in has increased in value at the time it is sold, you should generally receive a capital distribution (if the Underlying Asset is held on capital account).

When a Sub-Fund is terminated, DomaCom will sell the Underlying Asset and pay the Unit Holders in the Sub-Fund their proportionate share of the net proceeds after deducting any appropriate fees and costs.

Similarly, if the value of your Units in a Sub-Fund has increased at the time they are traded, you should also receive a capital payment.

Please note that where a Sub Funds Underlying Asset is a loan there will not be capital gains.

4.9 Valuations of the Underlying Asset

The Underlying Asset held within a Sub-Fund is subject to a valuation process to ascertain its market value and the subsequent valuation of Units held in the Sub-Fund.

The method and frequency of valuations differ between Sub-Funds depending on the nature of the Underlying Asset.

For more details regarding the valuation of a Sub-Fund's Underlying Asset, please refer to section [17.2](#) Valuation policy.

4.10 Trading Your Units in a Sub-Fund

DomaCom's Australian Financial Services License authorises it to 'make a market'. This means that it can provide a liquidity facility which allows Unit Holders in a Sub-Fund to trade their Units.

This occurs by DomaCom acting as principal buyer and seller of Units in a Sub-Fund (not as a market operator).

DomaCom can create a market for the trading of Units in a Sub-Fund by buying Units from Unit Holders wanting to sell their Units and then selling those Units to other Investors wishing to buy those Units in the Sub-Fund.

However, DomaCom will only enter into these transactions if, for a sale of Units, there is a corresponding buyer for those Units. Any trade is contingent on there being both a buyer and a seller of the same number of Units at the same price from whom DomaCom can buy and sell Units.

Therefore, your ability to trade your Units in a Sub-Fund is reliant on there being sufficient investment and Investors to create liquidity.

4.11 Investing in a Sub-Fund

Once the Cooling-Off Period in relation to an investment in the Cash Pool has expired, Investors will be able to make an investment in one or more Sub-Funds. To help Investors find an Underlying Asset that is of interest to them, DomaCom will list details of various investment opportunities available for investment on the DomaCom Website.

In order to invest in a Sub-Fund, Investors must participate in a Campaign by placing a Bid, reading and accepting the Supplementary PDS and applying to invest in the relevant Sub-Fund.

4.12 Campaigns

All Campaigns available through the DomaCom Fund are 'fixed price campaigns' which means that the acquisition price of the Underlying Asset is

known and fixed. Investors can simply bid the amount that they want to invest based on the known acquisition price.

If the total value of Investor Bids reaches the required amount, the Campaign will close to new Bids and DomaCom will attempt to purchase the asset or make the loan.

4.13 Quarantined Funds

By making a Bid, Investors authorise DomaCom to make the amount of their Bid (plus an estimate of their proportionate share of Campaign and other costs, which may include Acquisition Costs, Settlement Costs, Provisional Amounts and upfront financing costs) unavailable for withdrawal from their Cash Account (**Quarantined Funds**).

Investors will be informed, at the time they make their Bid, of the actual Campaign and other costs to be used in determining the amount to be quarantined. An Investor will not be permitted to bid if there are insufficient funds in their Cash Account to make their Bid, and pay these costs.

An Investor will continue to earn interest on their Quarantined Funds over this period.

4.14 DomaCom Due Diligence Enquiries

During the Campaign process, DomaCom will undertake several steps which are designed to provide investors with more information on the Underlying Asset itself.

The following steps are undertaken:

- a **legal due diligence** is undertaken to confirm the ownership credentials of the counterparty (if applicable) and the legal status of the ownership structure (if applicable); and
- an **asset due diligence** on the Underlying Asset itself. This is to ascertain that the value of the Underlying Asset is in line with the anticipated price that is expected to be paid.

For details of the types of costs incurred during our due diligence process and how these costs are treated if DomaCom succeeds or fails to purchase the Underlying Asset, please refer to section 15 titled Fees and Other Costs.

At this point, if the independent valuation of the Underlying Asset is outside the valuation parameters set by DomaCom, or if any of DomaCom's due diligence enquiries raise any issues considered by DomaCom to be significant, DomaCom reserves the right to terminate the Campaign.

However, if DomaCom decides to continue with the Campaign, any variation I be noted in the Supplementary PDS (**SPDS**).

It is important to note, if a Campaign fails and a Sub-Fund is not established for the Underlying Asset, Investors that had an Active Bid when the Campaign costs were incurred will be liable for these costs (in a proportion that is equal to the amount of their bid divided by the sum of all Active Bids at the time the Campaign costs were incurred).

4.15 Issuing a Supplementary PDS

Once a Campaign has completed, DomaCom will then issue a Supplementary Product Disclosure Statement to Investors (or their advisers).

A Supplementary PDS is issued for each prospective Sub-Fund and will contain specific information about the Underlying Asset that will be held by the Sub-Fund.

A Supplementary PDS will include details such as:

- a description of the Underlying Asset;
- the Campaign Price;
- the date when subscriptions for Units in the Sub-Fund will be closed;
- the expenses associated with investing in the Sub-Fund (to the extent that they are known);
- the Fees and charges levied by the DomaCom Fund against the Sub-Fund;
- if the Sub-Fund will be geared, an overview of the terms of the relevant loan agreement including the term of the loan, the interest rate, the gearing ratio and the interest cover ratio (including and excluding cash reserves); and
- Likely or anticipated income yield (if applicable) that is to be derived from the Underlying Asset.

4.16 Purchase Commitment

In order to invest in the Sub-Fund for that Underlying Asset, an Investor with an Active Bid will need to accept the offer to subscribe in Units contained in the SPDS.

Once an offer to subscribe for Units under a SPDS is accepted, an Investor's Quarantined Funds will remain Quarantined Funds until one of the following three events occur:

- the listing fails to attract enough Investor subscriptions to take up the entire offer within the allotted Listing Period of up to 90 days. DomaCom can extend the Listing Period at its discretion, for a further period, if it

believes that the capital raising can be successfully completed within the additional time period;

- Settlement fails; or
- Settlement occurs.

4.17 Creating the Sub-Fund and Issuing Units

Once all the Investors in the Campaign (or the advisers on their behalf) accept the SPDS, DomaCom will approach the counterparty to acquire the Underlying Asset.

If DomaCom is successful in negotiating the acquisition of the Underlying Asset, DomaCom will create a Sub-Fund within the DomaCom Fund and the Custodian of the Fund will acquire the Underlying Asset through the Sub-Fund.

The Campaign and Acquisition Costs will then be charged to the Sub-Fund and Units are then issued to Investors in proportion to the amount of money that they Bid compared to the total units issued.

5 Terminating a Sub-Fund

There are several situations that can result in the termination of a Sub-Fund. There is also a difference between termination of Complete Interest Sub Funds and Partial Interest Sub Funds.

A summary of these situations is provided below. For more detail information, please refer to section 17 entitled **Additional Information**

5.1 Terminating Complete Interest Sub-Funds

(a) Termination at the end of the Initial Term

During the Campaign process, prospective Investors receive the SPDS for the proposed Sub-Fund. The Initial Term for the proposed Sub-Fund is detailed in this document.

Unless this Initial Term is extended by the Unitholders in the Sub-Fund, the Sub-Fund will terminate at the end of the Initial Term.

The Initial Term of a Sub-Fund can be extended by an ordinary resolution of Unit Holders of that Sub-Fund (present in person or by proxy) provided that any Unit Holders who voted against the extension may withdraw from the Sub-Fund and are replaced by other Unit Holders.

In this situation, DomaCom (on behalf of the Trustee) would seek other potential Investors to purchase all the Units held by the Unit Holders seeking to exit.

If DomaCom can't find Investors to purchase all the Units of the Unit Holders who voted against the extension, then the Trustee would be forced to terminate the Sub-Fund.

(b) Termination by Unit Holders

Unit Holders of a Sub-Fund can vote to terminate their Sub-Fund provided the vote is carried by Unit Holders who collectively hold at least 75% of Units by value on issue in that Sub-Fund.

Unit Holders of a Sub-Fund can also indirectly trigger the termination of a Sub-Fund if they vote to either:

- change the trustee of the Sub-fund (who is the Trustee); or
- change the custodian of the DomaCom Fund.

In either case, the Trustee can terminate the Sub-Fund.

(c) Termination when a Sub-Fund can't meet its debts

On a month by month basis, a Sub-Fund must pay the expenses related to the maintenance and management of the Underlying Asset (if applicable).

These expenses must be paid out of the Gross Income or Provisional Amounts of the Sub-Fund.

If the monthly expenses of a Sub-Fund can't be funded from the Gross Income of the Sub-Fund for that month or from Provisional Amounts, Unit Holders in the Sub-Fund will be given the opportunity to fund these costs by subscribing for additional Units in the Sub-Fund.

If the Unit Holders do not subscribe for all the Units within the period specified by DomaCom, other Investors may be given the opportunity to subscribe for Units in the Sub-Fund (which will dilute existing Unit Holders' proportionate interests).

Ultimately, if the Units are not fully subscribed after this process, the Trustee has the right to terminate the Sub-Fund and sell the Underlying Asset to settle the Sub-Fund's debts.

(d) Termination by the Trustee

The Trustee has broad powers in relation to the termination of both a Sub-Fund and the DomaCom Fund itself.

Provided the Trustee complies with the appropriate notices to Unit Holders, the Trustee can terminate a Sub-Fund at its discretion.

The Trustee also has the power to terminate the DomaCom Fund. If the Trustee exercises this right and the DomaCom Fund is terminated, all the Sub-Funds held within the DomaCom Fund would also be terminated.

5.2 Terminating Partial Interest Sub-Funds

A Partial Interest Sub-Fund will only be terminated where the underlying Equity Release Deed is terminated. There are generally 4 ways that this may happen:

- (a) **Death-** If the Property Owner dies;
- (b) **Buy-Back-** If the Property Owner seeks to buy-back DomaCom Fund's interest in the Property;
- (c) **Third Party sale-** If the Property Owner seeks to sell the Property to a third party; or
- (d) **Breach-** If the Property Owner breaches certain provisions of the Equity Release Deed, the DomaCom Fund will sell the Property and terminate the Sub-Fund.

5.3 When a Sub-Fund is terminated

DomaCom will sell the Underlying Asset and after deducting any outstanding fees and costs, the Net Sale Proceeds will be distributed proportionately among the Unit Holders of the Sub-Fund. The Sub-Fund will then be terminated.

The distribution of the Net Sale Proceeds will be paid to Investor's within 10 business days of the Net Sale Proceeds being received.

6 The Benefits of Investing in the DomaCom Fund

6.1 Access and Transparency

The Fund provides access to a range of assets which would often not be available to Retail Clients due to their high cost, as direct investment generally requires large available investment funds or borrowings to secure the investment. In comparison, Investors with access to investment funds representing as little as \$500 (subject to a minimum initial investment in the DomaCom Fund of \$1,000 in the Cash Pool) can gain investment exposure to high value assets by acquiring Units in a number of DomaCom Sub-Funds.

In addition, Investors can identify and view information about the specific Sub-Fund and Underlying Asset in which they indirectly invest, something that is difficult to achieve with a traditional investment in a 'pooled' investment fund. Investors will have access to the Fractional Investment Platform that will provide information that is very similar to the type of information that Investors might see online about any investment.

6.2 Distributions

Retail Clients in the Cash Pool will be invested in an ANZ bank account and earn interest, which will be calculated daily and paid monthly, at a rate equal to the ANZ Official Cash Rate. Wholesale Clients will receive a lower rate to Retail clients. The way in which the Cash Pool is invested and the interest rates are subject to change from time to time. Refer to our website www.domacom.com.au to see the interest rates that are offered to our retail and wholesale clients.

An Investor who becomes a Unit Holder in a Sub-Fund also receives any Distributions from the Sub-Fund (provided the Sub-Fund generates a Net Income) which are paid to them, generally within 5 Business Days of receipt by the Custodian, into their Cash Account or into their nominated linked bank account.

These Distributions primarily reflect the income generated by the Underlying Asset. These returns are paid, after fees and costs, to the Investors who hold Units in the Sub-Fund.

6.3 Capital Growth

If the value of an Underlying Asset in a Sub-Fund increases in value, so too will the value of the Units held by Investors in that Sub-Fund. Of course, if the value of the Underlying Asset falls, the value of the Units in the Sub-Fund will also fall. Accordingly, Investors may suffer a capital loss.

6.4 Asset Allocation, Diversification and Control

The DomaCom Fund allows Investors to gain an exposure to a number of investment sectors in accordance with their risk profile, spreading risk across multiple investments both within the DomaCom Fund and as a separate asset class within an Investor's overall investment portfolio.

Many Investors find it difficult to diversify their exposure to direct investments given the significant costs involved in directly purchasing a single Asset. By investing through the DomaCom Fund, Investors can achieve comprehensive diversification across multiple sectors by making a number of smaller investments in a range of Sub-Funds that they have selected, each of which represents a single Underlying Asset. Investing this way means that Investors can control their investment decisions.

By diversifying their portfolio in this way, Investors in the DomaCom Fund are able to spread their exposure to various asset classes by making smaller investments across a number of different Sub-Funds, providing them with the opportunity to reduce the risks associated with placing a large investment into just one direct asset class. Investors are also able to keep their exposure to each asset class in proportion to the recommended asset allocation for their risk profile, something which is likely to be harder to achieve when investing directly into a single direct asset.

6.5 Improved Liquidity

DomaCom may make a market in the Units. This means that DomaCom may from time to time make offers to purchase and sell Units.

However, DomaCom does not guarantee that it will make any offer to purchase Units and may elect to only do so if there are potential buyers of the Units from DomaCom.

For more details relating to DomaCom making a market, please refer to the Financial Services Guide on the DomaCom Website.

7 Risks of investing in the DomaCom Fund

7.1 What is risk?

Understanding investment risk is a key component to successfully developing an Investor's investment strategy. Before Investors consider their investment strategy, it is important that Investors understand the following:

- all investments are subject to risk;
- different investment strategies carry different levels of risk depending on the underlying assets that make up the strategy;
- assets with the potential for the highest long-term returns may also carry the highest level of short-term risk;
- the value of an Investor's investment will go up and down in accordance with the value of the Underlying Asset referable to the Sub-Fund(s) that Investors have invested in;
- returns are not guaranteed;
- Investors may lose money;
- the law affecting registered Managed Investment Schemes may change in the future; and
- an Investor's personal investment risk tolerance is determined by an Investor's goals, age and investment time frame, and these factors will all have an important impact on an Investor's decision.

7.2 DomaCom Sub-Fund Specific Risks

For details of Sub-Fund specific risks, please refer to the relevant sections that appear in each investment option sections of this PDS (sections 9-14).

Liquidity risk

Investors will have no rights to withdraw from any Sub-Fund until the Sub-Fund is terminated and the Underlying Asset is sold. For more details regarding the termination of a Sub-Fund, please refer to section 5 titled Terminating a Sub-Fund.

Campaign Costs Risks

An Investor that participates in a Campaign and has had an Active Bid which fails to result in the formation of a Sub-Fund, will be liable (in a proportion that is equal to the amount of their bid divided by the sum of all Active Bids at the time

the Campaign costs were incurred) for the due diligence cost incurred by DomaCom with respect to the Underlying Asset to which the Campaign related.

Risks of damage to or loss of an Underlying Asset

There are a range of events that can impact the value of any Underlying Asset referable to a Sub-Fund – ranging from acts of God (fire, flood, earthquake other natural disasters) through to accidents, negligence and failures of maintenance, if the underlying assets are of a physical nature). These events may negatively impact the value of an Underlying Asset which in turn will negatively impact the value of the Units in the corresponding Sub-Fund.

Whilst DomaCom cannot entirely remove such risks, it seeks to mitigate these risks by ensuring where possible that all Underlying Assets are properly insured and that the DomaCom Fund's interest is noted on the insurance policies.

Costs risk associated with each Underlying Asset

Each Underlying Asset will incur its own unique costs in relation to the acquisition and maintenance of that Underlying Asset.

There will also be costs associated with the management of the Underlying Asset.

If a Complete Interest's Sub-Fund's expenses relating to an Underlying Asset cannot be funded from the Gross Income of the Sub-Fund or the Provisional Amounts, Investors will be given the opportunity to subscribe for Units in the Sub-Fund to fund those expenses pro rata to their Unit holding in the Sub-Fund.

The risk associated with the value of each Underlying Asset

Each individual Underlying Asset referable to a Sub-Fund could be negatively impacted due to an Underlying Asset specific event. For examples of the types of events that might impact a particular Underlying Asset, please refer to the Investment Option Sections in this PDS (sections 9-12).

The risk associated with the return from each Underlying Asset

There is also a risk that the income return of a Sub-Fund may be different from the income that could otherwise be earned if a direct investment was made in an equivalent asset due to the costs associated with managing the Sub-Fund.

Counterparty Risks

There is the risk that counterparties to contracts that the Trustee or DomaCom has entered into on behalf of the DomaCom Fund fail to comply with their obligations. Failure of a counterparty to comply with contractual obligations could have a negative impact on the income of the relevant Sub-Fund or

the value of an Underlying Asset and/or the value of an Investor's investment in the DomaCom Fund.

Failure to proceed with a Sub-Fund

The DomaCom Fund relies on a series of contractual and other relationships in order to simulate an investment in a direct asset.

Accordingly, if any one of the parties to any one of the contracts that are required to give effect to the ultimate transaction fail to proceed or are in breach of their obligations, there is a risk that such failure could mean that DomaCom will not proceed to establish the relevant Sub-Fund.

Taxation implications

Investment in the different Sub-Funds and sub-classes (where applicable) will result in different taxation treatment. It is important that investors understand the taxation treatment of their investment or seek personal taxation advice.

Further, if there are insufficient Investors interested in investing in a Sub-Fund, then that Sub-Fund for which Investors have nominated will not be formed and Investors will not be able to ultimately invest in the Sub-Fund referable to that Underlying Asset. Investors who have bid for the proposed Sub-Fund may be liable for costs incurred towards the establishment of the proposed Sub-Fund, even though the Sub-Fund is not ultimately created.

7.3 DomaCom Fund Specific Risks

The following is a summary of what DomaCom considers to be the significant risks of investing in the DomaCom Fund and its underlying investments. Investors should carefully consider the following significant risk factors that may affect the performance of the DomaCom Fund before making a decision to invest in the DomaCom Fund.

Interest rate risk in the Cash Pool

Interest rates fluctuate from time to time, depending on a range of circumstances wholly outside the control of DomaCom and the DomaCom Fund. Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.

Failure to offer to purchase Units

Units issued in each Sub-Fund are not redeemable. DomaCom in accordance with its AFSL (AFSL No. 444365) may make a market in the Units. This means that DomaCom may from time to time make offers to purchase Units. However, DomaCom does not guarantee that it will make any offer to purchase Units and may elect to only do so if there are potential buyers of the Units from DomaCom.

Any investment decision must take into account and be made on the basis that DomaCom may never arrange for the purchase of your Units.

Change to Trustee

The Trustee may retire or be removed as Trustee of the DomaCom Fund, and there is a risk that there may be no other person willing or available to become the Trustee. When Unit Holders of a Complete Interest Sub-Fund approve the change of Trustee to another entity for a Sub-Fund or pass an extraordinary resolution to change the Custodian, the DomaCom Fund of relevant Sub-Fund will be terminated.

Reliance on platform technology

The DomaCom Fund relies on an online technology solution (the Fractional Investing Platform) which is delivered by DomaCom to facilitate the transactions that are required to give effect to its unique investment model. If DomaCom ceases to provide this service or is removed as the Manager by the Trustee, there may not be any alternative provider able to provide an appropriate technology solution.

7.4 General Risks

The main risks that typically affect all investments are:

General Market and Economic Risk

All investment returns are influenced by the performance of the market in which the underlying investments are exposed. The forces of supply and demand, interest rates, global events and the state of the domestic economy can all have an impact on both the value of investments in various markets and the returns generated by these investments.

Events including changes in economic, social, technological or political conditions, together with market sentiment, may have a negative effect on the pricing or value of investments within a particular market. An Investor should consider the possible impact of these types of market events on the values of the Underlying Assets prior to making any investment decision.

Due to the nature of the product, general market risk must be considered as a major factor impacting any investment in this product. The whole investment market may decline, reflecting trends in Australian or overseas markets due to a range of factors including but not limited to the over-supply of a particular investment asset, demographic changes, interest rate movements, general economic conditions reflecting a downturn and market sentiment. Due to the nature of investments, a general downturn in investment markets can potentially cause a reduction in the value of an Underlying Asset and ultimately a reduction of the value of the investment in a Sub-Fund. The value of Underlying Asset may be impacted by changes in the official cash rate as determined by the Reserve Bank of Australia due to a

range of factors such as Australian and overseas interest rates, market liquidity, exchange rates, fiscal policy and other economic, political and social changes.

Legal and Regulatory Risk

There is a risk that domestic or international laws or regulations may change, adversely impacting the regulation of the DomaCom Fund and resulting in less rigorous regulatory supervision of transactions and the reporting that is performed by managers and their custodians. Legal risk also includes the risk of losses occurring because of legal issues, principally losses arising out of the non-enforceability or non-enforcement of contracts. Non-enforcement may arise from insufficient documentation, insufficient capacity or authority of a counterparty, uncertain legality or unenforceability resulting from bankruptcy or insolvency.

Whilst neither the Trustee nor DomaCom can predict either the likelihood of the occurrence of, or the specific outcome of any of these risks, there is a possibility that due to any of these factors, the performance of the DomaCom Fund may be negatively impacted.

SMSF Regulatory Risk

There is a risk that SMSF Trustees may make property investment decisions that may not be compliant with the Superannuation Industry (Supervision) Act 1993 (Cth) (**SISA**) and investors are required to seek their own SMSF compliance advice.

Two key regulatory risks related to SMSF investment that need to be considered are:

- Sole Purpose Test

Broadly, SMSF trustees must ensure that each investment is made and maintained solely to provide retirement benefits to members and, on a member's death, to provide benefits to the deceased member's dependants and for any ancillary purposes permitted under the SISA.

Thus, acquiring an SMSF interest in a DomaCom Sub-Fund with the purpose of, for example, providing residential accommodation to a member or related party (as broadly defined) could result in a contravention of the sole purpose test with consequential penalties.

An SMSF trustee can make a declaration to confirm the sole purpose test for which the investment is made or maintained. Refer to section 9.5 regarding SMSF sole purpose test declarations for more details.

- In-house Assets Test

Broadly, SMSF trustees must ensure that no more than 5% of SMSF assets are invested in in-house assets.

Where an SMSF and its related parties own more than 50% of a DomaCom Sub-Fund, the Sub-Fund may be viewed as a related trust by the Australian Tax Office (ATO). If the Sub-Fund that is a related trust either leases its underlying property to a related party (e.g., to a family member) or the Sub-Fund borrow moneys, then the Sub-Fund investment is likely to be an in-house asset.

Thus, if the level of the SMSF's in-house assets exceeds 5% of the SMSF's assets, the SMSF trustee may be in breach of the SISA.

8 Keeping You Informed

8.1 Your Reports

On becoming an Investor in the Cash Pool, an Investor can log onto the DomaCom Website and view the details for their Cash Account, each of their individual Sub-Funds (including details of the Underlying Asset) and the status of their Bids in various Campaigns.

A number of reports related to an Investor's investments are available, including an annual report that provides details of an Investor's holdings and transactions for the past year. These reports are available for downloading and printing via the DomaCom Website using an Investor's private login access. Investors will be notified by email when any new report is available.

8.2 Transaction Confirmation Statements

Investors receive transaction confirmation statements whenever a deposit or withdrawal is made from the Cash Pool or an investment is made in a Sub-Fund. These reports are available online and can be downloaded from the DomaCom website.

Generally, these reports are available within 5 Business Days of an Investor's application being accepted and processed.

8.3 Financial Year Statements

You also receive an annual statement at the end of the financial Year (30 June) including an:

- annual tax statement providing details of an Investor's financial year tax information;
- annual statement providing details of an Investor's investments; and
- annual report providing details of the DomaCom Fund itself.

These reports are also available online and can be downloaded from the DomaCom website.

For SMSF investors, the annual tax statement will also indicate whether the SMSF trustee has made an SMSF Sole Purpose Test Declaration as set out in section 9.5.

8.4 Disclosing Entity

Under the Corporations Act, the DomaCom Fund is a “disclosing entity”. As such, the DomaCom Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the DomaCom Fund may be obtained from, or inspected at, an ASIC office.

You have a right to obtain a copy of the following documents at no charge:

- the annual financial report most recently lodged with ASIC for the DomaCom Fund;
- any half-year financial report lodged with ASIC for the DomaCom Fund after the lodgement of the annual financial report; and
- any continuous disclosure notices given for the DomaCom Fund after the lodgement of that annual report.

As a “disclosing entity”, DomaCom has continuous disclosure requirements and must disclose information to you which may have a material effect on the price or value of Units or would be likely to influence persons who commonly invest in deciding to acquire or dispose of Units. We comply with the continuous disclosure obligations required by law by the updating of information contained within this PDS on our website (in accordance with the good practice guidance in ASIC Regulatory Guide 198 Unlisted disclosing entities: Continuous disclosure obligations).

Please call DomaCom and they will provide you with a copy of the requested document within 5 days. DomaCom intends to post continuous disclosure information on the DomaCom Website.

9 Investment Option – Property- Complete Interest Sub-Fund

9.1 Additional Features

A Complete Interest Sub-Fund that has a Property as its Underlying Asset has several particular features to consider in addition to those described in section 4 titled ***‘Investing in a Sub-Fund’***. These features are detailed below.

The Supplementary PDS

A Supplementary PDS for a Complete Interest Property Sub-Fund will contain additional specific information about the property that is proposed to be held by the Sub-Fund (the Underlying Asset) such as:

- a description of the Property including its location, physical description and land size;
- expenses associated with our due diligence process such as the cost of the legal review and the property inspections and valuations;
- Acquisition Costs such as stamp duty fees (if applicable) and agent's fees;
- fees to be charged to the Property Sub-Fund by DomaCom;
- a high-level overview of the terms of the relevant loan agreement if the Sub-Fund will be geared including the term of the loan, the interest rate, the gearing ratio and the interest cover ratio (including and excluding cash reserves); and
- a high-level overview of the tenant lease terms if an agreement is in place.

If all the Investors in a Campaign accept the Supplementary PDS and DomaCom successfully purchases the property on behalf of the Custodian, you will be issued your Units in the Sub-Fund.

Property Manager

After Settlement, DomaCom will appoint a licensed real estate agent as the Property Manager for the Sub-Fund. The Property Manager will be responsible for all property management functions typically undertaken by a property manager of a rental property, including procuring tenants, collecting rental payments, managing lease expiries, and finding tenants.

Property Managers are authorised to spend up to a pre-determined, agreed amount with DomaCom for 'one-off' repairs and maintenance items. Any costs which exceed this amount are referred to DomaCom for approval.

Tenants and rental income

If the Underlying Property is tenanted, it will be subject to a lease agreement drafted in accordance with the relevant state or territory tenancy legislation.

The rent and any other fees they are required to pay under their lease agreement will be the main source of the Gross Income of the Sub-Fund.

Rent will be based on commercial market rents and will generally be paid in advance to the Property Manager at the beginning of each rental period. The Property Manager will then generally send this income (after deducting its fees) to the Custodian within 5 Business Days prior to the end of the rental period.

Distribution of Net Income

The method for calculating the periodic Net Income of a Property Sub-Fund appears below.

Net Income = Rents and other payments for the period

LESS

**All the property and Sub-Fund expenses for that period
which have been paid by the Sub-Fund**

Periodic property expenses will typically relate to costs incurred for the management, repair and maintenance of the Underlying Property, interest and other financing costs (where applicable) and the fees paid to the Property Manager.

What happens if the tenant can't or won't pay their rent?

If at some point the tenant has failed to pay rent or to meet any other obligations under the lease agreement, DomaCom will take the necessary steps to require the tenant to remedy the failure. If the tenant does not remedy the failure to pay rent or satisfy any other obligations under the lease, DomaCom may act to evict the tenant.

Any legal costs incurred by DomaCom to recover rent owing by a tenant are payable from the Gross Income of the Sub-Fund. Recovering these expenses will in turn reduce the Net Income of the Sub-Fund and ultimately the Distribution to Investors.

If a Sub-Fund's enforcement action expenses relating to an Underlying Property cannot be funded from the Gross Income of the Sub-Fund or the

Provisional Amounts, then the funding process described in section 5.3 would be implemented.

If, at the end of this process, a Sub-Fund can't meet its costs, the Trustee has the right to wind up the Sub-Fund and sell the Underlying Property to settle the Sub-Fund's debts.

Property Valuations

For each Property that is the subject of a Campaign, an independent pre-purchase valuation is to be obtained before the Property is purchased.

Once a Property is purchased through a Sub-Fund, the Property is also subject to an annual valuation to ascertain the market value of the Property and the value of the Units held in the Sub-Fund.

For an existing Property, the annual valuation is done on an 'as is basis'.

For a development Property, the annual valuation is done on an 'as is' and 'as if complete' basis.

Valuations can also occur within 2 months of DomaCom forming the view that there is a likelihood that there has been a material change in the value of the Property.

The Australian Property Institute's definition of market value is:

"Market Value is the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Trustee has adopted the benchmark requirements in relation to valuation recommended by ASIC in its Regulatory Guide 46.

DomaCom, as the Manager, appoints suitably qualified Valuers who are required to undertake independent valuations in accordance with the valuation timetable.

In addition, they must:

- be suitably qualified to carry out a valuation and possess at least 5 years' appropriate experience;
- be authorised under the law of the State or Territory where the valuation takes place to practice as a valuer (if applicable);
- be a member of the Australian Property Institute and is categorised as a Certified Practising Valuer by that institute;

- possess professional indemnity insurance cover of at least \$5 million from a reputable and creditworthy insurer;
- be independent of the Trustee and DomaCom, and have no pecuniary interest or other conflict of interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the market value or that could conflict with a valuation of the interest property;
- not be a company acting for a vendor (i.e. as agent or adviser on the sale of the property interest to the DomaCom Fund); and
- value a property interest for the DomaCom Fund on no more than three consecutive occasions (Valuer's Cycle) to ensure diversity and rotation.

9.2 Borrowing by a Complete Interest Property Sub-Fund

The Trustee has a Gearing Policy which sets out a maximum gearing ratio of 60% (based on the market value of an Underlying Property) on an individual credit facility and Sub-Fund level. The gearing ratio is calculated as follows:

$$\text{Gearing ratio} = \frac{\text{Total interest-bearing liabilities}}{\text{Total assets}}$$

The Trustee maintains and complies with a Gearing Policy that governs the level of interest cover at an individual credit facility level at the time of entering into the lending agreement. The minimum interest cover ratio at an individual credit facility level and at a Sub-Fund level is 1 times income (including cash reserves). This means that the Sub-Fund is positively geared and has sufficient rental income generated from the property to cover the interest expense. However, under RG46 the interest cover ratio is calculated as follows:

$$\text{Interest cover ratio} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

Accordingly, the Trustee will disclose the interest cover ratio for a Sub-Fund including and excluding cash reserves.

The Gearing Policy also provides that:

- interest expenses will not be capitalised; the Trustee will only make distributions from interest on cash held in the Cash Pool and any net cash from operations (primarily net rent) in respect of an Underlying Property. The Trustee will not make distributions of capital (unless necessary on the

realisation of an Underlying Property) or unrealised valuation gains; and

- all loans made to a Sub-Fund must be limited recourse to the financier to the assets of that Sub-Fund.

The specific high level details of each credit facility will be set out in the SPDS of the relevant Sub-Fund.

Gearing Disclosure

ASIC Regulatory Guide 46

| Benchmarks | Summary | Further Details |
|--|---|---|
| Gearing Benchmark 1: Gearing Policy and Disclosure Principle 1: Gearing Ratio | <p>Benchmark 1 requires the Trustee to maintain and comply with a written policy that governs the level of gearing at an individual credit facility level.</p> <p>The Trustee meets this benchmark and has a Gearing Policy which sets out a maximum gearing ratio of 60% (based on the market value of an Underlying Property) on an individual credit facility and Sub-Fund level.</p> | Section 9.2 and refer to the Supplementary PDS (SPDS) for the relevant Sub-Fund for the gearing ratio that will apply to a Sub-Fund |
| Interest cover Benchmark 2: Interest coverage policy and Disclosure Principle 2: Interest coverage ratio | <p>Benchmark 2 requires the Trustee to maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.</p> <p>The Trustee meets this benchmark.</p> <p>The minimum interest cover ratio at an individual credit facility level and at a Sub-Fund level is at least 1 times income (including cash reserves) at the time of entry into a loan agreement. This means that the Sub-Fund is positively geared and has sufficient rental income generated from the property to cover the interest expense. Refer to section 9.2 as to how this is calculated.</p> | Section 9.2 and refer to the SPDS for the relevant Sub-Fund for the gearing ratio that will apply to a Sub-Fund |
| Interest Capitalisation (Benchmark 3: Interest Capitalisation) | <p>The Trustee meets this benchmark. The interest expense of a Sub-Fund is not capitalised.</p> | |
| Scheme Borrowing Disclosure Principle 3: Scheme borrowing) | <p>This disclosure principle generally requires a high-level overview of the terms of each credit facility.</p> <p>The Trustee will comply with the disclosure requirements relating to this disclosure principle on a Sub-Fund by Sub-Fund basis in the SPDS for the Sub-Fund and on an ongoing basis on the DomaCom platform for each Sub-Fund.</p> | Section 9.2 |

| | | |
|--|--|--|
| <p>Portfolio diversification (Disclosure Principle 4: Portfolio Diversification)</p> | <p>Each Sub-Fund generally invests in only one Underlying Property. Details of each Underlying Property are set out in the Supplementary PDS issued in respect of that Underlying Property.</p> <p>Investors will only invest in the Underlying Property (through the Sub-Fund) that they select.</p> <p>Sub-Funds can invest in any one property in any location in Australia, and in any sector (e.g. industrial, commercial, retail or residential).</p> <p>DomaCom will appoint a licensed real estate agent as a property manager for each property. The Property Manager will be responsible for all property management functions typically undertaken by a property manager of a rental property including securing tenants, collecting rental payments and managing leases.</p> | <p>Section 2</p> |
| <p>Valuations (Benchmark 4: Valuation Policy)</p> | <p>The Trustee meets this benchmark.</p> <p>The Trustee has adopted a written Valuation Policy for the DomaCom Fund that governs the minimum requirements for an independent valuation to be required and establishes the guidelines for the appointment of the valuer.</p> <p>DomaCom's real property policy and procedures can be found on our website or by clicking the following link https://domacom.com.au/wp-content/uploads/2019/04/Real-Propert-policy-and-procedures-Aug-2018-summary.pdf</p> | <p>Section 9.1 and 17.2</p> |
| <p>Related Party Transactions (Benchmark 5: Disclosure Principle 5: Related Party Transactions)</p> | <p>The Trustee meets this benchmark. The Trustee maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.</p> | <p>Section 17.5</p> |
| <p>Distributions Practices (Benchmark 6: Distribution Practices and Disclosure Principle 6: Distribution Practices)</p> | <p>The Trustee meets this benchmark as it will only make distributions from interest on cash held in the Cash Pool and any Net Income from operations (primarily net rent) in respect of an Underlying Property. The Trustee will not make distributions of capital (unless necessary on the realisation of an Underlying Property) or unrealised valuation gains.</p> | <p>Section 4.6</p> |
| <p>Withdrawal arrangements (Disclosure Principle 7: Withdrawal Arrangements)</p> | <p>Investors can generally withdraw from the Cash Pool at any time. However, the Trustee has discretion to suspend withdrawals from the Cash Pool if it reasonably determines that it is in the best interest of Investors as a whole to do so.</p> <p>Each Sub-Fund is an illiquid investment. Investors will not be able to withdraw their investments in a Sub-Fund until the Sub-Fund is terminated.</p> | <p>Section 3.3 and 5</p> |
| <p>Net Tangible Assets (Disclosure Principle 8: Net Tangible Assets)</p> | <p>The initial Net Tangible Assets (NTA) of each Sub-Fund will be set out in the Supplementary PDS relating to each Underlying Property. The NTA for each Sub-Fund is calculated monthly, and published on the DomaCom Website at 6 monthly intervals.</p> | <p>Refer to the SPDS for the relevant Sub-Fund</p> |

| | | |
|--|--|--|
| | <p>The NTA per Unit is calculated by reference to the annual valuation of the Underlying Property less any outstanding expenses related to that property divided by the number of Units on issue in the Sub-Fund. The Sub-Fund will not hold any tangible assets other than money held in a deposit account and the Underlying Property.</p> | |
|--|--|--|

9.3 Benefits of Investing in a Complete Interest Property Sub-Fund

Distributions

An Investor in a property Sub-Fund receives any Distributions from the Sub-Fund which are payable to them, generally within 5 Business Days of receipt by the Custodian, into their Cash Account or into their nominated linked bank account.

These Distributions primarily reflect rent paid by tenants of the Underlying Property. These returns are paid, after fees and costs, to the Investors who hold Units in the Sub-Fund associated with each Underlying Property.

Capital Growth and Diversification

If the value of an Underlying Property increases in value, so too will the value of the Units held by Investors in that Sub-Fund. Of course, if the value of the Underlying Property falls, the value of the Units in the Sub-Fund will also fall. Accordingly, Investors may suffer a capital loss. However, the ability to spread their risk across multiple Underlying Property investments by investing in a number of Sub-Funds provides a degree of diversification in comparison to having made a direct investment in a single Underlying Property.

Asset Allocation

The DomaCom Fund allows Investors to gain an exposure to the property sector in accordance with their risk profile, spreading risk across multiple investments both within the DomaCom Fund and as a separate asset class within an Investor's overall investment portfolio.

Property Sector Diversification and Control

Many Investors find it difficult to diversify their exposure to the direct property market given the significant costs involved in directly purchasing a single property. To achieve this diversification in the past, Investors have had to invest through a property fund where their investments are pooled, and the property investment decisions are made by the manager. By investing through the DomaCom Fund, Investors can achieve comprehensive diversification within the property sector by making a number of smaller investments in a range of Sub-Funds that they have selected, each of which represents a single Underlying Property. Investing in this way means that Investors can control their investment decisions.

Investors in the DomaCom Fund can spread their exposure to the property sector by making smaller investments across a number of different Sub-Funds providing them with the opportunity to reduce the risks associated with placing a large investment into just one direct property (which they might have to do if they were to invest in property directly). Investors are also able to maintain their exposure to the property market in proportion to the recommended asset allocation for property investments for their risk profile, something which is likely to be harder to achieve when investing directly in property.

Improved Access

Purchasing a property directly generally requires a large amount of investment funds or borrowings to secure the investment. In comparison, Investors with access to investment funds representing as little as \$500 for most Sub-Funds and can gain investment exposure to an Underlying Property by acquiring Units in a DomaCom Sub-Fund.

Transparency

Investors can identify and view information about the specific Sub-Fund and Underlying Property in which they indirectly invest, something that is difficult to achieve with a traditional investment in a property fund. Investors also have access to an online platform that will provide information that is very similar to the type of information that Investors might see online about any investment property, including details regarding the age, condition, type and location of the Underlying Property.

Borrowing

Lenders pre-approved by DomaCom and the Trustee can lend to a Sub-Fund. A loan reduces the amount of equity capital required to purchase an Underlying Property. Using a loan to assist in financing the acquisition of a Property increases the potential for gains (and losses) in respect of an investment in a Sub-Fund. That is, if the Property increases in value then Investors should receive an even higher percentage increase in the value of their capital invested. However, if the Property decreases in value, borrowing also accentuates the potential losses.

For example, if:

- a property is valued at \$500,000 on acquisition;
- an interest only loan of \$200,000 is used to fund the acquisition;
- after year two the property increases in value by 10% (\$550,000), the value of the equity attributable to investor in the Sub-Fund will increase by 16.67% (i.e. \$50,000/\$300,000);

- after year two the property decreases in value by 10% (\$450,000), the value of the equity attributable to investor in the Sub-Fund will decrease by 16.67% (i.e. $1 - (\$250,000/\$300,000)$).

9.4 Risks of Investing in a Complete Interest Property Sub-Fund

These are risks specific to each Complete Interest Property Sub-Fund and the individual properties in which these Sub-Funds invest.

SMSF Regulatory Risks

There is a risk that SMSF Trustees may make property investment decisions that may not be compliant with the Superannuation Industry (Supervision) Act 1993 (Cth) (SISA) and investors are required to seek their own SMSF compliance advice.

These are discussed under section 7.4 above and section 9.5 below.

Failure to rent an Underlying Property

There is a risk that the Property Manager may not be able to find a tenant to lease the Underlying Property. If this occurs, it is likely that there will be no distributions paid by the Sub-Fund. There is also a risk that tenants may not be able to be found for all parts of the Underlying Property, resulting in Net Income being lower than anticipated or there being no Net Income at all (and potentially costs to be covered by the Unit Holder subscribing for subsequent Units).

If an Underlying Property is untenanted (or only partially tenanted) when it is purchased, and DomaCom considers that there may be insufficient Gross Income to cover costs relating to the Underlying Property, DomaCom will require investors to fund Provisional Amounts which reflect an estimate of the costs that DomaCom expects will be incurred until a tenant is found and as a reserve amount for situations where the repairs and maintenance are over and above the norm and for situations where unexpected costs occur.

If the Provisional Amounts are insufficient to pay such costs, then the Trustee may issue further Units in the Sub-Fund to Unit Holders. If not, all Unit Holders subscribe for the further issue of Units, then the Trustee may offer the remaining Units to Investors for subscription. If not all new Units are fully subscribed, the process fails and the Trustee will be entitled to wind-up the Sub-Fund and sell the Underlying Property to settle any debts.

Risks of damage to or loss of an Underlying Property

There are a range of events that can impact the value of any Underlying Property referable to a Sub-Fund – ranging from acts of God (fire, flood, earthquake other natural disasters) through to accidents, negligence and failures of maintenance. These events may negatively impact the value of an Underlying Property which in turn will negatively impact the value of the Units in the corresponding Sub-Fund.

Whilst DomaCom cannot entirely remove such risks, it seeks to mitigate these risks by:

- ensuring that all Underlying Properties are properly insured and that the DomaCom Fund's interest is noted on the insurance policies; and
- allocating Property Managers to all Underlying Properties and requiring annual inspections of those properties.

Costs risk associated with each Underlying Property

Each Underlying Property will incur its own unique costs in relation to the acquisition, the maintenance and the repair of that Underlying Property. As a consequence, all Investors should be particularly aware of the age and condition of the Underlying Property that they are interested in investing in.

There will also be costs associated with the management of the Underlying Property, such as the fee paid to the Property Manager and costs associated with entering into leases.

If a Sub-Fund's expenses relating to an Underlying Property cannot be funded from the Gross Income of the Sub-Fund, Investors will be given the opportunity to subscribe for Units in the Sub-Fund to fund those expenses pro rata to their Unit holding in the Sub-Fund. If:

- a Unit Holder does not take up additional Units offered or does not take up a portion of the further Units offered that is equal to the portion of all the Units in the Sub-Fund that a Unit Holder already holds and another Unit Holder or a third party acquires those Units, the Unit Holders' interest in the Sub-Fund will be diluted; or
- not all the further Units in the Sub-Fund are subscribed then the Trustee may wind up the Sub-Fund.

The risk associated with the value of each Underlying Property

Each individual Underlying Property referable to a Sub-Fund could be negatively impacted due to an Underlying Property specific event. For example, changes to local zoning rules or aircraft flight paths or the building of council related facilities nearby are just a short list of the type of changes that could affect the value of an Underlying Property.

"Off the Plan" Developer Failures

For Sub-Funds investing in "Off the plan" Properties, there is a risk that the underlying developer of the Property may not be able to complete the development.

“Off the Plan” Settlement Time

Where Sub-Funds invest in “Off the plan” Properties, the settlement period for these Properties is often a lot longer than the settlement period for existing Properties.

“Off the Plan” Pricing Risks

Where Sub-Funds invest in “Off the plan” Properties, there is a risk that the Property built is valued less at the time of Settlement than the original contracted purchase price. Further, the assumptions on which such valuations are based may prove to be inaccurate.

“Off the Plan” Delivery Risks

Where Sub-Funds invest in “Off the plan” Properties, there is a risk that the Property built does not match the Property as described by the developer in the development plan. This may affect the valuation of the delivered Property.

If the variation is significant, then the Custodian (on behalf of the Sub-Fund) may not proceed with the contract (if it has a right to terminate) or there may be a dispute with the vendor. Any settlement money held for a Sub-Fund may be used to fund a dispute with the vendor and if such money is not sufficient, a supplementary raising for the Sub-Fund may be required.

The risk associated with the return from each Underlying Property

There is also a risk that the income return of a Sub-Fund may be different from the rent that could otherwise be earned if a direct investment was made in an equivalent Property due to different costs associated with managing the Sub-Fund.

The rent earned in relation to an Underlying Property will initially be held by the Property Manager before being paid to the Custodian. There is a risk that the Property Manager may not pay the rent to the Custodian.

Borrowing Risks

There are various risks associated with using loans to finance the acquisition of a property. These risks include:

- Fluctuations in inflation and interest rates may affect the income and resale value of a Property.
- Using a loan to assist in financing the acquisition of a Property increases the potential for gains and losses in respect of an investment in a Sub-Fund. That is, if the Property increases in value, then Unitholders should receive an even higher percentage increase

in the value of their capital invested. However, if the Property decreases in value, borrowing also accentuates the potential losses.

- If the term of the Sub-Fund extends beyond the term of the loan, the loan will need to be renegotiated or refinanced at the end of the term of the loan. The interest payable under the renegotiated or refinanced loan may increase or decrease, thus affecting the performance of the Sub-Fund. There is no certainty that the loan will be able to be refinanced.
- Interest will still need to be paid even if the Property is vacant. This will mean that interest will need to be funded from reserves (if any), investors will need to contribute further equity to pay interest charges or the Property will need to be sold.

The specific arrangements that will apply in respect of a particular Sub-Fund will be set out in the SPDS for the Sub-Fund.

9.5 SMSF Sole Purpose Test Declaration

Broadly, SMSFs must ensure that each investment is made solely to provide retirement benefits to members and any ancillary purpose permitted under SISA. Given there is a possibility that an SMSF could invest in a DomaCom Sub-Fund that, in turn, invests in residential premises that could be leased or used by a related party of the SMSF (e.g., the SMSF members or their relatives), the ATO could take enforcement action against an SMSF if there was a contravention of the sole purpose test under section 62 of the SISA.

An SMSF that invests in a DomaCom Sub-Fund that holds a residential property can sign an 'SMSF Sole Purpose Test Declaration' to confirm the investment in the Sub-Fund is being acquired solely for retirement purposes in compliance with the sole purpose test. The key elements of the declaration are:

- The investment in the Sub-Fund is in compliance with the SMSF's investment strategy.
- This investment is made with the purpose of providing retirement benefits for the SMSF's members.
- The decision to invest has not been influenced or made for the collateral purpose of providing any non-retirement benefit to the SMSF members, their relatives or related parties.
- The SMSF trustee has not and will not influence the fund manager, trustee, custodian or property manager in relation to any tenancy of a property owned by a DomaCom Sub-Fund

- The SMSF trustee has not and will not influence anyone to become a tenant of a property owned by a DomaCom Sub-Fund

An SMSF Trustee will be asked to make this declaration when they apply to invest in a Sub-Fund either by accepting an SPDS or via a secondary market purchase. A copy of this signed declaration will be stored by DomaCom and made available to the ATO and/or the SMSF Auditor on request.

If this declaration is signed by an SMSF trustee and reviewed regularly, and provided to the ATO and the SMSF's auditors when requested, the ATO will generally not review the SMSF's activities in the investment in regards to the sole purpose test even if a related party to the SMSF members became a tenant of the property.

However, the ATO will undertake the appropriate review of the investment if they are subsequently made aware of evidence that indicates the trustee has acted inconsistently with the declaration (for example, but not limited to through an Auditor Contravention Report).

10 Investment Option- Property- Partial Interest Sub-Fund

The Partial Interest Sub-Fund allows Property Owners to enter into an agreement with DomaCom Fund (Equity Release Deed) to sell part of their Property in exchange for an agreed cash payment (Pay Out Amount). The interest in the Property will be held by the Partial Interest Sub Fund in which investors can invest.

After Settlement, the DomaCom Fund will become a co-owner in the Property with the Property Owner. The joint ownership will be in proportion to each party's interests.

Through entering into the Equity Release Deed, the Property Owner agrees to pay certain on-going fees which are paid through transferring additional equity in the Property to the DomaCom Fund (generally every 5 years). Therefore, it is expected that approximately every 5 years there will be an opportunity for a Unit Holder to purchase additional interest in the Partial Interest Sub-Fund and increase your exposure to the Property.

Investors in Partial Interest Sub-Fund are entitled to income from their investment (notional rent - paid through Service Fees) and a share of any sale proceeds when the Property is ultimately sold. The notional rent rate will be fixed from the outset and will be disclosed in the Supplementary PDS.

As a co-owner of the Property with the Property Owner, the Sub-Fund will be liable to share certain costs with the owner such as property maintenance and insurance costs in proportion to their interests in the Property. The costs will be deducted from Investor returns. Further information will be contained in the relevant SPDS.

The Supplementary PDS

A Supplementary PDS for a Partial Interest Property Sub-Fund will contain additional specific information about the Property that is proposed to be invested in by the Sub-Fund (the Underlying Asset) such as:

- the value of the Property as well as the proposed interest the DomaCom Fund will acquire;
- the amount of notional rent to be received;
- a projection of the amount of time until all the Property Owner's equity in the Property is exhausted;
- a description of the Property including its location, physical description and land size;
- expenses associated with our due diligence process such as the cost of the legal review and the property inspections and valuations;

- fees to be charged to the Partial Interest Property Sub-Fund by DomaCom;
- outline of the risks associated with an investment in the Partial Interest Property Sub-Fund.

If all the Investors in a Campaign consider the Supplementary PDS and confirm their intention to proceed and DomaCom successfully purchases an interest in the Property on behalf of the Custodian, they will be issued Units in the Sub-Fund.

Notional rental income

The Property Owner's obligations under the Equity Release Deed includes the requirement to pay Service Fees (from which the notional rent is derived). The base Service Fee rate is 4.4% of the Pay Out Amount. This Service Fee may be higher depending on factors such as the Property Owner's age, gender and the Pay Out Amount they requested. The exact Service Fee will be set out in the SPDS.

3% of the Service Fee goes toward paying Investors an annual income return (notional rent). A portion of the Service Fee is retained as a longevity reserve to be applied to pay the notional rent in circumstances where the Property Owner has exhausted all of the equity in their home, but are still entitled to remain in their Property. However, there is no guarantee that the longevity reserve will be sufficient to continue paying the notional rent for the entire period in which the Property Owner is entitled to remain in their Property. The balance of the Service Fee is applied towards the management of the Fund and property management.

Property Valuations

For each Property that is the subject of a Campaign, an independent pre-purchase valuation is to be obtained before the Property is purchased.

Once an interest in the Property is purchased through a Sub-Fund, the Property is also subject to regular valuations.

The Trustee has adopted the benchmark requirements in relation to valuation recommended by ASIC in its Regulatory Guide 46.

Property Manager

After Settlement, DomaCom will appoint a licensed real estate agent as the Property Manager for the Sub-Fund. The Property Manager will be responsible for property management functions typically undertaken by a property manager of a rental property.

DomaCom, as the Manager, will appoint suitably qualified Valuers who are required to undertake independent valuations in accordance with the valuation timetable.

In addition, the Valuers must:

- be suitably qualified to carry out a valuation and possess at least 5 years' appropriate experience;
- be authorised under the law of the State or Territory where the valuation takes place to practice as a valuer (if applicable);
- be a member of the Australian Property Institute and is categorised as a Certified Practising Valuer by that institute;
- possess professional indemnity insurance cover of at least \$5 million from a reputable and creditworthy insurer;
- be independent of the Trustee and DomaCom, and have no pecuniary interest or other conflict of interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the market value or that could conflict with a valuation of the interest property;
- not be a company acting for a vendor (i.e. as agent or adviser on the sale of the property interest to the DomaCom Fund); and
- value a property interest for the DomaCom Fund on no more than three consecutive occasions (Valuer's Cycle) to ensure diversity and rotation.

ASIC Regulatory Guide 46

| Benchmarks | Summary | Further Details |
|--|--|-----------------|
| Gearing Benchmark 1: Gearing Policy and Disclosure Principle 1: Gearing Ratio | Benchmark 1 requires the Trustee to maintain and comply with a written policy that governs the level of gearing at an individual credit facility level. The Trustee meets this benchmark and has a Gearing Policy which sets out a maximum gearing ratio of 60%. There will not be any borrowing for a Partial Interest Property Sub-Fund. | NA |

| | | |
|--|--|-----------------------------|
| <p>Interest cover Benchmark 2: Interest coverage policy and Disclosure Principle 2: Interest coverage ratio</p> | <p>Benchmark 2 requires the Trustee to maintain and comply with a written policy that governs the level of interest cover at an individual credit facility level.</p> <p>The Trustee meets this benchmark however there will not be any borrowing in a Partial Interest Property Sub-Fund. Interest cover ratio is not relevant as there is no borrowings for a Partial Interest Property Sub-Fund and no interest to be paid.</p> | <p>NA</p> |
| <p>Interest Capitalisation (Benchmark 3: Interest Capitalisation)</p> | <p>The Trustee meets this benchmark. The interest expense of a Sub-Fund is not capitalised.</p> <p>However there will not be any borrowing in a Partial Interest Property Sub-Fund.</p> | <p>NA</p> |
| <p>Scheme Borrowing Disclosure Principle 3: Scheme borrowing)</p> | <p>This disclosure principle generally requires a high-level overview of the terms of each credit facility.</p> <p>There will not be any borrowing in a Partial Interest Property Sub-Fund.</p> | <p>Section 11.2</p> |
| <p>Portfolio diversification (Disclosure Principle 4: Portfolio Diversification)</p> | <p>Each Sub-Fund invests in only one Underlying Property. Details of each Underlying Property are set out in the Supplementary PDS issued in respect of that Underlying Property.</p> <p>Investors will only invest in the Underlying Property (through the Sub-Fund) that they select. Sub-Funds can invest in any one property in any location in Australia, and in any sector (e.g. industrial, commercial, retail or residential).</p> | <p>Section 2</p> |
| <p>Valuations (Benchmark 4: Valuation Policy)</p> | <p>The Trustee meets this benchmark.</p> <p>The Trustee has adopted a written Valuation Policy for the DomaCom Fund that governs the minimum requirements for an independent valuation to be required and establishes the guidelines for the appointment of the valuer.</p> <p>DomaCom's real property policy and procedures can be found on our website or by clicking the following link https://domacom.com.au/wp-content/uploads/2019/04/Real-Propert-policy-and-procedures-Aug-2018-summary.pdf</p> | <p>Section 9.1 and 17.2</p> |

| | | |
|---|--|--|
| <p>Related Party Transactions (Benchmark 5: Disclosure Principle 5: Related Party Transactions)</p> | <p>The Trustee meets this benchmark. The Trustee maintains and complies with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest.</p> | <p>Section 17.5</p> |
| <p>Distribution Practices (Benchmark 6: Distribution Practices and Disclosure Principle 6: Distribution Practices)</p> | <p>The Trustee meets this benchmark as it will only make distributions from interest on cash held in the Cash Pool and any Net Income from operations (notional rent) in respect of an Underlying Property. The Trustee will not make distributions of capital (unless necessary on the realisation of an Underlying Property) or unrealised valuation gains.</p> | <p>Section 4.6</p> |
| <p>Withdrawal arrangements (Disclosure Principle 7: Withdrawal Arrangements)</p> | <p>Investors can generally withdraw from the Cash Pool at any time. However, the Trustee has discretion to suspend withdrawals from the Cash Pool if it reasonably determines that it is in the best interest of Investors as a whole to do so. Each Sub-Fund is an illiquid investment. Investors will not be able to withdraw their investments in a Sub-Fund until the Sub-Fund is terminated.</p> | <p>Section 3.3 and 5</p> |
| <p>Net Tangible Assets (Disclosure Principle 8: Net Tangible Assets)</p> | <p>The initial Net Tangible Assets (NTA) of each Sub-Fund will be set out in the Supplementary PDS relating to each Underlying Property. The NTA for each Sub-Fund is calculated monthly, and published on the DomaCom Website on six monthly intervals. The NTA per Unit is calculated by reference to the annual valuation of the Underlying Property less any outstanding expenses related to that property divided by the number of Units on issue in the Sub-Fund. The Sub-Fund will not hold any tangible assets other than money held in a deposit account and the Underlying Property.</p> | <p>Refer to the SPDS for the relevant Sub-Fund</p> |

10.1 Benefits of Investing in a Partial Interest Property Sub-Fund

Distributions

An Investor in a Partial Interest Sub-Fund receives any Distributions from the Sub-Fund which are payable to them, generally within 5 Business Days of receipt by the Custodian, into their Cash Account or into their nominated linked bank account.

These Distributions reflect the notional rent paid by the Property Owner of the Underlying Property.

Certainty of yield

Investors in a Partial Interest Sub-Fund will know the expected income return as the amounts are fixed in advance pursuant to the Equity Release Deed with the Property Owner.

Capital Growth and Diversification

If the value of an Underlying Property increases, so too will the value of the Units held by Investors in that Sub-Fund. Of course, if the value of the Underlying Property falls, the value of the Units in the Sub-Fund will also fall. Accordingly, Investors may suffer a capital loss. However, the ability to spread risk across multiple Underlying Property investments by investing in a number of Sub-Funds provides a degree of diversification in comparison to having made a direct investment in a single Underlying Property.

Income Certainty

Partial Interest Sub-Funds will never have vacancy issues as the occupancy of Underlying Property is not relevant to Investors as the return paid is derived from the Service Fees paid by the Property Owner. The Property Owner is obligated to pay these fees throughout the term of the Equity Release Deed by selling additional interests in the Underlying Property. Should the Property Owner's interests in the Underlying Property be exhausted over time, the Equity Release Administrator has an obligation to continue to pay Investors their income yield until the Equity Release Deed is terminated.

Aligned interests

Property Owners have an equitable interest in the Underlying Property and are more likely to maintain the Property in a state of good repair.

Asset Allocation

The DomaCom Fund allows Investors to gain an exposure to the property sector in accordance with their risk profile, spreading risk across multiple investments both within the DomaCom Fund and as a separate asset class within an Investor's overall investment portfolio.

Property Sector Diversification and Control

Many Investors find it difficult to diversify their exposure to the direct property market given the significant costs involved in directly purchasing property. To achieve this diversification in the past, Investors have had to invest through a property fund where their investments are pooled, and the property investment decisions are made by the manager. By investing through the DomaCom Fund, Investors can achieve diversification within the property sector by making a number of smaller investments in a range of Sub-Funds that they have selected, each of which represents a single Underlying Property or an interest in a single Underlying Property. Investing in this way means that Investors can control their investment decisions.

Investors in the DomaCom Fund can spread their exposure to the property sector by making smaller investments across a number of

different Sub-Funds providing them with the opportunity to reduce the risks associated with placing a large investment into just one direct property (which they might have to do if they were to invest in property directly). Investors are also able to maintain their exposure to the property market in proportion to their preferred asset allocation for property investments for their risk profile, something which is likely to be harder to achieve when investing directly in property.

Improved Access

Purchasing a property directly generally requires large amount of investment funds or borrowings to secure the investment. In comparison, Investors with access to investment funds representing as little as \$500 for most Sub-Funds can gain investment exposure to an Underlying Property by acquiring Units in a DomaCom Sub-Fund.

Transparency

Investors can identify and view information about the specific Sub-Fund and Underlying Property in which they indirectly invest, something that is difficult to achieve with a traditional investment in a property fund. Investors also have access to an online platform that will provide information that is very similar to the type of information that Investors might see online about any investment property, including details regarding the age, condition, type and location of the Underlying Property.

10.2 Risks of Investing in a Partial Interest Property Sub-Fund

(a) Default by a Property Owner

Under an Equity Release Deed, there is a risk that a Property Owner may default on their obligations. Generally, a default by the Property Owner entitles the Sub-Fund to exercise a power of sale. This may crystallise the asset prematurely.

(b) Property Owner exhausts the equity in Underlying Property

Under an Equity Release Deed, there is a risk that over time that a Property Owner may exhaust the equity in the Underlying Property. DomaCom will have limits on the percentage of equity that can initially be released on entry into an Equity Release Deed based on a Property Owner's life expectancy. These limits (based on actuarial life expectancy calculations) will reduce the risk that a Property Owner will exhaust the equity in the Underlying Property.

However, in the event that a Property Owner does exhaust the equity in the Underlying Property, the Trustee will call on a Deed of Payment, the agreement entered into with Equity Release Administrator, to continue to pay approximately 4.0% per annum return to the Sub-Fund (based on the value of the Property, reset every 5 years). There is no guarantee that the Equity Release Administrator will be fully funded to have sufficient money available to make the payments required to make under the Deed of Payment. However, actuarial calculations have been undertaken to minimize this risk.

(c) Investment term uncertainty

Under an Equity Release Deed, there are limited circumstances when the Equity Release Deed will be terminated, and the Property sold (enabling an investor to receive their capital including any potential capital gain). These include when the last registered proprietor (as at Settlement) dies or when the Property Owner seeks to buy the Property back from the Fund or when the Property Owner agrees to sell it to a third party. As the Property Owner has significant control (other than when it breaches the Equity Release Deed) there is some uncertainty as to the period of time as to when any capital gain can be realised.

(d) Equity Release Administrator Risk

Under an Equity Release Deed the Property Owner may nominate the Staggered Settlement option, whereby the Equity Release Administrator arranges for the Custodian to hold on trust any part of the Pay Out Amount that has not yet been paid to the Property Owner. Equity Release Administrator may invest these funds in cash accounts, bank bills, and term deposits with the interest earned being used to assist in the funding of the payment obligations to the Property Owner under an Equity Release Deed. There is a some risk that these investments could fail which in turn would put at risk the ability of the DomaCom Fund to meet its settlement obligations to Property Owners who have elected to use the Staggered Settlement option.

Similarly, the Equity Release Administrator may invest prepaid Service Fees and charges received under an Equity Release Deed in cash accounts, term deposits, bank bills and DomaCom Sub- Funds. The relevant Sub-Fund will receive from the Base Service Fee amount of 4.4% p.a. an amount of 3.88% p.a. representing the notional rental amount of 3% p.a. and Management Fee of 0.88% p.a.

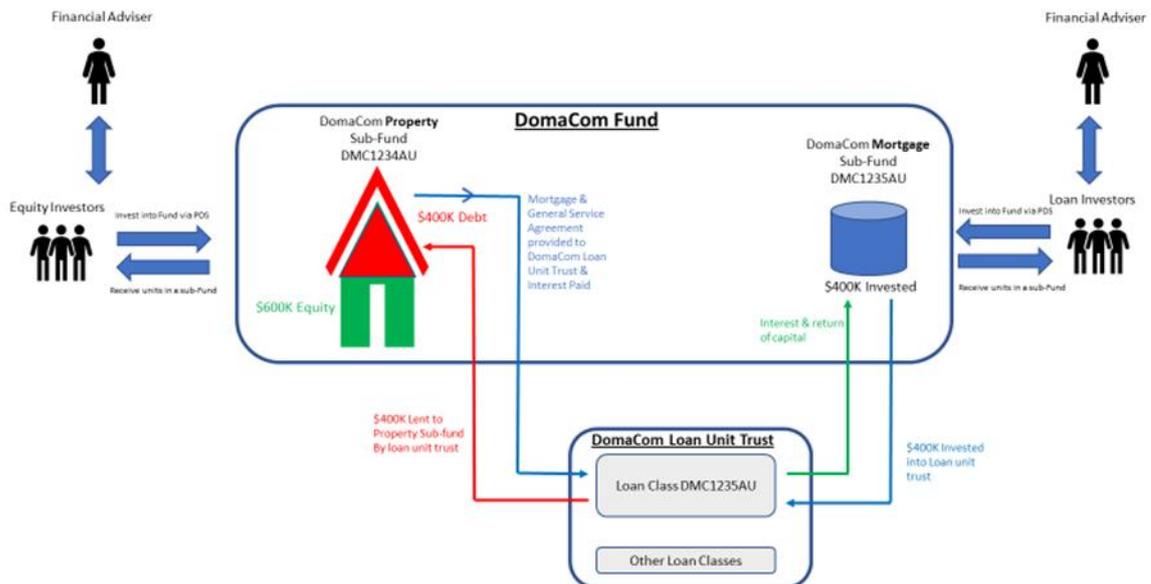
11 Investment Option – Loans

11.1 Additional Features

A Sub-Fund that has a Loan as its Underlying Asset (a Loan Sub-Fund) has several particular features in addition to those features described in section 4 titled **'Investing in a Sub-Fund'** for Investors to consider.

All Underlying Loans of a Loan Sub-Fund are likely to be used to ultimately provide finance to a Property Sub-Fund to assist it in purchasing an Underlying Property which has completed a successful Campaign.

At Settlement, the Property Sub-Fund will receive the loan funds from the Loan Sub-Fund via the DomaCom Loan Trustee Pty. Ltd. and these funds will be used to complete the purchase of the Underlying Property. The diagram below illustrates how the loan Sub Fund operates.



Additional features of Loan Sub-Funds are detailed below.

The Supplementary PDS

In addition to the details described in section 4 of this PDS, a Supplementary PDS for a Loan Sub-Fund will contain additional specific information about the Loan that is proposed to be held by the Sub-Fund (the Underlying Asset) such as:

- A description of the property over which the proposed Underlying Loan will be secured. This description of the property will include its location, physical description, and land size;
- The purchase price of the property;
- The fixed term of the proposed Underlying Loan. The fixed term will, in most cases, be between 3 and 5 years and in line with the term of the Property Sub-Fund;
- The interest rate paid by the Property Sub-Fund (the borrower) to the Loan Sub-Fund (the lender);
- Whether the Underlying Loan is a fixed rate loan or a variable rate loan;
- The expected loan-to-value-ratio (LVR). DomaCom will not allow a Loan to exceed 60% LVR of the property; and
- The interest cover ratio of the proposed Property Sub-Fund. DomaCom will not allow the Loan Sub-Fund to ultimately lend to a Property Sub-Fund unless the Property Sub-Fund's ICR is expected to be at least 1 times income or higher at the time the loan agreement is entered into. This ratio is calculated by dividing the expected annual net income of the Property Sub-Fund plus any Sub-Fund reserves by the annual interest charges on the Loan at the time of the Loan.
- The pre-purchase valuation price and that it is within our tolerance range.

11.2 Benefits of Investing in a Loan Sub-Fund

Interest Rate Potential

The Underlying Loan in a Loan Sub-Fund will usually offer higher yields than comparable-maturity government bonds, term deposits or cash deposits at a bank. This high-yield potential is, however, generally accompanied by higher risks.

Regular income

Provided that the tenant of an Underlying Property in respect of which a loan is provided pays rent in accordance with the lease terms, a Loan Sub-Fund should generate steady income distributions for Unit Holders.

Distribution of Net Income

Net Income = Loan Interest paid for the period

LESS

All the Loan expenses including management fees for the period which have been paid by the Sub-Fund

Periodic loan expenses will typically consist of loan administration costs.

Loan to value ratio

DomaCom restricts the maximum loan-to-value ratio to 60%. This means that the value of the Underlying Property in the Sub-Fund over which the Underlying Loan has been secured could fall by 40% and the loan principal could still be returned to Investors (less any costs) on the sale of the property.

In addition, DomaCom will ensure that the minimum interest cover ratio is at least 1 times income at the time of Settlement. At this time, the interest will not be greater than the expected income from the Property Sub-Fund.

Security

The Loan relating to the Property Sub-Fund is secured through a first registered mortgage placed on the property title. This ensures that the lender (the Loan Sub-Fund and its Investors) receives priority in the event that the Property Sub-Fund is wound up and the property is sold.

Diversity

Loans provide an opportunity for Investors to gain an exposure to an additional asset class which will assist in diversifying their investment portfolio.

11.3 Risks of Investing in a Loan Sub-Fund

Borrower could default

A Loan is a form of debt and the financial stability of the borrower seeking the loan is a critical consideration for Investors purchasing Units in a Sub-Fund which has a Loan as its Underlying Asset.

A significant downturn in the Australian economy could trigger a default by the borrower. Under these circumstances, Investors in a Loan Sub-Fund could lose part or all their investment in the Sub-Fund.

DomaCom's limited LVR of 60% or less could help mitigate this risk.

Distributions are not guaranteed

A borrower may default on paying the interest due on their Loan resulting in Investors incurring expenses associated with owning the Underlying Asset such as Management Fees (detailed in section 14 titled *Fees and Other Costs*).

If the Borrower fails to pay interest on the Underlying Loan for an extended period, the property over which the Underlying Loan is secured may have to be sold and the Sub-Fund wound-up to settle debts.

Liability limited to asset of specific property

Any recourse the Loan Sub-Fund may have against the borrower will be limited to the specific property securing the Loan. There is no recourse to other assets, so the Loan Sub-Fund will not be able to seek to recover the amount of the Loan or any shortfall from the Custodian or Trustee of any other Sub-Fund.

A property specific event could impact its value

A property over which an Underlying Loan is secured, could experience a specific event that impacts its value.

Fire or flood damage to the property could occur which could reduce the likelihood of investors in the Loan Sub Fund receiving a return on their investment.

Despite the fact that DomaCom insures all Underlying Properties in Property Sub-Funds, there may be circumstances which result in the insurer refusing to cover some or all of the loss or that there are risks that are not insurable.

Costs risk associated with each Underlying Loan

Each Underlying Loan will incur its own unique costs in relation to the issuing of that Underlying Loan such as legal and administration fees. A Loan Sub-Fund will be able to rely upon the due diligence reports for the Property Sub-Fund, such as valuation fees and building inspection and will not need to incur its own costs in that regard.

There will also be costs associated with the management of the Sub-Fund, such as Manager's fees (detailed in section 14 titled **Fees and Other Costs**).

12 Investment Option – Special Opportunities

12.1 Additional Features

Special opportunity Sub-Funds (SO Sub-Funds) include a wide range of special projects, startup ventures and unique private ventures. Examples of such ventures could be opportunities to invest in unlisted companies that are involved in the alternative energy space, or the agricultural industry or seeking opportunities to invest in global property assets.

These opportunities are generally only available to institutional investors or sophisticated investors. However, through DomaCom's Fractional Investing Platform, these unique and potentially exciting projects can be accessed by any Investor.

DomaCom will inform Investors when these opportunities arise and provide full details about the opportunity as part of the Campaign information. DomaCom will provide comprehensive details of each opportunity through a separately issued Supplementary PDS.

During the Campaign process, DomaCom will undertake appropriate due diligence activities which, depending on the opportunity, could include legal review, pre-purchase valuation of the asset, financial legal and operational review.

Special Opportunities will only be available at the discretion of DomaCom and subject to the approval of the Trustee.

12.2 Benefits of investing in Special Opportunities Sub-Fund

It is difficult to be precise as to the benefits as this will be very much dependent upon the specific opportunity and these benefits will be set out in the SPDS, however a number of general benefits can be drawn.

Diversification risk – the ability to obtain a fractional interest in a much larger asset, diversifies Investor's risk.

Accessibility – the benefit of being able to obtain access to an asset which has traditionally been only available to the institutional market or high net worth individuals.

Sources of Capital – Through the DomaCom product offering, it provides capital for new innovative opportunities that may otherwise not be developed in the Australian market.

12.3 Risk of investing in Special Opportunities sub-fund

It is difficult to be precise as to the risks, as this will be very much dependent upon the specific opportunity. The risks will be set out in the SPDS, however a number of general risks can be drawn.

General Economic downturn – A fractional investment in a Sub-Fund is subject to general economic conditions at the time and this can impact the value of the investment both positively and negatively.

Illiquidity of the Sub-Fund- A fractional investment in a Sub-Fund is an illiquid investment. The Sub-Fund has a fixed term.

DomaCom does operate a liquidity facility by making a market in Units under its AFSL (AFSL No. 444365) which allows a transfer to occur where there is a willing seller and a willing buyer for the same units attached to a Sub-Fund.

However, DomaCom does not guarantee that it will purchase a Unit Holder's Units if they wish to sell their Units, or that DomaCom will be prepared to pay the price at which a Unit Holder wishes to sell their Units.

13 Investment Option – Equity Mortgage

13.1 Additional Features

An Equity Mortgage Sub-Fund is a class for the purposes of Clause 4.4(c) of the Constitution and has a Property as its Underlying Asset and has several particular features to consider in addition to those described in section 9 titled **Investment Option – Property- Complete Interest Sub-Fund**.

These features are detailed below.

Equity Mortgage Sub-Funds seek to provide investors who, because of ethical or religious circumstances, are not able to receive or pay interest, such as Islamic investors who are seeking Sharia Compliant products, with access to property returns without the use of borrowings.

Income and Growth Sub-classes

Equity Mortgage Sub-Funds have two underlying sub-classes – an Income Sub-class and a Growth Sub-class which have the following features:

- The Income Sub-class and Growth Sub-class will have a beneficial interest in the relevant Property.
- The Income Sub-class will be granted a real property mortgage over the relevant Property.
- Investors in the Income Sub-class will receive up to 99% of the Net Income from the underlying property of the Equity Mortgage Sub-fund. These investors will be wholesale or institutional investors.
- Investors in the Growth Sub-class will receive a minimum of 1% of the Net Income from the underlying property of the Equity Mortgage Sub-fund.
- On the termination and winding up of a Sub-Fund with Sub-Classes, amounts from the realisation of the Underlying Property (after the payment of all of the expenses associated with winding up the Sub-Fund) will be paid as follows:
 - if the amount available from the realisation of the underlying property (after the payment of all of the expenses associated with winding up the Class) is equal to or exceeds the amount invested in the Income Sub-Class then on the realisation of the Relevant Scheme Assets for the Class:

- the Income Sub-Class will receive the amount invested in the Income Sub-Class; and
- the balance will be split a minimum of 0.001% to the Income Sub-Class and maximum of 99.999% to the Growth Sub-Class;

if the amount available from the realisation of the underlying property (after the payment of all of the expenses associated with winding up the Class) does not exceed the amount invested in the Income Sub-Class then on the realisation of the underlying property the Income Sub-Class will receive all of the amount available for distribution. The features described in this Section with respect to an Equity Mortgage Sub-Fund and its Sub-classes prevails over any other inconsistent description of Sub-Funds rights contained elsewhere in this PDS.

The Supplementary PDS

A Supplementary PDS for an Equity Mortgage Property Sub-Fund will contain additional information such as:

- a description of the Property including its location, physical description and land size;
- expenses associated with our due diligence process such as the cost of the legal review and the property inspections and valuations;
- Acquisition Costs such as stamp duty fees (if applicable) and agent's fees;
- fees to be charged to the Property Sub-Fund by DomaCom;
- a high-level overview of the terms of the relevant Income Sub-class including the value of the Income Sub-class, the rental amount to be paid to the Income Sub-class; and
- a high-level overview of the tenant lease terms if an agreement is in place.

If all the Investors in a Campaign accept the Supplementary PDS and DomaCom successfully purchases the property on behalf of the Custodian, you will be issued your Units in the Income Sub-class of the Sub-Fund.

13.2 Benefits of investing in Equity Mortgage Sub-Funds

The key additional benefit of investing in Equity Mortgage Sub-Funds in addition to those described in section 9 titled **Investment Option – Property- Complete**

Interest Sub-Fund is that the Sub-Fund does not use any form of borrowing to deliver exposure to the underlying Property.

This may interest investors because of ethical or religious circumstances that are not able to receive or pay interest, such as Islamic investors who are seeking Sharia Compliant products. This product provides exposure to property returns without the use of borrowings.

13.3 Risk of investing in Equity Mortgage Sub-fund

The key additional risks of investing in Equity Mortgage Sub-Funds in addition to those described in section 9 titled **Investment Option – Property- Complete Interest Sub-Fund** are:

- it may not be possible to source institutional capital to invest in the Income Class; or
- the cost of the institutional capital may be higher, however Investors are prepared to pay a higher costs as it meets with their ethical or religious circumstances.

14 Management of the DomaCom Fund

14.1 The Trustee

Melbourne Securities Corporation Ltd, ACN 160 326 545 the Trustee, specialises in corporate and professional trustee services and retail and wholesale managed investment schemes. The Trustee is responsible for maintaining the DomaCom Fund on behalf of the investors. The responsibilities of the Trustee include holding the DomaCom Fund's property on trust for Investors, managing and investing the DomaCom Fund's property and ensuring that the DomaCom Fund's property is managed pursuant to the Constitution and the provisions of the Corporations Act. The legal relationship of an Investor and the Trustee is subject to the terms of this PDS (including any relevant Supplementary PDS), the Application Form and the Constitution, as well as applicable laws including but not limited to the common law, trust law and relevant legislation.

The Trustee has the power to delegate certain duties pursuant to the Constitution and the Corporations Act. The Trustee has appointed DomaCom as the Manager of the DomaCom Fund and Perpetual Corporate Trust Limited (ACN 000 341 533) as the Custodian.

The Trustee, in its discretion, may change the custodian from time to time or appoint additional service providers, in accordance with the terms of the Constitution.

The Trustee's rights and obligations as Trustee are also contained in the Constitution and the Corporations Act. These duties include the duty to act honestly, exercise due care and diligence, avoid conflicts and treat Investors equally.

Copies of the Constitution are available free of charge upon request.

14.2 The Manager

The Manager of the DomaCom Fund is DomaCom Australia Ltd. ACN 153 951 770. The Trustee appoints the Manager as agent of the Trustee to invest and manage the scheme assets.

DomaCom's responsibilities primarily include managing the DomaCom Fund's assets, and the administration, promotion and marketing of the DomaCom Fund. DomaCom holds AFSL No. 444365.

DomaCom is also responsible for providing the technology for, and the management and administration of, the DomaCom Fund.

DomaCom is also responsible for providing the technology, and the management and administration of the DomaCom Fund. DomaCom may also, in accordance with its AFSL, make a market in the Units.

DomaCom's management responsibilities include the selection and supervision of all the key service suppliers to the DomaCom Fund.

The key DomaCom employees who are involved in the operation of the DomaCom Fund are listed below.

Key Person 1: Arthur Naoumidis

Position: Chief Executive Officer.

Responsibility: To supervise all aspects of the DomaCom Fund.

Experience: Arthur has over 25 years of technology and financial services experience at Director level.

Qualifications: Bachelor of Science (Computer Science & Pure Mathematics).

Key Person 2: Ross Laidlaw

Position: Chief Operating Officer.

Responsibility: To supervise all aspects of the operation of the DomaCom Fund.

Experience: Ross has over 25 years of experience in the managed investment industry at both senior executive and Director levels.

Qualifications: Bachelor of Economics, Chartered Accountant and Graduate Diploma of Applied Finance, Diploma of Financial Planning.

DomaCom's head office is located at Level 6, 99 Queen Street Melbourne Victoria 3000. The Client Service Centre can be contacted by phoning 1300 365 930.

14.3 The Custodian

Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673 is the custodian for the DomaCom Fund (**Custodian**) and is responsible for holding the assets of the DomaCom Fund as the agent of the Trustee. In particular:

- (a) the Cash Pool will be held in an ANZ trust account in the name of the Custodian; and
- (b) the Custodian will enter into the contracts to purchase or otherwise deal in the Underlying Assets,

on behalf of the Trustee in its capacity as trustee of the DomaCom Fund.

The Custodian's role is limited to holding the assets of the DomaCom Fund as agent of the Trustee. The Custodian has no supervisory role in relation to the operation of the DomaCom Fund and is not responsible for protecting the Investor's interests. The Custodian has no liability or responsibility to the Investor for any act done or omission made and is only liable to the Trustee under the Custody Agreement. The Custodian has not authorised or caused the issue of this PDS and does not make, or purport to make, any statements in this PDS. The Custodian to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name.

The Custodian may, in relation to a Sub-Fund and at the direction of the Trustee, appoint a Property Manager as its agent to hold certain funds on trust for the Sub-Fund for the benefit of Unit Holders.

The Custodian will enter into a contract with the Property Manager. The Contract will include terms required under the Trustee's AFSL. However, please note that the contract between the Custodian and the Property Manager may not contain terms relating to:

- how the Property Manager will certify that it complies and continues to comply with ASIC Regulatory Guide 133 on holding scheme assets;
- how Investors will be compensated if they suffer loss due to a failure by the Property Manager to comply with its duties or to take reasonable care based on the standards applying in the relevant markets for the assets held and the extent to which the Property Manager must maintain a minimum level of professional indemnity insurance; and
- the Property Manager being prohibited from taking an encumbrance over, or in relation to, the funds they hold on trust for that Sub-Fund,
- in circumstances where it is not practicable for the Property Manager to be engaged to hold the funds on reasonable commercial terms.

15 Fees and Other Costs

Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your Account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you out different fee options.

This table shows fees and costs that an Investor may be charged. These fees and costs may be deducted directly from an Investor's money or from the returns on an Investor's investment in the DomaCom Fund.

Tax information is set out in section 16 of this PDS.

An Investor should read all of the information about fees and other costs before making a decision to invest in the DomaCom Fund, because it is important to understand their impact on an Investor's investment.

The DomaCom Fund's reporting year is the financial year commencing on the 1st of July each year. References to "per annum" relate to the financial year. All amounts are GST inclusive and net of any reduced input tax credits unless otherwise stated.

Fees and costs summary

| DomaCom Fund | | |
|--|--|--|
| Type of Fee or cost | Amount | How and When Paid |
| Ongoing annual fees and costs | | |
| Management fees and costs The fees and costs for managing your investment* | Up to 0.22% per annum of the value of the cash held in your Cash Account and between 0.44% and 0.88% per annum of the *Gross Asset value of your investment in each Sub-Fund. The actual fee to be charged for a Sub-Fund appears in the Supplementary PDS (SPDS) for that prospective Sub-Fund. | Fees payable to the Manager are calculated on a daily balance and payable in arrears from the assets of the Cash Pool and relevant Sub-Fund(s) on a monthly basis. |
| Performance fees Amounts deducted from your investment in relation to the performance of the product | The actual fee to be charged (if applicable) will appear in the Supplementary PDS (SPDS) for that prospective Sub-Fund. | Fees payable (if applicable) will appear in the SPDS |
| Transaction costs The costs incurred by the scheme when buying or selling assets | The actual fee to be charged (if applicable) will appear in the Supplementary PDS (SPDS) for that prospective Sub-Fund. | Fees payable (if applicable) will appear in the SPDS |
| Member activity related fees and costs (fees for services or when your money moves in or out of the product) | | |
| Establishment fee The fee to open your investment. | Nil. Except in the situation where investment is between \$1,000 and \$2,500 a one off \$20 account fee will be charged. | Not applicable, however in the case of investing between \$1,000 and \$2,500 this will be paid at the time of completing the Application Form. This fee is payable to DomaCom Australia Ltd. |
| Contribution fee The fee on each amount contributed to your investment. | Nil | Not Applicable |
| Withdrawal fee The fee on each amount you take out of your investment. | Nil | Not Applicable |
| Exit fee The fee to close your investment. | Nil | Not Applicable |

| | | |
|--|---------------------------------|---------------------------------|
| Switching fee The fee for changing investment options. | Switching feature not available | Switching feature not available |
|--|---------------------------------|---------------------------------|

*Each Sub-Fund may have different Management Fees and within any Sub-Fund different Management fees may be negotiated with Wholesale Clients.

#Expenses does not include transactional and operational costs (see below) which will be charged in addition to the management costs above.

*Gross Asset Value in accordance with the Constitution, means the sum of:

The value of all Assets; and

- Any other amounts which, in the opinion of the Trustee, should be included for the purpose of making a fair and reasonable determination of the value of the Fund having regard to ordinary accounting principles

Detailed below is an example of Ongoing Annual Fees and Costs for investors in the Cash Pool and a Property Sub-Fund. **Other Asset class Sub Funds would have different fees.**

Simple Example of Annual Fees and Costs

This table below gives an example of how the fees and costs in the Cash Pool affect your investment over a 1 year period. You should use this table to compare the DomaCom Fund with other products offered by managed investment schemes.

The example is for illustrative purposes only, and makes the following assumptions:

- Balance in an Investor's Cash Account of \$50,000 for the year
- The Investor has not invested in any Sub-Fund
- An additional contribution of \$5,000 is made to the Cash Pool during the year.

| | | |
|--------------------------------|-----|---|
| Example – the Cash Pool | | Balance of \$50,000 with a contribution of \$5,000 during year |
| Contribution Fee | Nil | For every additional \$5,000 you put in, you will be charged \$0. |

| | | |
|---|-------------|---|
| Plus Management Costs Management Fee on the Cash Pool | Up to 0.22% | And , for every \$50,000 you have in the Cash Pool you will be charged \$110 each year |
| Plus Performance fees | Nil | And , you will be charged or have deducted from your investment \$## in performance fees each year |
| Plus Transaction costs | Nil | And , you will be charged or have deducted from your investment \$0 in transaction costs. |
| Equals cost of the Cash Pool | | If you had an investment in the Cash Pool of \$50,000 at the beginning of the year and you put in an additional \$5,000 that year you would be charged fees and costs of: \$110* What it costs you will depend on the Sub-Fund(s) you choose and the fees you negotiate |
| * Additional fees may apply, such as fees associated with any Sub-Fund you invest in. | | |

Establishment fee – nil provided you invest an initial amount greater than \$2,500. If it is below this amount a \$20 one off account keeping fee will be charged.

Additional explanation of fees and costs

Additional Example of Annual Fees and Costs (for illustrative purposes only)

As the ability to invest in Sub-Funds is a key feature of the DomaCom Fund, the following additional example illustrates how the ongoing fees and costs in the DomaCom Fund can affect an Investor's investment over a 1 year period where that Investor has made an investment in a Sub-Fund.

This example relates to a Complete Interest Property Sub-Fund and assumes the following:

- An Investor made an initial deposit in their Cash Account (in the DomaCom Fund's Cash Pool) of \$50,000.
- Once these funds are cleared, taking into account the Cooling-Off Period, the Investor bids \$20,000 to participate in a Campaign on a property valued at \$200,000. Allowing for the

Campaign Cost and Settlement Costs estimate of 8%, a total of \$21,600 will be quarantined once the bid has been made.

- Assuming DomaCom is successful in arranging the acquisition of the Underlying Property for \$200,000 and that the actual Campaign Costs and Settlement Costs were 8% of the purchase price, then the total purchase cost is \$216,000 and the Investor will be issued with 21,600 Units, representing 10% of the Units in the Complete Interest Property Sub-Fund. The Investor's 10% share of the Units in the Complete Interest Property Sub-Fund entitle them to 10% of any future Net Income and capital growth on the Underlying Property.
- The annual rate of rent being paid by the tenant is 3.5%.
- For the sake of simplicity, the example assumes the Complete Interest Sub-Fund settled the day that the Investor's funds in the Cash Pool cleared despite the fact that the Listing Period could be as long as 90 days and considerable time might then lapse before Settlement actually occurs.
- Repairs to the Underlying Property during the year totalled \$1,000.
- Property Manager fees, insurance and other direct property expenses amount to \$1,000 per year. The Property Manager Fees (the fee payable to the Property Manager appointed in relation to an Underlying Property) for the year was 6% of the Gross Income of the Sub-Fund.

The effect of Fees and Charges **at the Unit Holder Level**

| FEE TYPE | Fee Calculation | Dollar Costs |
|--|--|---|
| Establishment Fee | Nil | No Establishment fees are payable |
| Contribution Fee | Nil | No Contribution fees are payable |
| Management Fees - Cash Pool (MF Cash Pool) | Up to 0.22% per annum on investor balance in the Cash Pool | Cost = MF Cash Pool x Cash Pool Balance <ul style="list-style-type: none"> • \$62.48 0.22% x \$28,400 |
| Management Fees (MF Sub-Fund) | 0.88% per annum on the Gross Asset Value of the Sub-Fund. | Cost = MF Sub-Fund x Sub-Fund Gross value <ul style="list-style-type: none"> • \$176 0.88% x \$20,000 (10% x \$200,000 = \$20,000) |
| Expense recovery | 0.4% per annum on the Gross Assets of the Sub-Fund | Cost = Expense recovery x Gross Asset of Sub-Fund <ul style="list-style-type: none"> • \$80 0.4% x \$20,000 |

The Gross Income of the Complete Interest Property Sub-Fund for the year would have been \$7,000 (3.5% of \$200,000).

The effect of Fees and Charges *at the Sub-Fund Level*

| FEE TYPE | Fee Calculation | Dollar Costs |
|-------------------------------|---|--|
| Establishment Fee | Nil | No Establishment fees are payable |
| Contribution Fee | Nil | No Contribution fees are payable |
| Management Fees (MF Sub-Fund) | 0.88% per annum on the Gross Asset Value of the Sub-Fund. | Cost = MF Sub-Fund x Sub-Fund Gross value <ul style="list-style-type: none"> \$1,760 0.88% x \$200,000 |
| Property Manager Fees (PMF) | 6% of gross income of the Sub-Fund | Cost = PMF x Gross Income of Sub-Fund <ul style="list-style-type: none"> \$420 6.0% x \$7,000 |
| Expense recovery | 0.4% per annum on the Gross Assets of the Sub-Fund | Cost = Expense recovery x Gross Asset of Sub-Fund <ul style="list-style-type: none"> \$800 0.4% x \$200,000 |

Management Fees

The Complete Interest Property Sub-Fund's total Management Fees for the year (i.e. the total paid by all Investors in the Property Sub-Fund assuming no borrowings) would have been \$1,760 (0.88% of \$200,000).

Property Manager Fees

The Sub-Fund's total Property Manager Fees for the year (recovered as an expense out of the Gross Income of the Sub-Fund) would have been \$420 (6% of the rent of \$7,000).

Annual Net Income of the Property Sub-Fund

The Net Income of the Sub-Fund at the end of the year amounts to \$4,580 (\$7,000 less \$420 Property Management Fees and less repairs and Underlying Property costs of \$2000).

After the deduction of the \$1,760 Management Fees and expense recoveries of \$800, the net Distribution made to Unit Holders of the Sub-Fund would be \$2,020 of which the Unit Holder in this example would receive approximately \$202.

Management Fees

The Management Fees are the fees payable to DomaCom Australia Limited as Manager of the DomaCom Fund. The Manager may also outsource various other services to third parties. With the exception of Property Manager Fees and expense recoveries relating to the DomaCom Fund's costs, all these costs are paid by the Manager from its Management Fee.

If an Investor withdraws money from the Cash Pool, withdraws from a Sub-Fund or a Sub-Fund is terminated on a day other than the last day of the month, the Manager will be entitled to the Management Fees calculated and payable on a pro rata basis up to and including the date of such withdrawal from the Cash Pool, withdrawal from a Sub-Fund or termination of a Sub-Fund (as applicable).

Fee increases and alterations

Fees and charges are current at the date of this PDS. The Trustee may increase fees up to the maximum amounts permitted under the constitution of the DomaCom Fund (**Constitution**) for new investments. There is no limit on the amount of expenses the Trustee can recover from the assets of the DomaCom Fund.

If it decides to recover expenses, this will be disclosed in the SPDS. The Trustee will provide Investors with at least 30 days' notice of any other increases in fees before they take effect, to allow Investors to make other arrangements.

Under the Constitution, the Trustee may accept lower fees than it is entitled to receive or may defer payment for such period and on such terms as it determines from time to time.

The Trustee does not intend to alter the fees described in this PDS during the life of this PDS.

Expense recoveries

The Trustee is entitled under the Constitution to be reimbursed out of the assets of the DomaCom Fund for a broad range of costs and expenses properly incurred in relation to the DomaCom Fund.

These expenses typically include costs incurred in connection with the establishment of the DomaCom Fund or Sub-Fund, Investor communications, Unit pricing, auditors' fees, compliance costs and PDS preparation.

The Trustee is entitled to be indemnified out of the DomaCom Fund for any liability properly incurred by the Trustee in operating the DomaCom Fund. The

Trustee has recourse to DomaCom if the assets in the DomaCom Fund are insufficient to indemnify the Trustee.

A list of expenses that may be reimbursed to the Trustee out of the DomaCom Fund is set out in the Constitution of the DomaCom Fund. A copy of this Constitution may be obtained from DomaCom or the Trustee on request.

If an Investor requests that the Trustee withdraws the Investor's entire balance in the Cash Pool, the Trustee may deduct the Investor's proportional share of any ascertainable expenses from the amount withdrawn from the Cash Pool by the Investor based:

- (a) on the value of the assets of the Cash Pool at the time of the withdrawal; and
- (b) on a proportional time weighted basis,

even though the expense may not yet have been incurred by the Trustee at the time of the withdrawal (as though the Expense had been accrued), provided that such ascertainable expenses relate to, or are referable to, the period that the Investor will have an investment in the Cash Pool.

Transactional and operational costs

As with expenses, the Trustee is entitled to be indemnified out of the DomaCom Fund for any transactional and operational costs properly incurred by the Trustee in operating the DomaCom Fund. The Trustee has recourse to DomaCom if the assets in the DomaCom Fund are insufficient to indemnify the Trustee.

Transactional and operational costs include, but are not limited to:

- (a) Campaign Costs
- (b) Acquisition Costs
- (c) Settlement Costs
- (d) Ongoing running costs of the Underlying Asset
- (e) financing costs (if the purchase is partly financed by debt)

Campaign and Transactional costs are additional costs to Investors.

The amount of Campaign Costs, Acquisition Costs, Settlement Costs and Provisional Amounts are estimated to be 8% of the Campaign Price in relation to Complete Interest Property Sub Fund. This amount forms part of the Quarantined Funds.

Campaign Costs, Acquisition Costs, Settlement Costs and Financing Costs (if any) that are actually incurred will be charged to Investors who participate in the Campaign process by making a Bid. These costs will be charged back to Investors with an Active Bid on a proportionate basis if the Sub-Fund does not proceed and will be deducted from their Quarantined Funds within 7 days of the Campaign closing date. The allocation to such Investors will be calculated by reference to when they entered and/or exited the Campaign process and the costs that had been incurred at those times. If the Sub-Fund does proceed, these costs will be deducted from the assets of the Sub-Fund usually within 7 Business Days of the Sub-Fund being established.

Campaign Costs

Campaign Costs are pre-settlement due diligence costs generally associated with reviewing the legal status and the general condition of the Underlying Asset. For example, in the case of a Complete Interest Property Sub-Fund, costs associated with reviewing the Contract of Sale, undertaking a title search, arranging a building inspection (if required) and pest inspection (if required) and obtaining a property valuation report.

Campaign costs will vary considerably from one Sub-Fund to another based on the type and value of each Underlying Asset. These costs will be specified in the SPDS.

Acquisition and Settlement Costs

Acquisition Costs of the Sub-Fund generally involve costs incurred during the purchase negotiation and contract exchange stage. These costs typically include, but are not limited to, legal costs and buyer's agent costs.

Settlement Costs of the Sub-Fund relate to the types of costs generally associated with Settlement of the Underlying Asset purchase. These costs typically include, but are not limited to, legal costs, stamp duty and, in the case of a Complete Interest Property Sub-Fund, council and utility adjustments. Acquisition Costs and Settlement Costs will vary considerably from one Sub-Fund to another based on the type and value of each Underlying Asset. The specific or estimated Acquisition Costs and Settlement Costs in relation to the purchase of an Underlying Asset in respect of a Sub-Fund will be set out in detail and specified in the relevant SPDS.

Ongoing Running Costs

Again, using the example of a Complete Interest Property Sub-Fund, these costs relate to the ongoing running costs incurred in relation to the Underlying Property which may include costs required to organise a tenant (if an Underlying Property is untenanted or partly untenanted), the Property Manager Fee, insurance premiums, council rates, water charges and costs related to valuation, repair and maintenance of the Underlying Property. These costs are estimated to range between 15% and 30% of the Sub-Fund's Gross Income, but may be outside this range.

A **Provisional Amount** may be maintained for each Complete Interest Sub-Fund as a reserve amount to meet ongoing costs in relation to the Underlying Asset. Using the example of a Complete Interest Property Sub-Fund, the running costs may include:

- where an Underlying Property is untenanted or not fully tenanted;
- where repairs and maintenance costs are over and above the norm; and
- other unexpected costs.

The **Provisional Amount** is maintained as an asset of the Complete Interest Sub-Fund and paid to the relevant Property Manager to cover the ongoing property running costs as and when required. The Provisional Amount which each Sub-Fund may maintain may include:

- An advertising budget equivalent to 2 week's estimated rent;
- Property cleaning equivalent to 1 week's estimated rent;
- An allocation towards the council rates, water rates and land tax (if applicable) equivalent to 1/4 of estimated annual rent;
- Strata fees (if applicable) equivalent to 1/4 of estimated annual rent; and
- Any other expenses identified during the building and/or timber and pest inspection.

DomaCom may require investors to fund Provisional Amounts at the time of Settlement and income earned by the Underlying Property (if any) may be set aside to maintain Provisional Amounts.

The Provisional Amounts will vary considerably from one Sub-Fund to another based on the type, value and location of each Underlying Property. Where DomaCom requires Investors to fund Provisional Amounts at the time of Settlement, the Provisional Amount will be set out in detail and specified in the relevant SPDS.

Ongoing property running costs are paid from Gross Income of a Sub-Fund or Provisional Amounts in any month. If those amounts are insufficient, the Trustee will offer Unit Holders the opportunity to subscribe for additional Units in the Sub-Fund to cover these costs. If the additional Units are not fully subscribed, the Trustee may offer those additional Units to Investors. If, after this process, the Units for issue are still not fully subscribed for, the Trustee is entitled to wind up the Sub-Fund and sell the Underlying Property to settle the Sub-Fund's debts.

Financing Costs

If a Sub-Fund borrows to purchase the Underlying Property, the Property Complete Interest Sub-Fund will also incur application fees for debt, legal fees, interest and other financing charges.

Upfront financing costs will be paid from your subscription money on the issue of Units in the Sub-Fund. All other financing costs will be paid from Gross Income of the Sub-Fund.

Interest and financing costs (if applicable) will be set out in the Supplementary PDS.

Using a Complete Interest Property Sub-Fund – as an Example of Campaign costs, Acquisition costs, Settlement Costs and Provisional Amounts

Detailed below is an example of the Campaign costs, Acquisition Costs, Settlement Costs and Provisional Amounts that are to be incurred by or funded by Investors during a Campaign.

The example assumes a standard brick veneer house and a unit in a modern apartment block. Both properties are assumed to be valued at \$600,000 in NSW.

During the Campaign

There are no costs to an Investor to initiate or bid in a Campaign.

Examples of Campaign costs incurred in relation to a Complete Interest Property Sub Fund:

- **Legal review costs are incurred, such as reviewing the sales contract and undertaking a title search.**
- **Pre purchase independent valuation**
- **Building inspection and pest inspections (if applicable)**

If the Investor decides to withdraw from a Campaign at any time, the Investor will still be liable for the share of the costs incurred when the Investor had an Active Bid; but only those costs that had been incurred up until the time the Investor withdraws the Bid.

The costs that are specific to an investment in a Sub-Fund during the Campaign could include, but are not limited to, the following (figures shown are estimates

for the purposes of this example only. Actual costs in a Campaign may differ from those shown):

Campaign Costs

| Item | House | Unit |
|--|--------------|----------------|
| Contract review | \$250 | \$250 |
| Title search | \$470 | \$730 |
| Building inspection | \$300 | \$300 |
| Timber pest inspection | \$200 | not applicable |
| Building Pre-purchase valuation | \$330 | \$330 |

Acquisition Costs

At the exchange of contracts, the costs that are specific to an investment in this Sub-Fund could include, but are not limited to, the following estimates:

| Item | House | Unit |
|---------------------|--------------------|--------------------|
| Legal costs | \$250 | \$250 |
| Buyers agent | \$650 ¹ | \$650 ² |

Settlement Costs

On Settlement, the costs that are specific to an investment in this Sub-Fund include, but are not limited to, the following:

| Item | House | Unit |
|--------------------------|--------------|-------------|
| Legal costs | \$500 | \$500 |
| Property searches | \$75 | \$150 |
| Stamp duty | \$22,490* | \$22,490* |

*Based on New South Wales Government Office of State Revenue online calculator

Provisional Amounts

A Provisional Amount will also be raised from investors, for example, in the event there is no tenant in the Underlying Property at the time of Settlement (or it is not fully tenanted), or to hold an amount in reserve for unexpected costs. Estimates

¹ An additional fee of 0.15% will be paid to the Buyer's agent if the Property is purchased for between 5-10% lower than the Campaign Price.

² An additional fee of 0.15% will be paid to the Buyer's agent if the Property is purchased for between 5-10% lower than the Campaign Price.

of such figures will be set out in the relevant SPDS, including Allocation of Campaign costs and Acquisition costs.

The way in which these costs will be allocated between Investors depends on the success or failure of the Campaign and acquisition stages.

Successful Purchase

In the event that the Sub-Fund is created and Units are issued to Investors, the actual Campaign Costs, Acquisition Costs, Settlement Costs, ongoing running costs and financing costs will be charged to the Sub-Fund as and when incurred.

Sub-Fund not created

In the event that the Sub-Fund fails to proceed, either because insufficient commitments were received from Investors, DomaCom cancels the process due to issues identified as a result of due diligence investigations, or DomaCom fails to secure the purchase of the Underlying Asset, all costs incurred will generally be shared by those Investors with an Active Bid.

The allocation of these costs to each Campaign participant is calculated by reference to when they entered and/or exited the Campaign process and the costs that had been incurred at those times.

For example, if an Investor enters and then exits the Campaign before any costs are incurred), the Investor will not be required to meet any costs whatsoever.

The share of an investor's costs is calculated based on the size of their Bid relative to the total number of bids received up to the point at which they withdrew.

GST

All fees stated in this PDS are inclusive of GST, less any reduced input tax credits to which the DomaCom Fund is entitled.

Differential fees

Subject to the Corporations Act (including as amended by any relief granted by ASIC on which the Trustee chooses to rely) and the Constitution, the Trustee and DomaCom may negotiate lower or different fees in certain circumstances with Wholesale Clients.

16 Taxation

16.1 Taxation of Managed Investment Schemes (MIS) Generally

The DomaCom Fund is a registered Managed Investment Scheme, and an investment in the DomaCom Fund and each Sub-Fund is likely to have tax consequences for an Investor each year, even if the Investor does not change their investment.

The following is a general overview of some of the relevant taxation implications for Investors who are Australian residents for tax purposes and who hold their investment in the DomaCom Fund and a Sub-Fund on capital account. It does not consider the outcomes where a Vendor is also an Investor in a Sub-Fund that has entered into a contract for the sale of land with the Vendor.

The tax information in this PDS is based on the relevant taxation laws at the date of this PDS, which are subject to continual change. The tax consequences of investing in Managed Investment Schemes are particular to each Investor's circumstances, and the Trustee of the DomaCom Fund, the Trustee of each Sub-Fund and DomaCom strongly recommend that Investors seek professional tax advice prior to investing in the DomaCom Fund and each Sub-Fund.

16.2 Taxation of the DomaCom Fund

(a) The Net Income of the DomaCom Fund

The below comments are in respect of the tax implications for the DomaCom Fund. Subject to the comments below about the public trading trust rules, the Trustee will generally not pay tax in its own capacity or on behalf of Investors. The DomaCom Fund is a flow-through vehicle and Investors are generally liable to pay tax on the income of the DomaCom Fund, including capital gains that are attributed to them in respect of the DomaCom Fund.

(b) The Managed Investment Trust (MIT) Regime

The Trustee has determined that the DomaCom Fund is an eligible Managed Investment Trust (**MIT**) and has made an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of a 'covered asset' (referred to as a 'capital election').

The capital election applies the CGT rules as the primary taxing provisions for gains and losses from a 'covered asset'. A 'covered asset' is limited to shares, units, land or interests in land, or rights to any of these assets (but specifically excludes 'financial arrangements' that are subject to the TOFA regime).

Should the DomaCom Fund realise a gain or loss from the disposal of a covered asset, the CGT rules may apply.

(c) Attribution of income of the DomaCom Fund

The Trustee has made a choice for the DomaCom Fund to be an Attribution MIT. As a result, the taxable income of the DomaCom Fund will be attributed to Investors on a fair and reasonable basis having regard to the Investors' rights under the constituent documents (the 'attribution regime'). Under the attribution regime, you may be entitled to tax offsets, which reduce the tax payable, and concessional rates of tax may apply for items such as capital gains.

The attribution regime also legislates how the Trustee deals with under or over-distributions from the previous income year or years.

(d) Public Trading Trust Rules

A unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities. Eligible investment business activities include passive activities, such as investing in land primarily for the purpose of deriving rent and investing in certain financial instruments that arise under financial arrangements.

The Trustee considers that the DomaCom Fund's activities are and will be limited to eligible investment business activities so that the public trading trust provisions do not apply to the DomaCom Fund. The Trustee is currently of the view that the DomaCom Fund is unlikely to be a public trading trust and will continue to monitor the application of this test.

16.3 Taxation of the Sub-Fund Trusts

(a) The Net Income of the Sub-Fund Trusts

The below comments are in respect of the tax implications for each Sub-Fund (excluding the Cash Pools) which are each considered to be a separate trust from the DomaCom Fund for income tax purposes (individually referred to as a 'Sub-Fund Trust'). Subject to the comments below about the public trading trust rules, the Trustee of the relevant Sub-Fund Trust will generally not pay tax in its own capacity or on behalf of Investors. Each Sub-Fund Trust is a flow-through vehicle and Investors are generally liable to pay tax on their share of the net income of a Sub-Fund Trust, which may include capital gains on the realisation of the Underlying Property.

It is the Trustee's intention to make all Investors in each Sub-Fund Trust presently entitled to all of the income of the relevant Sub-Fund Trust in respect of each income year.

In respect of the Sub-Fund Trust which is an Equity Mortgage Sub-Fund, the Trustee of the relevant Sub-Fund Trust is seeking a binding ruling from the Australian Taxation Office to confirm the taxation treatment for the Sub-Fund Trust. Once the outcomes of this process are known, the Trustee of the relevant Sub-Fund Trust will notify the relevant Investors if any of the key tax considerations disclosed in this PDS have changed.

(b) The Managed Investment Trust (MIT) Regime

The Trustee of each Sub-Fund Trust may determine that the relevant Sub-Fund Trust is an eligible Managed Investment Trust. In such circumstances, the Trustee of the relevant Sub-Fund Trust may make an irrevocable election to

apply a deemed capital account treatment for gains and losses on disposal of a 'covered asset' (referred to as a 'capital election').

The capital election applies the CGT rules as the primary taxing provisions for gains and losses from a 'covered asset'. A 'covered asset' is limited to shares, units, land or interests in land, or rights to any of these assets (but specifically excludes 'financial arrangements' that are subject to the TOFA regime).

For the relevant Sub-Fund Trusts that are determined to be Managed Investment Trusts, and a capital election has been made, a gain or loss realised from the disposal of a covered asset may apply the CGT rules.

Where a Trustee of a Sub-Fund Trust has determined that a Sub-Fund Trust is a Managed Investment Trust, the Trustee will notify the relevant Investors of the determination, including whether an irrevocable capital election has been made.

(c) Public Trading Trust rules

A unit trust that is a public trust can be taxed as a company where it carries on (or controls another entity that carries on) trading activities other than eligible investment business activities. Eligible investment business activities include passive activities, such as investing in land primarily for the purpose of deriving rent and investing in certain financial instruments that arise under financial arrangements.

The Trustee of each Sub-Fund Trust considers that each respective Sub-Fund Trust's activities should generally be limited to eligible investment business activities so that the public trading trust provisions do not apply to each Sub-Fund Trust. The Trustee of each Sub-Fund Trust is currently of the view that generally the relevant Sub-Fund Trusts are unlikely to be public trading trusts and will continue to monitor the application of this test to each Sub-Fund Trust.

From time to time there may be activities that an individual Sub-Fund Trust carries on which may fall under the public trading trust rules. If this should occur, the Trustee of the relevant Sub-Fund Trust will notify Investors of the relevant Sub-Fund Trust.

16.4 Taxation of Investors

(a) Income of the DomaCom Fund

Investors will subscribe for a particular class of Units in the DomaCom Fund that confer a right to income and capital in respect of the DomaCom Fund. Investors will include in their assessable income their share of the income and capital of the DomaCom Fund that is attributed to them.

(b) Income of the Sub-Fund Trusts

Investors will subscribe for units of a particular Sub-Fund Trust that confer a right to income and capital in respect of a particular Sub-Fund Trust. Investors will include in their assessable income their share of the net income of the relevant Sub-Fund Trust which may include capital gains on the realisation of the Underlying Property.

In respect of the Sub-Fund Trust which is an Equity Mortgage Sub-Fund, the Trustee of the relevant Sub-Fund Trust is seeking a binding ruling from the Australian Taxation Office to confirm the taxation treatment for the relevant Investors. Once the outcomes of this process are known, the Trustee of the relevant Sub-Fund Trust will notify the relevant Investors if any of the key tax considerations disclosed in this PDS have changed.

(c) Disposal of interest in the DomaCom Fund

The cost base of an Investor's Units is generally the amount the Investor pays to acquire the Units plus any incidental costs.

The disposal of Units in the DomaCom Fund will be a CGT event and the excess of the capital proceeds over the cost base will be a capital gain. Alternatively, the excess of the reduced cost base over the capital proceeds will be a capital loss.

An Investor who is an individual, trustee or complying superannuation fund that has held their investment for at least 12 months prior to the disposal may be entitled to apply the CGT discount.

Investors who hold their Units as trading stock or on revenue account should seek their own independent tax advice about the taxation consequences of disposing their Units.

(d) Disposal of interest in Sub-Fund Trust

The cost base of an Investor's Units is generally the amount the Investor pays to acquire the Units plus any incidental costs.

The disposal of Units in the relevant Sub-Fund Trust will be a CGT event and the excess of the capital proceeds over the cost base will be a capital gain. Alternatively, the excess of the reduced cost base over the capital proceeds will be a capital loss.

An Investor who is an individual, trustee or complying superannuation fund that has held their investment for at least 12 months prior to the disposal may be entitled to apply the CGT discount.

Investors who hold their Units as trading stock or on revenue account should seek their own independent tax advice about the taxation consequences of disposing their Units.

In respect of the Sub-Fund Trust which is an Equity Mortgage Sub-Fund, the Trustee of the relevant Sub-Fund Trust is seeking a binding ruling from the Australian Taxation Office to confirm the taxation treatment for the Sub-Fund Trust. Once the outcomes of this process are known, the Trustee of the relevant Sub-Fund Trust will notify the relevant Investors if any of the key tax considerations disclosed in this PDS have changed.

(e) Tax statements

With respect to the DomaCom Fund, each year Investors will receive an AMIT Member Annual Statement (AMMA Statement), which will contain details of the taxable income attributed to the Investor for the year. The AMMA Statement will also detail any net cost base adjustment amount by which the cost base of your interest in the Fund should be increased or decreased.

With respect to the Sub-Fund Trusts, a tax statement will be issued in accordance with section 8.3.

(f) Tax file number (TFN)/Australian business number (ABN)

Providing an Investor's TFN (or an ABN, if applicable) to the Trustee isn't compulsory, but without it or the appropriate exemption information, the Trustee must withhold tax from an Investor's distributions at the highest marginal tax rate (plus Medicare levy) until the TFN or exemption is provided.

16.5 Goods and Services Tax (GST)

GST will not be payable on investments or contributions made to the DomaCom Fund or Sub-Fund Trusts or on distributions received by Investors.

Fees and costs in respect of acquisitions by the DomaCom Fund and the Sub-Fund Trusts will generally be subject to GST. The DomaCom Fund and the Sub-Fund Trusts may not be entitled to claim an input tax credit for the full amount of that GST, however, the DomaCom Fund and the Sub-Fund Trusts may be entitled to reduced input tax credits of 55% – 75% of any GST paid.

16.6 Stamp duty

The issue, transfer or redemption of Units in a Sub-Fund Trust may be subject to duty if, at the time of issue, transfer or redemption:

- the Sub-Fund Trust holds an interest in Underlying Property in Queensland, or
- the Sub-Fund Trust holds an interest in Underlying Property in another State or Territory, and
 - the Sub-Fund Trust is a 'landholder' (within the meaning of that State or Territory's stamp duties legislation); and
 - the market value of the Underlying Property held by the Sub-Fund Trust exceeds the relevant land value threshold in that State or Territory; and
 - the acquisition of Units on its own or when aggregated with other acquisitions by the acquirer, a person associated with the acquirer or any other person in an associated transaction, exceeds the acquisition threshold in that State or Territory.

Where such circumstances apply, duty will be charged at the relevant transfer rates on the proportion of the market value of the Underlying Property held by the Sub-Fund Trust equivalent to the interest acquired in the Sub-Fund Trust. In most jurisdictions, the acquirer of the Units is primarily liable to pay the duty.

However, this duty may not be payable where the Sub-Fund Trust or the DomaCom Fund qualifies as a 'widely held trust' in the State or Territory in which the Underlying Property is located.

As stamp duties laws change from time to time, Investors seek their own independent advice before investing in the DomaCom Fund or Sub-Fund Trust.

The acquisition of the Underlying Property will be subject to duty in the state or territory in which the Underlying Property is located. Duty will be charged at the relevant transfer or conveyance rates (and any foreign purchaser surcharge, if applicable) on the greater of the consideration paid for the

Underlying Property and the Underlying Property's market value. Usually the purchaser of the Underlying Property will be liable for payment of the duty.

17 Additional Information

17.1 Material Contracts

(a) Constitution of the DomaCom Fund

The DomaCom Fund is governed by a constitution dated 13 December 2013 as amended from time to time. Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL 428289 is the Trustee of the DomaCom Fund.

Interests in the DomaCom Fund

The Constitution establishes a Wholesale Cash Pool and Retail Cash Pool which are not unitised (i.e. no Units are issued in the Cash Pools, and Investor merely holds an interest in the Cash Pools). This means that the Trustee holds the money each Investor deposits into a Cash Pool on trust for that Investor, rather than an Investor's interest being determined by the number of Units they hold (which is the case for a Sub-Fund).

Unit Holders' rights and obligations

The Constitution also empowers the Trustee to issue classes of Units. The interest of Unit Holders in the DomaCom Fund (other than the Cash Pools) is divided into Units. Each Unit confers on the Unit Holder an interest in a Sub-Fund as an entirety and does not confer an interest in a particular part of the DomaCom Fund or the DomaCom Fund's assets.

The Trustee must only issue classes of Units (i.e. Units in a Sub-Fund) in the following circumstances:

- the assets for a Sub-Fund comprise an Underlying Asset and all proceeds and income received by the Trustee in respect of, or relating to, that Underlying Asset;
- the liabilities of a Sub-Fund are attributed to a Sub-Fund such that they can only be met from the assets of a Sub-Fund;

- assets of a Sub-Fund are not encumbered in relation to liabilities of another Sub-Fund; and
- the Trustee is not entitled to be indemnified out of the assets of a Sub-Fund in relation to liabilities of another Sub-Fund.

Issue of Units

The Trustee may accept or refuse, in whole or in part, any application for Units without being bound to give any reason.

Issue price of Units

The Constitution contains provisions for calculating the issue price of Units. Generally, the initial issue of Units in a Sub-Fund will be at an issue price of \$1.00 per Unit. Each subsequent issue of Units in a class will generally be at the Net Asset Value per Unit less any transaction charge.

Income

The Trustee must, in each financial year, determine the Net Income of each Sub-Fund.

The Trustee may, each distribution period, distribute as an interim Distribution the Net Income of each Sub-Fund for that period plus any other amount (including capital) that the Trustee determines is to be distributed. In the last distribution period of the financial year, the Trustee must distribute the Net Income of each Sub-Fund for the financial year less any interim Distributions previously distributed during the financial year.

Unit Holders on the last day of each financial year have a present entitlement to the distributable amount for that distribution period proportionate to their Unit holdings.

The Trustee must pay to each Unit Holder its Distribution entitlement on or before the distribution date for each financial year (defined to mean the day 30 days after the end of the final distribution period for the financial year).

Redemption and Transfer

The Constitution provides that the Trustee must redeem Units of a Sub-Fund when the Underlying Asset of that Sub-Fund is sold or realised, within 10 Business Days of the Trustee receiving the proceeds from the sale of the Underlying Asset.

Units may be transferred by instrument in writing in accordance with the Constitution (and subject to the Corporations Act). A Cash Holder's interest in the Cash Pool is not transferrable.

Liability of Unit Holders

Each Unit Holder's liability under the Constitution is limited to the amount (if any) that remains unpaid in relation to the Unit Holder's Units.

Trustee's powers and duties

The Trustee holds the DomaCom Fund's assets on trust and may manage the assets as if it were the absolute owner of them.

The Trustee may appoint delegates, attorneys, or agents (including custodians) to perform any act, carry out any obligation or exercise any of its powers, as well as advisers to assist it with its duties and functions.

Valuation of Assets

The Trustee may cause the valuation of any asset of the DomaCom Fund and must do so if and when required by ASIC or the Corporations Act.

The Trustee may at any time cause the valuation of the Net Asset Value of a Sub-Fund at any time, and must do so if and when required by ASIC or the Corporations Act, on each date which Units are issued, and on each date that Units are redeemed by the Trustee.

The value of an Asset will be its market value unless the Trustee decides otherwise.

Indemnities

The Trustee has a right to be fully indemnified out of the assets of the DomaCom Fund in respect of all expenses, liabilities, costs and other matters incurred by it in connection with the DomaCom Fund and against all actions, proceedings, costs, claims and demands brought against it in its capacity as Trustee of the DomaCom Fund, except in the case of its own fraud, negligence or wilful default or in respect of overhead expenses of the Trustee.

Remuneration and recovery of expenses

The Trustee is entitled to a Management Fee of up to 0.4% per annum of the Gross Asset Value of the Cash Pool and up to 1.0% of the Gross Asset Value of the Units in each Sub-Fund. However, the Trustee may not charge the full amount of fees it is able to under the Constitution. See section 15 for further details.

In addition to the above fees and any other right of indemnity under the Constitution or the law, the Trustee is indemnified and entitled to be reimbursed out of the assets of the DomaCom Fund for all expenses properly incurred in connection with the DomaCom Fund or in performing its obligations under the Constitution (subject to any statement to the contrary in this PDS).

Duration of the DomaCom Fund and termination

The Constitution provides that the DomaCom Fund will terminate on the expiration of 80 years less one day following the commencement of the DomaCom Fund, unless terminated earlier under the Constitution or by law.

On termination, the assets of the DomaCom Fund will be realised by the Trustee and the net proceeds from realisation will be distributed among the Unit Holders pro rata in proportion to the number of Units they hold. The Trustee will be entitled to retain from the proceeds of the realisation of assets, expenses incurred or likely to be incurred in connection with the winding up of the DomaCom Fund.

For information in respect of the term and termination of Sub-Funds see sections 5.1 and 5.2 above as well as the relevant SPDS.

(b) Management Agreement

DomaCom Australia Limited has been appointed to promote, administer, invest and manage the assets of the DomaCom Fund and to perform various services pursuant to the Management Agreement (**MA**).

Manager's Duties

In providing the services, the Manager must:

- act in accordance with the Management Agreement and the investment strategy of the DomaCom Fund;
- act honestly, efficiently, fairly and in the best interest of Investors;
- establish and maintain a business continuity plan;
- comply with the Trustee's complaints handling procedure; and
- exercise all functions and duties in good faith and with the degree of care, diligence and skill that a reasonable person would exercise in the Manager's position.

Matters requiring consent

The Manager must not do a number of things without the consent of the Trustee, including:

- delegate the Manager's duties, responsibilities, functions or powers;
- enter into related party transactions involving the acquisition, transfer or disposal of any part of the Portfolio;
- borrowing against, pledging, charging or encumbering of any asset of the Portfolio; and
- authorise any payment of fees out of the portfolio other than as set out in the Management Agreement.

Indemnities

The Manager is indemnified against all liabilities, costs or expenses incurred by it acting properly in the course of the Manager's appointment, except to the extent that the liabilities, costs or expenses are caused by:

- any negligence, fraud, default or dishonesty of the Manager or any of its officers, employees or agents;
- the Manager's breach of the Management Agreement or failure to meet the standard of care required in the Management Agreement; or
- any act or omission of the Manager or any of its officers, employees or agents that causes the Trustee to be liable to Unit Holders for which the Trustee has no right of indemnity from the DomaCom Fund.

The Trustee is indemnified against all liabilities reasonably incurred by the Trustee and the DomaCom Fund arising out of:

- any negligence, fraud, default or dishonesty of the Manager or any of its officers, employees or agents;
- the Manager's breach of the Management Agreement or failure to meet the standard of care required in the Management Agreement; or
- any act or omission of the Manager or any of its officers, employees or agents that causes the Trustee to be liable to Unit Holders for which the Trustee has no right of indemnity from the DomaCom Fund.

If expenses are incurred by the Trustee and remain payable and unpaid in relation to a Sub-Fund, after selling the Underlying Property or other asset in the Sub-Fund, then DomaCom will pay to the Trustee such amounts required to satisfy the payment of unpaid expenses.

Remuneration

The Manager is entitled to fees under the Management Agreement, being up to 0.22% (Cash Pool) and between 0.44% and 0.88% (depending on the Sub-Fund) per annum multiplied by the daily value of the total Portfolio referable to the DomaCom Fund, payable within 30 days of the end of each calendar month.

Termination

The Trustee may terminate the Management Agreement at any time if:

- a receiver, receiver and manager, administrative receiver or similar person is appointed with respect to the assets and undertakings of the Manager;
- the Manager goes into liquidation, is placed under official management or administration, ceases to carry on a business in relation to its activities as an Manager or breaches or fails to perform any duty, obligation, representation, warranty or undertaking required by the Management Agreement;
- the Trustee is required to do so at any time or considers it reasonably necessary to do so to comply with its legal duties and obligations;
- the DomaCom Fund terminates; or
- the Trustee ceases to be Trustee of the DomaCom Fund.

(c) Custody Agreement

The Custodian has been appointed as custodian of the DomaCom Fund under the Custody Agreement.

The Custodian's role is to hold the DomaCom Fund's assets on behalf of the Trustee. The Custodian only acts as instructed to do so by the Trustee.

Terms

The Custody Agreement is generally in the Custodian's standard form and includes terms incorporating specific ASIC policy relating to custodians.

Limitations on the Custodian's liability are included in the Custody Agreement. The Trustee indemnifies the Custodian for liabilities, expenses and other costs incurred in proper performance of its duties and obligations under the Custody Agreement.

Sub-custodians and agents

The Custodian may appoint and use the services of a sub-custodian or agent to exercise any of its powers following consultation with, and the written consent of, the Trustee. Any fees or expenses of a sub-custodian or agent of the Custodian must be paid by the Custodian, except if such appointment is at the direction of the Trustee including if a Property Manager is appointed as the Custodian's agent at the Trustee's direction. The Custodian is not liable for such Property Manager's fees or expenses as the Property Manager is entitled to a Property Management Fee to be paid out of the Property Sub-Fund (and the Property Manager's expenses in respect of managing the Property Sub-Fund will be paid from the assets of the Property Sub-Fund).

(d) Compliance Plan

The Trustee has adopted a Compliance Plan which meets the requirements of the Corporations Act for the DomaCom Fund.

17.2 Valuation Policy Property

The DomaCom Fund Valuation Policy describes the various processes and procedures involved to ensure that the DomaCom Fund assets are valued in an appropriate and timely manner. This policy is complied with in relation to the Valuation of the DomaCom Fund's assets. The information below is a summary and more detailed information can be found on the DomaCom Website at www.domacom.com.au. Alternatively, contact DomaCom to be sent a printed copy free of charge.

Property Sub Funds

In relation to Property assets, the policy reflects the Australian Property Institute's definition of market value:

“Market Value is the estimated amount for which an asset should exchange on the date of the valuation between a willing buyer and a willing seller in an arm’s length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.”

In respect to the Property Sub-Funds, the Trustee has adopted the benchmark requirements in relation to valuation recommended by ASIC in its Regulatory Guide 46. DomaCom, as the Manager, appoints suitably qualified valuers required to undertake independent valuations in accordance with the valuation timetable. The valuers must:

- be suitably qualified to carry out a valuation and possess at least 5 years’ appropriate experience;
- be authorised under the law of the State or Territory where the valuation takes place to practice as a valuer (if applicable);
- be a member of the Australian Property Institute and is categorised as a Certified Practising Valuer by that institute;
- possess professional indemnity insurance cover of at least \$5 million from a reputable and creditworthy insurer;
- be independent of the Trustee and DomaCom, and have no pecuniary interest or other conflict of interest that could reasonably be regarded as being capable of affecting that person’s ability to give an unbiased opinion of the market value or that could conflict with a valuation of the interest property;
- not be a company acting for a vendor (i.e. as agent or adviser on the sale of the property interest to the DomaCom Fund); and
- value a property interest for the DomaCom Fund on three consecutive occasions (Valuer’s Cycle) in order to ensure diversity and rotation.

For each property in the Property Sub-Funds (both Complete Interest and Partial Interest), an independent valuation to be obtained:

(i) before the Property is purchased:

(A) for a development Property, on an ‘as is’ and ‘as if complete’ basis; and

(B) for all other Property, on an ‘as is’ basis; and

- (ii) within two months after DomaCom forms a view that there is a likelihood that there has been a material change in the value of the Property.

DomaCom's real property policy and procedures can be found on our website or by clicking the following link <https://domacom.com.au/wp-content/uploads/2019/04/Real-Propert-policy-and-procedures-Aug-2018-summary.pdf>

17.3 Privacy

Privacy laws apply to the handling of your personal information. The Trustee (and DomaCom) will collect personal information from Investors for the purposes of processing applications and administering investments. DomaCom will not be able to process an application or administer an Investor's investment if an Investor does not provide us with relevant personal information.

Subject to the Privacy Act 1988 (Cth), on request, we will give an Investor access to the personal information held about them. We must give others access to information about an Investor entered on the DomaCom Fund's register as required under the Privacy Act or other relevant laws.

We may also give Investors' personal information to service providers of the DomaCom Fund, including DomaCom, the Custodian, the DomaCom Fund accountant and their related bodies corporate or government agencies, which may require transferring Investors' personal information to entities located outside Australia where it may not receive the level of protection afforded under Australian law. We, and the service providers, may use Investors' personal information to notify Investors about other products. If you do not want your personal information to be used in this way, please contact us.

The Trustee's privacy policy is located on its website: www.msc.group/privacy-policy/. DomaCom's privacy policy is publicly available at www.domacom.com.au. Investors can obtain a copy of either policy free of charge by contacting the Trustee or DomaCom. The Privacy Policies contain information about how you can access your personal information held by the Trustee or DomaCom or complain about a breach of the Privacy Act and how we will deal with such a complaint.

17.4 Anti-Money Laundering / Counter Terrorism Financing

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML Act) regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing.

Under the AML Act, we are required to:

- verify an Investor's identity before providing services to Investors; and
- where Investors supply documentation relating to an Investor's identity, keep a record of this documentation for seven years after the end of an Investor's relationship with DomaCom.

To ensure we comply with our obligations under the law, we have implemented a number of measures and controls to verify an Investor's identity and to monitor an Investor's transactions. As a result:

- transactions may be delayed or refused where we require further information regarding an Investor's identity or we have reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country;
- where transactions are delayed or refused, we are not liable for any loss Investors suffer (including consequential loss) as a result of our compliance with the AML Act.

We have certain reporting obligations under the AML Act and are prevented from informing Investors that any such reporting has taken place. Where required by law, we may disclose an Investor's information to regulatory or law enforcement agencies, including, but not limited to, the Australian Transaction Reports and Analysis Centre (AUSTRAC), which is responsible for regulating the AML Act.

We are not liable for any loss Investors may suffer as a result of our compliance with this legislation.

Customer identification requirements are collected in the application form included with this PDS. We may also require additional information from Investors to assess their application after we have accepted it.

17.5 Conflicts of Interest and related party transactions

Vendors

A Vendor is prohibited from bidding in respect of an Underlying Asset which is associated with the Vendor. DomaCom uses sophisticated technology to monitor Vendor activity, including address matching. DomaCom will require all Investors to make a declaration each time they attempt to first access a Campaign that they are not in any way associated with the Underlying Property.

Conflict between Sub-Funds

Each Sub-Fund is part of the DomaCom Fund and will have the same Custodian and Trustee. In certain circumstances, the interests of Sub-Funds

may not all be aligned, for example if a Property Sub-Fund borrows money from a Loan Sub Fund. To mitigate this risk, the Trustee has a Conflicts Policy which stipulates how it must deal with such conflicts to ensure that it acts in the best interest of each Sub-Fund.

DomaCom conflict of interest policy

To comply with the conflicts management obligation, DomaCom has a responsibility to:

- control, disclose and (as needed) avoid conflicts of interest; and
- have measures, processes and procedures to:
 - o identify conflicts of interest;
 - o assess and evaluate those conflicts;
 - o appropriately respond to those conflicts; and
 - o ensure that, regardless of any conflicts, the quality of the financial services they provide is not significantly compromised.

https://domacom.com.au/wp-content/uploads/2019/02/CP1_-Conflicts-Management_Feb-2019-website.pdf

The Trustee's related party transaction policy

The Trustee maintains a Compliance Plan for the DomaCom Fund that ensures that financial benefits will only be provided to related parties in the circumstances permitted by the Corporations Act. The Related Party Register is maintained and updated by the Trustee's Compliance Officer and reported to the Compliance Committee as necessary. DomaCom is required to report any conflicts of interest relevant to the DomaCom Fund to the Trustee on a quarterly basis and any related party transactions are disclosed. The Trustee also has a Conflicts Management Policy and maintains an External Role Register and Conflicts of Interest Register. The Trustee's Compliance Officer oversees the monitoring and enforcement of compliance with its Conflicts Management Policy and reports to the board. The Trustee currently complies with its Conflicts Management Policy and the Compliance Plan for the DomaCom Fund. Further information on the Trustee's policy and procedures for related party transactions can be obtained by contacting the Trustee.

17.6 Investments and social security

An Investor's investment in the DomaCom Fund may affect an Investor's social security or pension entitlements. As the calculations are complex, the Trustee and DomaCom strongly recommend that Investors seek advice from their financial or tax adviser, or use the Centrelink Financial Information or the Veterans' Affairs Financial Information services.

17.7 Labour Standards and environmental, social or ethical considerations

Labour standards, social, environmental and/or ethical considerations will not be taken into account by the DomaCom Fund when choosing or realising investments. Entities, including third party suppliers, have not been screened on this basis.

17.8 Cooling Off Periods

Should Investors decide that their initial investment in the Cash Pool is not suitable for them, Investors can submit a written request to DomaCom or us to cancel it within the fourteen (14) day Cooling Off Period. This period commences from the earlier of the time the transaction is confirmed by DomaCom, or the fifth Business Day on which the Investor's interest in the DomaCom Fund was issued. Investors will not be charged any withdrawal or cancellation fees. Cooling off rights are not available to Investors that are either a Wholesale Client within the meaning of the Corporations Act or Investors who have invested via an IDPS, in which case Investors ought to check their rights with the IDPS Operator.

Cooling off rights will not apply to investments in a Sub-Fund.

17.9 Dispute Resolution

The Trustee will refer all disputes to DomaCom for consideration and resolution. DomaCom has an internal dispute resolution process detailed below under the sub heading Enquiries and Complaints.

17.10 Enquiries and Complaints

If Investors have an inquiry or complaint, Investors can either contact DomaCom by telephone on 1300 365 930 during business hours or write to:

Client Service Manager
DomaCom Australia Limited,
GPO Box 1866, Melbourne Victoria 3001

The Manager will acknowledge any complaint in writing within 24 hours and make every effort to resolve an Investor's issue within a maximum of twenty-one (21) days of being notified.

If a complaint remains unresolved after twenty-one (21) days, Investors who are Retail Clients may refer it to the Australian Financial Complaints Authority (AFCA) of which the Trustee and DomaCom are members. AFCA is an external dispute resolution scheme that provides free assistance to consumers to help resolve complaints relating to financial service providers. Wholesale Clients are not able to refer complaints to AFCA.

Contact details for AFCA are as follows:

Address: Australian Financial Complaints Authority
GPO Box 3 Melbourne
VIC 3001
Phone: 1800 931 678
Website: www.afca.org.au

17.11 Consents

Perpetual Corporate Trust Limited has given and not withdrawn its consent to be named as custodian in the form and context in which it is named in this PDS. It has not authorised or caused the issue of this PDS other than the reference to its name and information contained in sections 2, 14.1, 14.3, 17.11, 18 and 19 in relation to its role as Custodian of the DomaCom Fund.

DomaCom Australia Limited has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. DomaCom Australia Limited authorised and was involved in the issue of this PDS in its role as Manager and administrator of the Fund.

DomaCom Administration Pty. Ltd. has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. DomaCom Administration Ltd has not authorised or caused the issue of this PDS other than where it is named in the PDS in relation to its role as a service provider to the DomaCom Fund.

ANZ has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. It has not authorised or caused the issue of this PDS other than the reference to its name and the information contained in sections 1, 3.1, 3.2, 3.4, 6.2, 14.3, 17.11 and section 18 in relation to its role as a service provider to the DomaCom Fund.

Grant Thornton Audit Pty Ltd has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Grant Thornton Audit Pty Ltd authorised and was involved in the issue of this PDS.

Moore Stephens Audit (Vic) has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Moore Stephens Audit (Vic) authorised and was involved in the issue of this PDS.

18 Glossary

| Term | Meaning |
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| Acquisition Costs | The purchase costs plus the Settlement Costs in respect of the acquisition of an Underlying Asset (if applicable) as described in the section titled " Fees and Other Costs " and set out in the relevant Supplementary PDS. |
| Active Bid | The amount an Investor applies to invest as part of the Campaign process. |
| Administrator of the Fund | DomaCom Australia Limited ACN 153 951 770 AFSL 444365 |
| ANZ | Australia and New Zealand Banking Group Limited Bank ACN 005 357 522. |
| ANZ Official Cash Rate | An interest rate determined independently by Australia and New Zealand Banking Group Limited (ANZ) but directly indexed to the Reserve Bank of Australia Cash Rate Target. |
| Application Form | The application form relating to this PDS. |
| ASIC | The Australian Securities and Investments Commission |
| Available Funds | Money deposited by Investors in the Cash Pool that are not Quarantined Funds. |
| Bid | The amount nominated by an Investor from their Cash Account to invest in the Sub-Fund that will seek to acquire the Underlying Asset. |
| Business Day | A day that banks are open for business in Melbourne other than Saturday or Sunday. |
| Campaign | The process of securing investor interest and commitment to purchase or finance an asset. |
| Campaign costs | Pre-settlement due diligence costs generally associated with reviewing the Underlying Asset. |
| Campaign Price | The purchase price of the Underlying Asset. |
| Cash Account | The account held by a Cash Holder in the Cash Pool. |
| Cash Holder | The holder of an interest in the Cash Pool. |
| Cash Pool | The Wholesale Cash Pool and the Retail Cash Pool. |
| Complete Interest | Where the Sub-Fund will from the outset own 100% of the Underlying Asset. |
| Constitution | The Constitution of the DomaCom Fund ARSN 167 020 626 dated 27 November 2013 as amended from time to time. |
| Contract of Sale | The contract of sale entered into by the Custodian on behalf of the Trustee to acquire an Underlying Property. |
| Cooling Off Period | A period of 14 days from the earlier of the time the transaction is confirmed by DomaCom, or the fifth Business Day on which the Investor's interest in the DomaCom Fund was issued. |
| Corporations Act | The Corporations Act 2001 (Cth). |
| Custodian | Perpetual Corporate Trust Limited ACN 000 341 533 AFSL 392673 . |

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| Deed of Payment | The agreement entered into between the Trustee and the Equity Release Administrator where the Equity Release Administrator is obligated to pay the Trustee an amount of 3.88% p.a. return to the Sub-Fund (based on the value of the Property, reset every 5 years) from when the equity in the Property Owner's Property is exhausted until the Equity Release Deed is terminated. |
| Distributions | Distribution of Net Income paid by the DomaCom Fund. |
| DomaCom Fund | The DomaCom Fund ARSN 167 020 626. |
| DomaCom or Manager | DomaCom Australia Ltd ACN 153 951 770 AFSL No. 444365 is the Manager of scheme involved in the administration and operation of assets held within the scheme and the operator of the DomaCom platform. |
| DomaCom Website | www.domacom.com.au |
| Equity Mortgage Sub-Funds | Equity Mortgage Sub-Funds have two underlying sub-classes – an Income Sub-class and a Growth Sub-class. The Income Sub-Class will provide rental income and return of capital. The Growth Sub-Class will capture the capital growth of the underlying residential property with little to no income. |
| Equity Release Administrator | DomaCom Administration Pty Ltd, administering the Service Fees and longevity reserve |
| Equity Release Deed | The deed under which a Property Owner agrees to sell a portion of their interest in a Property. |
| Fractional Investing | Fractional Investing is a method of raising capital through the collective effort of a large number of individual investors. |
| Fractional Investing Platform | DomaCom's Fractional Investing Platform is a software application that records and administers Investor interests and distributions in both the Cash Pool and each of the DomaCom Fund's individual Sub-Funds. |
| Fund | Refers to the DomaCom Fund |
| Gross Asset Value | Gross Asset Value in accordance with the Constitution means the sum of: <ul style="list-style-type: none"> • The value of all assets of the Fund; and • Any other amounts which, in the opinion of the Trustee, should be included for the purpose of making a fair and reasonable determination of the value of the Fund having regard to ordinary accounting principles |
| Gross Income | All of the income in respect of a Sub-Fund. |
| IDPS | Investor directed portfolio service which provide services for acquiring and holding investments that involve arrangements for custody of assets and consolidated reporting. |
| Independent Adviser | An adviser who has the relevant qualifications to give advice and who is authorised to advise on the DomaCom Fund. |
| Investment Amount | The amount that an Investor would be prepared to invest in an Underlying Asset, which must be at least \$500. |
| Investor | Either a potential investor in the DomaCom Fund or an investor in the DomaCom Fund, as the context requires. |
| Listing Period | The period, during which Units will be offered for Subscription by DomaCom, being up to 90 days, subject to extensions of up to 10 days at the discretion of DomaCom. |
| Loan | A loan held by a Loan Sub-Fund. |

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| Loan Sub Fund | A Loan Sub Fund is a Sub-Fund which has a loan as its Underlying Asset. |
| Managed Investment Scheme | Has the same meaning as in section 9 of the Corporations Act. |
| Management Fees | The fees payable to the Trustee for managing the DomaCom Fund as set out in the section titled " Fees and Other Costs ". |
| Manager | DomaCom Australia Limited ACN 153 951 770, AFSL 444365 |
| Net Asset Value | The net asset value of the DomaCom Fund or a Sub-Fund as the context requires. |
| Net Income | In respect of a Complete Interest Fund - Gross Income of the Sub-Fund less all expenses relating to the Underlying Asset or Sub-Fund. In respect of a Partial Interest Fund- The notional rent from the Service Fees paid by the Property Owner to the DomaCom Fund. |
| Net Sale Proceeds | The gross sale proceeds of the Underlying Asset less any related costs or expenses. |
| Offer | The offer of interest in the DomaCom Fund pursuant to this PDS and any SPDS. |
| Offer Period | The period in which the Supplementary PDS is available to accept Subscriptions. |
| Partial Interest | Where the Sub-Fund acquires a partial interest in the Underlying Asset pursuant to an Equity Release Deed. |
| Pay Out Amount | The cash payment paid to the Property Owner for the purchase of an interest in the Property Owner's property. |
| Portfolio | The portfolio of assets that the Manager is in charge of managing on behalf of the Trustee. |
| Product Disclosure Statement or PDS | This product disclosure statement. |
| Property | A property held by a Property Sub-Fund. |
| Property Manager | A manager appointed by Domacom at the direction of the Trustee to manage an Underlying Property. |
| Property manager Fee | The fee paid to a third-party manager to manage an Underlying Property. |
| Property Owner | The registered proprietors of a Property held by a Partial Interest Sub-Fund. |
| Provisional Amount | An amount that DomaCom may decide should be kept as a reserve in a Sub-Fund to meet the ongoing running costs of the Underlying Asset or Sub-Fund. For a Complete Interest Sub-Fund the Provisional Amount will be sourced from the Sub-Funds income. |
| Purchase Costs | The costs incurred during the negotiation of the purchase of the Underlying Asset including at the contract exchange stage. |
| Quarantined Funds | Funds deposited in the Cash Pool that are not available for withdrawal due to an Investor making a commitment to subscribe for Units. |
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| Representatives | The Directors and employees of Domacom Australia Ltd. |

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| Retail Client | For the purposes of the Cash Pool means any Investor that is a natural person or is a trustee for a self-managed superannuation fund that has less than \$2 million invested in the Cash Pool. For all other purposes, has the same meaning as in the Corporations Act. |
| Service Fees | The service fees payable by the Property Owner by way of transfer of equity in the Property under the Equity Release Deed. |
| Settlement | Settlement of the acquisition of an Underlying Asset. |
| Settlement Costs | The costs associated with Settlement. |
| SIS Act or SISA | The SIS Act makes provisions for the management of Australia's superannuation system. |
| Sole Purpose Test | The object of the sole purpose test is to ensure that regulated superannuation funds (SMSFs) are maintained for the purpose of providing benefits to members upon their retirement or their dependents in the case of the member's death before retirement. |
| Special Opportunity Sub Fund | Special opportunity Sub-Funds (SO Sub-Funds) include a wide range of special projects, startup ventures and unique private ventures. |
| Staggered Settlement | Where the Property Owner elect to receive the Pay Out Amount on a monthly basis (or other nominated period) over a period of time. |
| Sub-Fund | A Sub-Fund established by the Trustee to hold an Underlying Asset and where the context requires means the Trustee in its capacity as Trustee of the Sub-Fund or the Custodian in its capacity as custodian for the DomaCom Fund. |
| Sub-Fund Application Form | An application form in relation to a particular Sub-Fund that relates to a Supplementary PDS. |
| Subscription | The making of an application by an Investor to subscribe for Units. |
| Supplementary PDS or SPDS | A document by which the Trustee may correct, update or add to the information in the PDS. The Trustee will issue a Supplementary PDS for each Sub-Fund. |
| Trustee | Melbourne Securities Corporation Ltd ACN 160 326 545 AFSL No. 428289. In this PDS, "we", "us" and "our" refer to the Trustee. |
| Underlying Asset | An asset held for a Sub-Fund. |
| Underlying Loan | The loan agreement held for a Loan Sub-Fund. |
| Underlying Property | The property held for a Property Sub-Fund. |
| Unit Holder | The holder of Units. |
| Unit Price | The price of a Unit in a Sub-Fund. |
| Units | Units in a Sub-Fund. |
| Valuation Policy | The policy for valuing assets in the DomaCom Fund. |
| Vendor | The owner of a property or of a special opportunity proposed to become an Underlying Asset of a Sub Fund. |
| Vendor Statement | A Vendor's statement in relation the Underlying Asset. |

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| Wholesale Cash Pool | A Cash Pool for Investors that are Wholesale Clients. |
| Wholesale Client | For the purposes of the Cash Pool means any Investor that is not a natural person or is a trustee for a self-managed superannuation fund that has more than \$2 million invested in the Cash Pool. For all other purposes, has the same meaning as in the Corporations Act. |

19 Corporate Directory

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| Manager | DomaCom Australia Ltd: ACN 153 951 770 AFS444365 Level 6, 99 Queen Street Melbourne Victoria 3000 Phone: 1300 365 930 |
| Trustee: | Melbourne Securities Corporation ACN 160 326 545 AFSL No. 428289 Level 2, 395 Collins Street Melbourne Victoria 3000 Phone: +61 3 9050 2000 |
| Custodian: | Perpetual Corporate Trust Limited ACN 000 341 533, AFSL 392673 Level 18, 123 Pitt Street Sydney New South Wales 2000 Phone: +61 2 9229 9000 |
| Equity Release Administrator | DomaCom Administration Pty. Ltd. ACN 629 563499 Level 6, 99 Queen Street Melbourne Victoria 3000 Phone: 1300 365 930 |
| Independent Auditor: | Grant Thornton Audit Pty Ltd ACN 130 913 594 Collins Square, Tower 1 727 Collins Street Melbourne Victoria 3008 Phone: +61 3 8320 2222 |
| Compliance Plan Auditor: | Moore Australia Audit (Vic) ACN 847 721 257 Level 18, 530 Collins Street Melbourne Victoria 3000 Phone: +61 3 9608 0100 |