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DomaCom Limited  
AGM  
Chairman's Address  
16 November 2016



DomaCom  
FRACTIONAL PROPERTY INVESTING

## Chairman's Address



### Opening Remarks

- Welcome to all our new shareholders & thank you for support & confidence
- A big thank you for the effort of staff, directors and shareholders in getting DomaCom into a listed environment
- Within the economic environment, we have been through an uncertain year 2015-16 - worldwide
- The business is and was ready for the IPO – we are getting on with the job
- The share price movement represents some shareholders wanting to liquidate part but most in for long term
- The Board, management and staff committed to delivering on the potential of DomaCom for all shareholders new & old

## Chairman's Address

### Nothing has changed - DomaCom is important and relevant to the future direction of the financial services industry!

- Innovation in the industry is still severely lacking
- Fractional investment brings usually unattainable assets\* to the “mum and dad” market
- Reduces the property “risk” in SMSFs
- Brings property into a legislated environment
- Provides an option for advisers who need property asset allocations
- Ability to horizontally integrate – multiple uses for a platform and product to extend innovation
- Potential to solve one of the defensive asset problems for SMSFs – bonds\*\*
- Potential to solve the “eat your house problem”\*\*\*
- Can be leveraged into other jurisdictions in the future



\* Without substantial borrowings and increased risk let alone no availability

\*\* subject to regulatory approval

# Chairman's Address

## The Financial Environment

- 15 -16 an uncertain year but 16-17 will still be a difficult environment
  - Australian election – small margin, no senate and likely inability to govern without compromise
  - RBA – mining “bust” over – helping the economy
  - US Election – clear result but uncertain future direction
  - Low interest rate environment (negative in some cases)
  - Talk of Australian property bubble – apartments v houses, location v location
    - Unemployment the risk but no signs of worsening
  - Regulatory change continues – professionalism, life insurance, SMSF
  - Banks uncertain advice future – ANZ to divest
- The investor need is growing not diminishing - supply and demand
- Accountants now becoming licensed/authorised in SMSF space



# Chairman's Address

## The IPO

- important for DomaCom's future
  - Bring on different types of shareholders thereby being able to raise necessary capital
  - Most shareholders are in for the longer term and see the potential upside
  - Adds to reputational benefits for “users”
  - Mechanism for raising capital in future for new opportunities
  - Drove additional focus to the business on what's important and what's not
  - Share price
    - Level of capital raised - drives any overhang of sellers
    - Circular equation
    - Moment in time issue
  - Enormous effort from Arthur, Ross and the team



## Chairman's Address

### The Year Ahead

- Delivering on our commitment to shareholders - new and old
- Bringing Bonds and equity release to market -subject to regulatory approval
- Fine tuning the business - focus on the important initiatives, change cost base
- Leverage our new and emerging opportunities due to DomaCom Fund Lonsec Rating\*, SMSF specialists and structural benefits.
- Grow & diversify our funds under management - our key revenue driver



\* See Lonsec Disclaimer on last slide

## Chairman's Address



### Thank you

- Shareholders who have stuck with the Board and Management as we bring forward this market changing business
- New shareholders for having the foresight to invest in a business of the future
- Management & staff for their hard work – building and selling something completely new and different
- Board for their hard work and commitment
- Arthur and Kathy, Ross – for their continual drive and perseverance

**NOTHING  
WORTH HAVING  
COMES EASY**

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DomaCom AGM CEO Presentation  
16 November 2016



DomaCom

FRACTIONAL PROPERTY INVESTING



## FIRSTLY – THE DOMACOM LISTING



- IPO Closed 24<sup>th</sup> October having raised \$7.33 Million
  - We welcome 500 new shareholders
  - We lost our cornerstone investor due to BREXIT
  - Tougher ASX listing environment but we got there
- Listed on ASX at 11am on Monday 7<sup>th</sup> November
- Share Price weak after sell down by some existing shareholders, but
  - The business is well funded – we have a 3 year runway
  - We are reducing our cost base by approximately 20%
  - The outlook for the company is promising
  - The company will focus on the underlying business and the share price will reflect our success

**NOW FOR THE BUSINESS UPDATE...**

# DOMACOM IN A GLOBAL CONTEXT...

Entertainment  
content

+

Personal  
experience

+

Technology  
platform



Rooms /  
Transport

+

Sharing economy

+

Technology  
platform



Human  
labour

+

Flexible  
cost focus

+

Technology  
platform



Real  
Estate

+

Finance Products

+

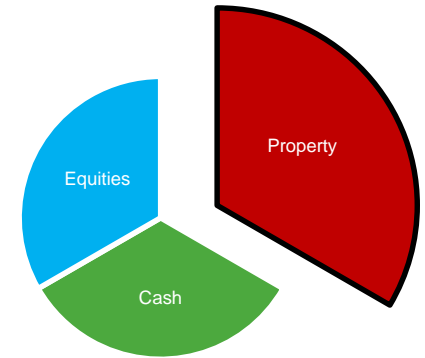
Technology  
platform

Property  
Crowdfunding

# DOMACOM → CROWD INVESTING



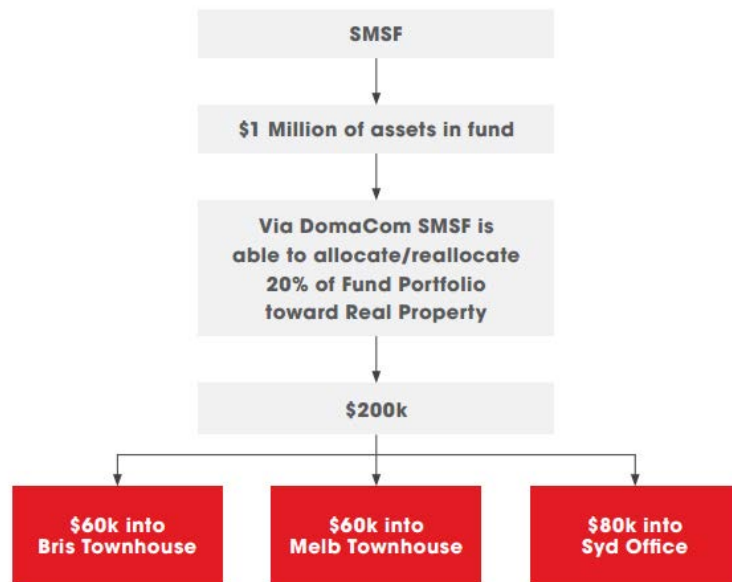
- The DomaCom Fund
  - Segregated Property Trust – a Retail Managed Fund
  - One sub-fund per property
  - Unique ASIC “Reliefs”
- Syndication/Book Build platform included
  - A book build process facilitates syndication
  - Like a real estate listing portal
- Enhanced liquidity
  - DomaCom has “Make A Market” AFSL Authorisations
  - Unit holders vote to renew or wind up sub-funds



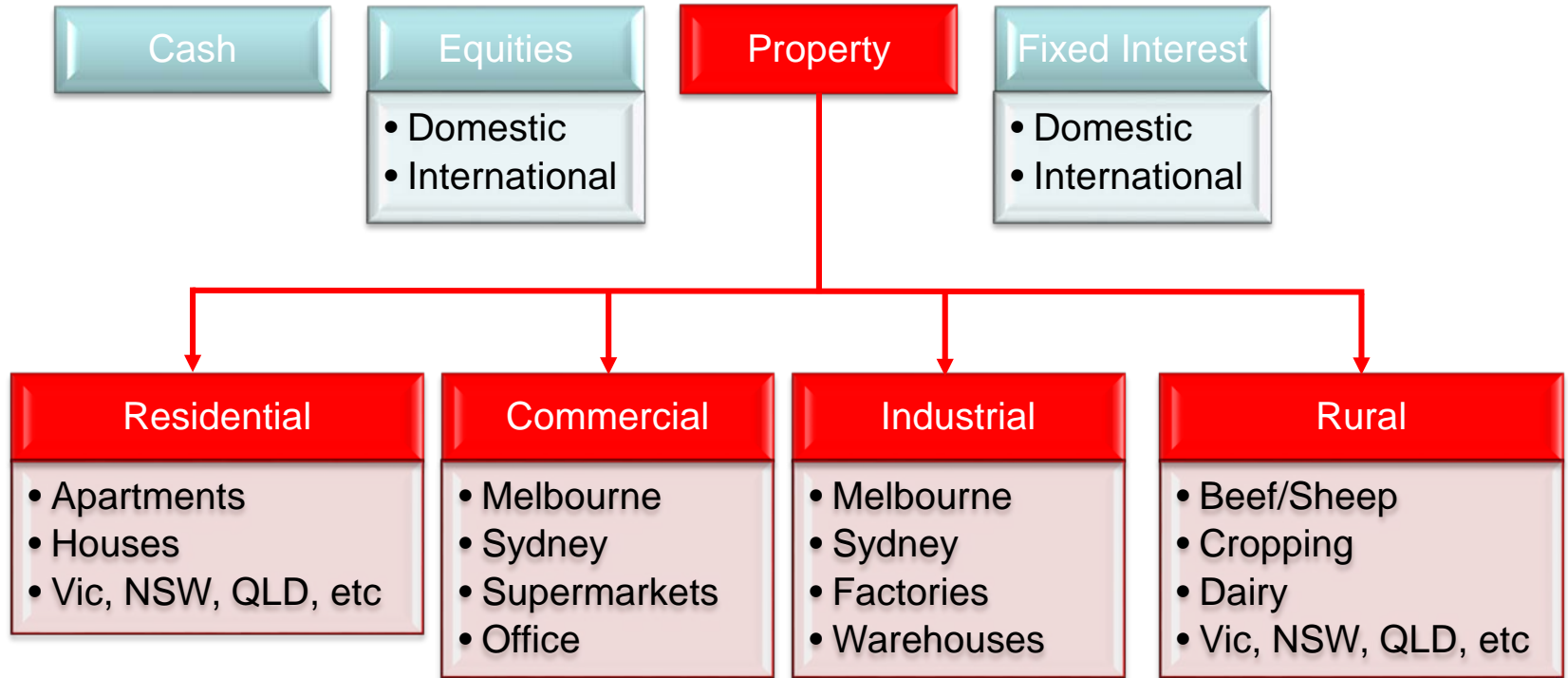
# KEY INVESTOR BENEFITS

## DomaCom fractional property platform

- Investor gets specific property exposure
- With diversification
- Pure property returns
- internal leverage allowed
- No derivatives
- Include property in adviser fee basket
- Perpetual is Trustee(RE) & Custodian  
(Large ASX Listed company)

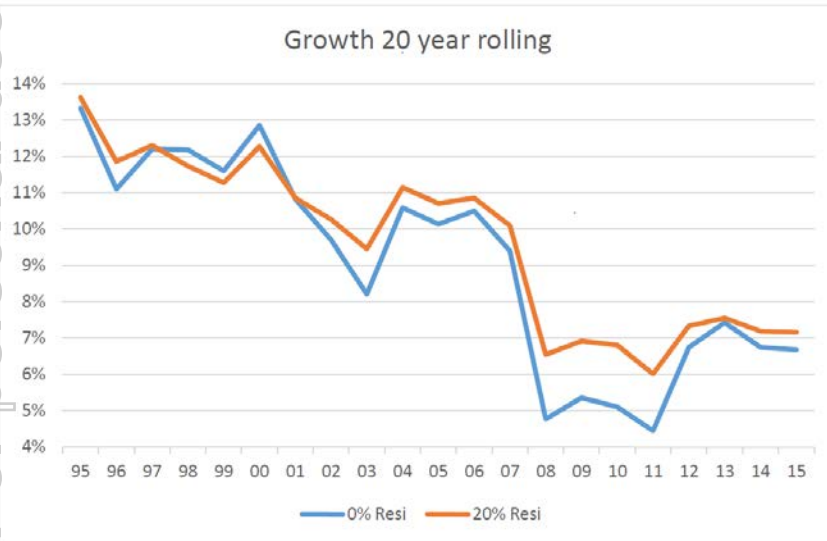


# ASSET ALLOCATION



# RESIDENTIAL PROPERTY ASSET ALLOCATION

Adding Residential Property Allocation Improves Performance by 9.6%\*



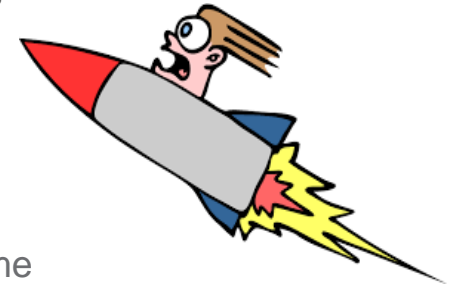
- Based on average allocation of Super Fund managers
- Adding a 20% allocation to Resi in a growth portfolio
  - Results 9.6% Outperformance on rolling 20 year return
  - With less volatility

\* Atchison Consultants Portfolio Return Commentary – Residential Property November 2015

# DOMACOM GAINING TRACTION



- 41 Dealer Group APL approvals –covering approx. 5% of IFA Market
- Direct to consumer book builds – public crowd funding campaigns
  - Kidman, The Block
- 580+ Advisers DomaCom Accreditation completed or in progress
- 32 Properties book builds funded or completed \*
  - Another 49 in progress - additional circa \$40 Million if all succeed
  - \$20 Million FUM \*
  - Growth paused last 3 months of IPO – advisers were awaiting outcome
  - Can now move focus to business



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\* as at 11th November 2016

# DOMACOM DEVELOPMENTS



- DomaCom Fund received Lonsec “Approved” Rating on 7<sup>th</sup> November 2016 \*
  - Lonsec is a major research house – Used by the majority of the IFA market
  - May enable DomaCom to greatly expand our reach
- Equity Release application lodged with ASIC
  - Targeting “Baby Boomers” with Senior Equity Release product
  - Leverages off existing “Fractional Property Investing” platform
  - Allows IFAs to include property in multi-generational wealth planning
  - Targeting Q1 2017 (subject to ASIC approvals)

\* See Lonsec Disclaimer on last slide



# DOMACOM DEVELOPMENTS



- Corporate Bond AFSL modification lodged with ASIC
  - Leverages DomaCom platform to additional asset class → debt
  - Easier for IFAs to use & will assist in initial sale
  - Allows DomaCom Platform to deliver Peer-to-Peer Lending
  - Targeting Q2 2017 (subject to ASIC approval)
- DomaCom to seek Federal Court/AAT Rulings for SMSF Impact
  - Seeking court confirmation that DomaCom Fund is one widely held trust
  - Targeting Superannuation Industry (Supervision) Act 1993 (SIS Act) exemption for widely held trusts
  - May enable SMSFs to invest in property sub-funds regardless who the tenant is

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