DomaCom positions for gearing product suite

Fractional property investment company DomaCom (ASX:DCL) is in the final stages of implementing the required legal infrastructure to create a mechanism by which the Company's sub-funds can hold debt.

The move is a direct response to feedback from investors and will facilitate the creation of a range of exciting new products, enabling DomaCom to create growth outcomes by leveraging residential property. To facilitate this [transition] the Company has selected Melbourne Securities Corporation Limited (**MSC**) as the new Trustee/Responsible Entity for the DomaCom Fund (ARSN 167 020 626).

A meeting of unitholders in the DomaCom Fund will be convened to seek approval for the appointment of MSC. Perpetual, the current RE for the DomaCom Fund, will continue to act as Custodian.

DomaCom CEO, Arthur Naoumidis said: "We believe that this will be a key driver of future growth given the strong preference from advisers and investors to incorporate debt when investing in property, particularly given the tax efficiencies of doing so.

"The vast majority of property investors use leverage to improve the growth returns from their investment and we expect this development will substantially grow the current portfolio of properties from the current 47 which have been purchased with full equity," he said.

The decision to move to MSC, a specialist in Fintech and experienced trustee for property investment and debt funds, will enable the company to have debt within property sub-funds – something which has not been possible for the past 2 years. Additionally, DomaCom will be able to offer investors the ability to invest in sub-funds that will lend the capital to the property sub-funds with the investors receiving 5.06% with the security of a first registered mortgage and a low LVR of less than 50%.

Perpetual Trust Services Limited will retire as RE at a vote of unit holders to be held towards the end of October 2017.

DomaCom expect to roll out the lending option by the end of calendar 2017 for the DomaCom sub-funds.

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About DomaCom

DomaCom Australia Limited ACN 153 951 770 launched Australia's first online platform (registered as a managed investment scheme) to provide a property investment solution for the SMSF market and other long term investors through the fractional acquisition of units in a unique trust structure that enables investors to gain exposure to the property they select. Residential and commercial property Australia wide can be accessed in this fund, sourced from a variety of vendors and developers.

DomaCom intends to extend the technology to provide an equity release solution for senior Australians to access much needed capital, whilst affording the next generation an opportunity for income and capital growth through property. This elegant solution will match the time horizons of retirees with those of SMSF trustees who want a longer term allocation to property of their choice in locations of their choice.

About Melbourne Securities Corporation Limited (MSC)

MSC is a professional trustee firm, partnering with Australian and foreign fund managers, fintech and financial services companies to provide trusteeship, custody, regulatory licensing and compliance oversight.

MSC is an experienced operator of Australian retail and wholesale investment funds and other alternative capital structures. The company is also licensed by the Australian Securities & Investments Commission (**ASIC**) to provide and participate in credit activities.

MSC provides an affordable, commercial, regulatory compliant solution to complement and enhance businesses engaged in capital raising/deployment and other financial services.

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