

ASX/Media Release

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DomaCom Crowdfunds First Mortgage backed loan

In another crowdfunding first, DomaCom Australia announced that the crowdfunding campaign to fund a mortgage backed loan has been successfully completed.

Newcastle based financial advice firm Shartru Wealth Management has used the DomaCom platform to acquire a \$1.6 Million residential property in Melbourne using both debt and equity. A crowdfunding campaign was completed to raise approximately \$682K for the equity component and another campaign was completed to raise the remaining \$948K debt.

In executing both sides of the transaction, Shartru have been able to satisfy the growth needs of their accumulation clients as well as the income needs of their retiree clients with an attractive net return of 5.06% in a low risk environment. The loan is secured by a first mortgage security on residential property with a conservative LVR of around 60%.

Shartru CEO, Rob Coyte, said “It is great to be finally able to deliver a tax effective investment for our growth-oriented clients whilst also being able to deliver an attractive income investment to our retiree clients. An investment option returning 5.06% and secured by first registered mortgage with a low LVR is attractive in today’s environment where retirees are lucky to receive a 2.5% return from term deposits.”

DomaCom CEO, Arthur Naoumidis explained that one of the great benefits of property investment is to be able to use internal gearing to deliver long term tax effective returns. “We are pleased we can now facilitate debt arrangements via the DomaCom platform, offering expanded opportunities for investors”

“Advisers can now fund both the equity and the debt portions of a property investment which enables them to provide the appropriate investment outcomes for both accumulation and retiree clients”

“We are now looking forward to accelerating our FUM with these new debt facilities, particularly in the SMSF space. SMSFs can have a precise asset allocation to real property via DomaCom, including debt, without the need for a Bare Trust, limited borrowing and with all the additional administration and cost involved”.

“With a managed fund like DomaCom and with access to debt, Advisers have an internal solution to help clients access investment property and fixed interest income in line with their portfolio strategy as part of the adviser’s fee for service. This is something DomaCom has been working towards for 3 years”, said Mr Naoumidis.

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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.

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