



DomaCom

FRACTIONAL PROPERTY INVESTING

Quarterly Corporate Update
31 July 2019

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Chief Executive Officer

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Introduction



The leading fractional investment platform



Simple to use, fractional investment platform for SMSFs and Financial Planners with a focus on property

Access to significant debt facility to accelerate portfolio and FUM growth

DomaCom's products are fully compliant and approved by regulatory bodies

Management team with proven success in growing ASX-listed platform services

Fractional Property Investing



Disrupting the established ways of buying property



Traditionally, property has been an **all or nothing proposition**, you either buy the whole property or you buy nothing



Fractional investing **enables investors to buy pieces of a property of your choice** together with other investors

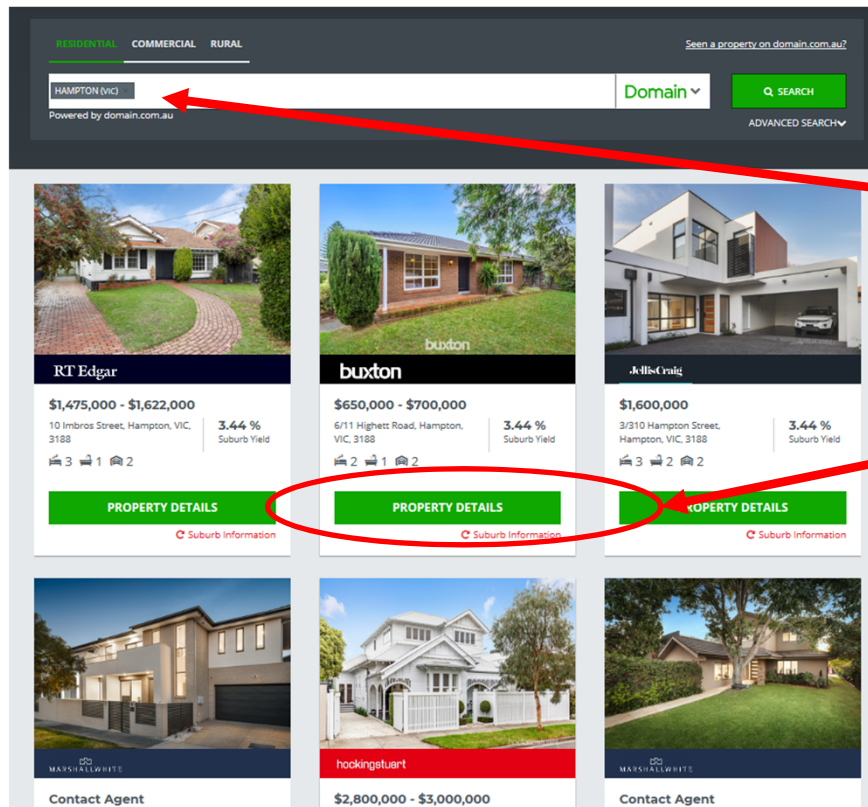


Fractional Investing through DomaCom's platform makes it easy to **create a diverse property portfolio**



Fractional investing **overcomes traditional barriers to entry** in property investing

Easy to use




Select Suburb

Select Property

Direct Residential

[# / Invest / Property / 6/11 Highett Road, Hampton VIC 3188](#) [Take a quick tour](#)



PRICE
Contact Agent


VIC
3188

START A CAMPAIGN

[View full details on Domain](#)

6/11 Highett Road, Hampton VIC 3188

Contact Agent


2 Beds 1 Baths 2 Parking

Take a look to the broad lawns out front, see the space and style inside, take a view on beachside latte living within a stroll of it all! Beach-end within an equally easy walk of Sandringham's shopping village, Hampton's latte strip and the beachfront parks and walking tracks, this impeccably presented two bedroom unit offers easy living with so many lifestyle choices!

Spread wide with outlooks to the group's broad front lawns, there's room to lounge and dine (or fit a study area) in fan-cooled living and space for meals beside the stylish stainless-steel appliance kitchen. Perfectly polished with hardwood floors, timber venetians and built-in robes for both big bedrooms, this classic unit has all the comforts including ducted heating, reverse-cycle air-conditioning and an extra carspace in front of the auto-garage.

Super-secure with garage access directly into the courtyard and value-added with a gate direct to the group's fully-maintained lawned and fenced front yard, there's nothing to do here but enjoy your lifestyle choices or choose to let a lucky tenant make their own! For more information about this well-located unit contact Scott Hamilton or Brydie Hamilton.

To find out more, visit [domain.com.au](https://www.domain.com.au)

SUBURB INFORMATION

HAMPTON - (RESIDENTIAL)


Median Rent (12 mths):
\$477.50

Median Price Change (12 mths):
7.80 %

Median Price Change (3 yrs):
10.11 %

Median Sale Price (12 mths):
\$795,000.00

Average Hold Period:
0.00



Start Campaign

Select LVR

New Campaign

1

DETAILS

Provide some basic information

2

DESCRIPTION

Write a Campaign Description

3

MEDIA

Add images or video

4

KEY INFORMATION

Determine return profile & location

5

PREVIEW

View the summary

PROVIDE SOME BASIC INFORMATION

Step 1 of 5

Campaign Name*

6/11 Highett Road, Hampton VIC 3188

How does it work?

Campaign Type*

Campaign

Est Property Price ?

\$ 700,000

Debt/Loan % ?

60 %

Minimum Pledge* ?

\$ 2,200

Target Amount ?

\$ 302,400

Property Type*

Residential

Allow Sharing (Unlisted) ?

☒

PREVIOUS STEP

SAVE & QUIT

NEXT STEP →


La Trobe Financial
is lender
@ 5.99%

Invest / Campaign / 6/11 Highett Road, Hampton VIC 3188

Take a quick tour

Remove Campaign

Edit Campaign



1

Details

6/11 Highett Road, Hampton VIC 3188

This should be a great investment for the family

TOTAL RAISED
\$0

TARGET AMOUNT
\$302,400

TOTAL UNFUNDED
\$0

TOTAL PLEDGED
\$0

ACCESS
Unlisted





TOTAL PARTICIPANTS
0

MINIMUM PLEDGE
\$2,200


DEBT PERCENTAGE
60%


MAKE A PLEDGE


SHARE THIS CAMPAIGN




Key Information

0-8.5%
Total Return*

0-5%
Indicative Growth*


0-3.5%
Est. Yield*

Hampton, VIC



Track Campaign

Share with
Clients or
Family/friends



FUND
DMC0144AU

UNIT PRICE
\$1.0793

"DOYLES" LOWER COLERAINE ROAD, MUNTHAM VIC 3315, Australia

\$1,002,850.88
NET ASSET VALUATION

28 Feb 2022
NEXT RESOLUTION DATE

PLACE BUY ORDER

PLACE SELL ORDER

Buy and Sell | Details | Financials | Documents

Property Fund Trading

Current Price \$1.0793	Bids/Units No bids	Ask/Units \$1.0730/3,000.0000	Next Resolution Date ? 28 Feb 2022	
Asset Valuation \$1,000,000.00	Cash Assets \$4,723.81	Liabilities \$1,872.93	Net Asset Valuation \$1,002,850.88	Units issued 929,199.7956

Orders

Buy

[+ Buy Order](#)

Bid Date	Value	Est. Units ?	Unit Price
No current bids. Please place a new one			

Sell

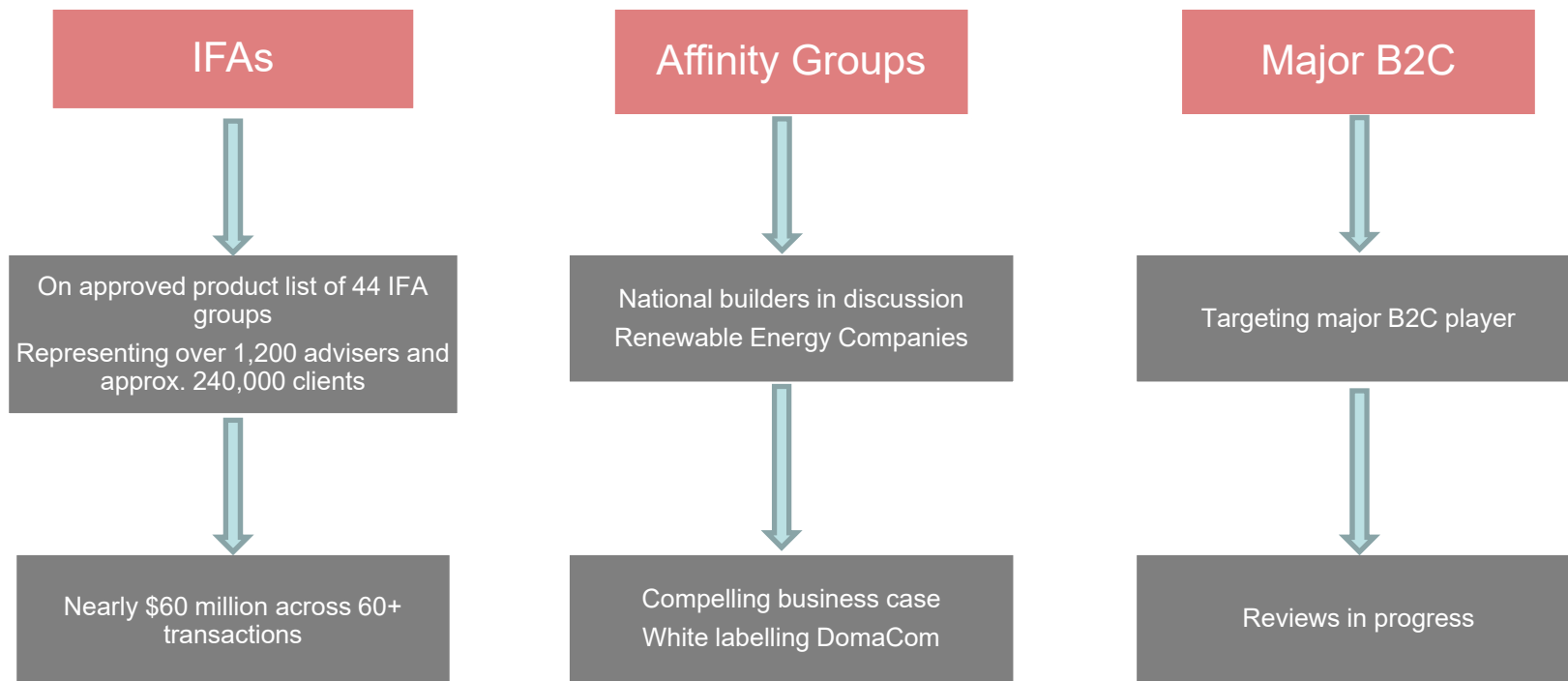
[+ Sell Order](#)

Offer Date	Quantity	Value ?	Unit Price	
27 Mar 2019	2,412.8611	\$2,589.00	1.0730	Cancel Take
11 Apr 2019	4,850.0000	\$5,206.96	1.0736	Cancel
27 Mar 2019	4,656.7943	\$5,000.00	1.0737	Cancel
08 Apr 2019	2,499.3272	\$2,701.02	1.0807	Cancel

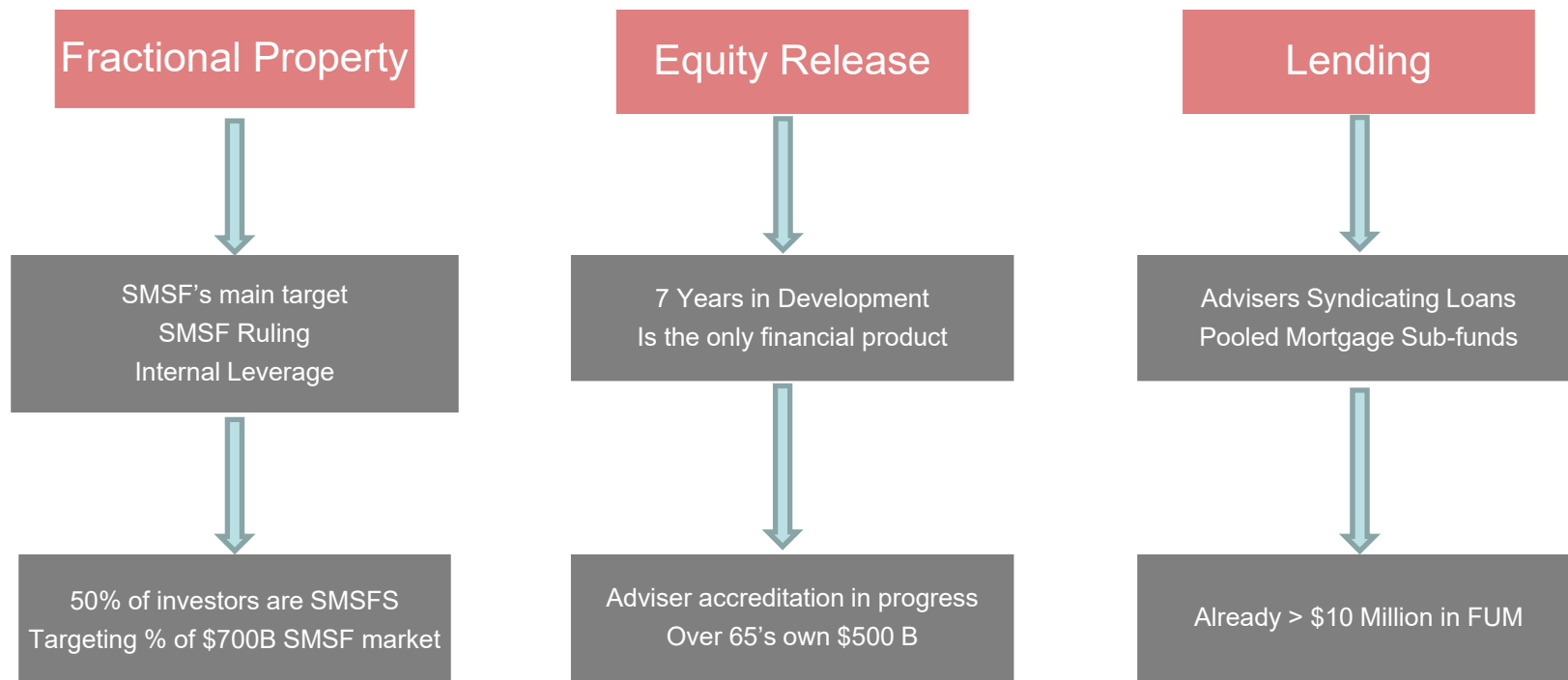
Secondary Market Screen

- Buy or Sell
- At agreed price
- Settles Immediately
- All investors informed

Routes to Market – “Intel Inside”



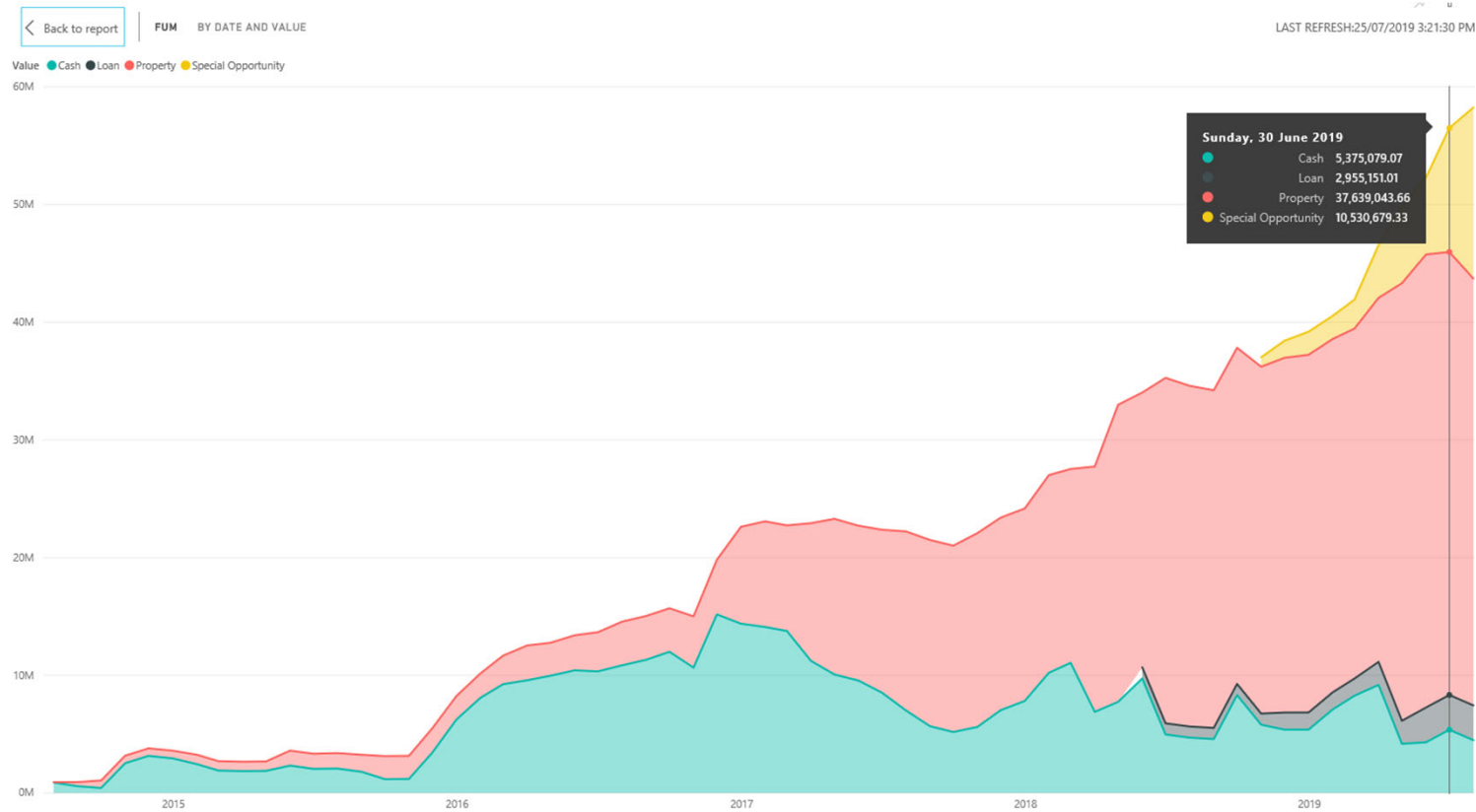
Multiple Products



We are growing



DomaCom
FRACTIONAL INVESTING



Key Milestones



DomaCom wins SMSF Sole Purpose Test Full federal Court action – ATO does not appeal to the High Court – ATO Declaration imminent

DomaCom's Senior Equity Release product launched 7th June

Initial \$50 million low-interest facility secured with La Trobe Financial to fund ~\$100m property and hence grow FUM - first transaction in progress

\$58.5 Million FUM milestone reached – 45% uplift in 6 months

Key Milestones – Sole Purpose Test



- DomaCom spearheaded a legal challenge which clarifies sole purpose test
- DomaCom wins Full Federal Court Appeal on Sole Purpose Test on August 10th 2018 & ATO did not appeal to the High Court
- Game changer – you can use your SMSF to co-invest in a property and you or a relative can rent it!
- DomaCom liaising with ATO regarding SMSF Trustee declaration – declaration is imminent
- DomaCom can commence marketing once ATO declaration provided
- SMSF's & their families can invest up to 50% and have a related party rent subject to declaration
- Large FUM potential once DomaCom can commence marketing



Key Milestones – La Trobe Loan facility



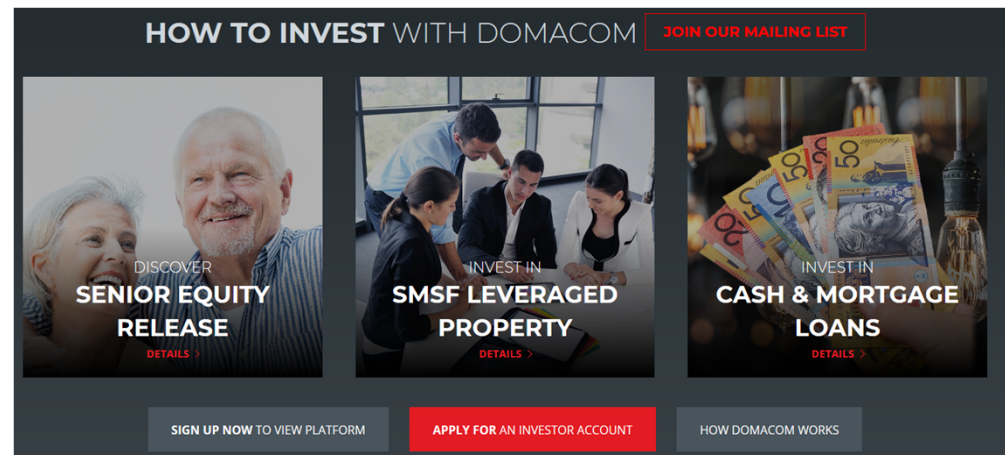
- La Trobe has agreed to provide a residential and commercial loan facility to DomaCom Fund
- Initial size is \$50 Million – will extend
- Commercial Loan terms – 5.99% & Interest Only
- True non-recourse loan in Australia – secured only by the asset
- Solves key problem for DomaCom
 - Advisers need debt to make property investment to comply with best interest test
 - Lack of lending has held DomaCom back for past 5 years
 - All transaction now in progress are now leveraged
- Will accelerate FUM because
 - Reducing the amount of capital needed to be raised
 - Improving the tax efficiency of our sub-funds

Key Milestones – Senior Equity Release



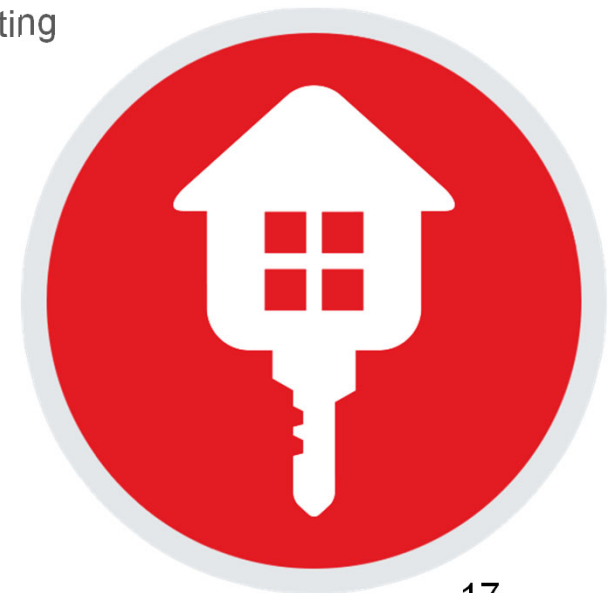
A simple, efficient and regulated financial product for seniors to release a fraction of their property's value to help fund their retirement

- After lengthy consultation with the regulator the product is now live
- SER is a **financial product** for advisers that helps many retirees solve their retirement funding problem
- Ideal product for advisers to affect multi generational wealth planning and property transfer
- Addressable market of ~3.8m Australians who fall in the 65+ age group = 15% of the population
- Large addressable market – in 2014 \$500 billion is held by Australians over 65 * Deloitte 2015



B2C Strategy

- Seeking large B2C Partner – Bank and/or Industry Fund
- Current Big 4 bank exclusivity is to lapse after 31st July 2019 – we are now free to pursue other bank interest
- Possible mainstream implementation of fractional property investing
- Will the “share economy” concepts apply to home ownership?
 - Do you need to own all of the house?
 - Co-invest with your family
 - Use your super
- Fractional ownership allows institutional funding
 - Interest only
 - Same rent allows dearer house
- Large scale FUM opportunity with embedded distribution



SMSF Property Investing



- SMSF's invest in a leveraged sub-fund
- SMSF not required to own all the equity → fractional investing!
- Select LVR % needed - maximum of 60%
- All Banks have now withdrawn from LRBA's*¹ - LRBA is competing solution
- **No LRBA required for DomaCom**
- Loan at 5.99% with La Trobe Financial
- **True “Non Recourse” → no trustee guarantees**
- Must be positively geared → responsible borrowing



Supportive Landscape

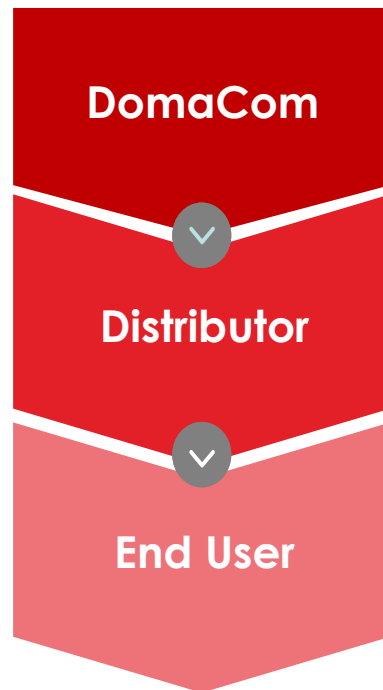
Supportive Landscape that DomaCom can capitalise on



Growth Strategy



DomaCom is developing multiple distribution channels to maximise its reach in the SMSF market



Financial Planners

Grow product awareness and educate financial planners on DomaCom. Currently approved by 44 dealer groups (5% of market)

Large Institutions

Establish new product distribution channels through tier one banks and large developers

Cash-poor retirees

Targeting the aging population via recently approved Equity Release product. Product launch imminent

SMSF Clients

Continue to build market share within SMSF market to drive FUM growth, 50% of current investors are SMSF₂₀

Pricing Strategy



DomaCom has adopted an attractive, recurring funds under management fee model

Property Assets	Mortgage Assets	Cash
0.88% p.a. (On gross value of property)	0.44% p.a.	0.22% p.a.

Fees are inclusive of GST

Recapitalisation In progress

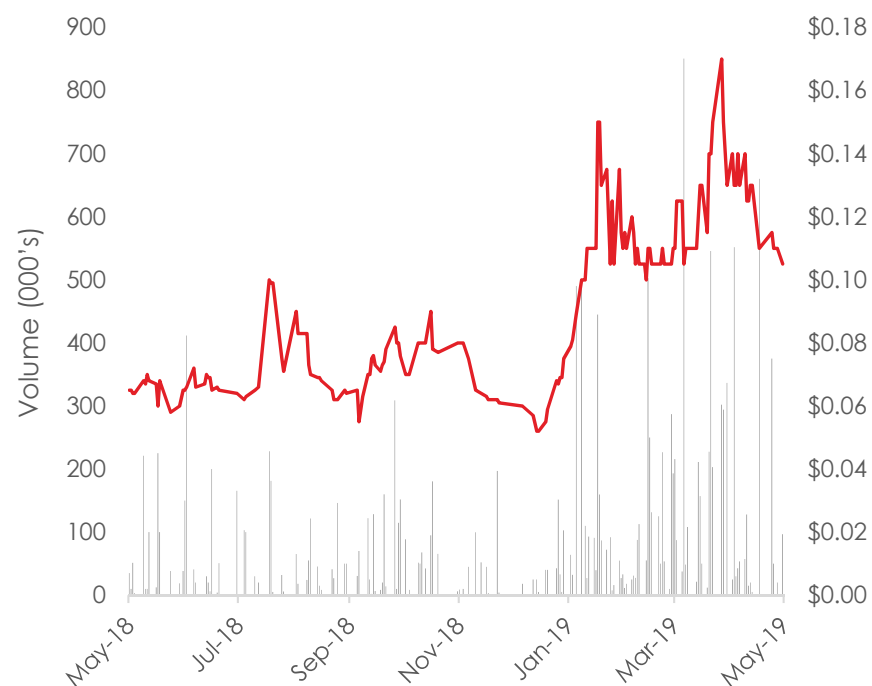
- \$5.75 Million raised since December 2018
- EGM on August 19th to refresh our placement capacity – positions company well
- This will address remaining growth hurdle – our balance sheet!
- Only 10% of our clients are using the platform – this will rise rapidly once the balance sheet is addressed
- Operating Cash Cost¹ based reduced from circa \$7.5 million in 2016 to circa \$4.3 million in 2019
- Reduced Cost base to remain at around \$4.3 Million
- Legal costs to dramatically reduce
- Funds can now be directed to Marketing & Sales



Note 1: Annual operating cash cost base (on a financial year basis) excludes finance and depreciation costs

Corporate Overview

ASX Ticker	DCL
Share price as at 30 July 2019	\$0.091
Shares on issue	161.3m
Market Capitalisation as at 30 July 2019	\$14.6m
FUM as at 24 July 2019	\$58.5m
Capital Raised since December 2018	\$5.75m



Key Takeaways



DomaCom is now significantly de-risked and positioned to rapidly grow FUM

Funded for growth

DomaCom now has access to significant debt funding, vital for property transactions



Huge addressable market

DomaCom is exceptionally well placed to win market share in the SMSF space and rapidly grow FUM

Experienced management

Leadership team with a track record of successfully commercialising platforms

Regulatory Clarity/Certainty

DomaCom's products have passed all necessary regulatory checkpoints and approvals

Board & Management



Chief Executive Officer

Arthur Naoumidis
25+ years' in financial services & 13 years
in senior IT, ex-CEO of Praemium



Chief Operating Officer

Ross Laidlaw
25+ years' financial services, Ex-
CEO of Skandia Australia



Chief Financial Officer

Philip Chard
20+ years' financial services



Chairman

Grahame Evans
30+ years' financial services with
extensive board experience



Non-Executive Director

Graeme Billings
34 years' in PWC Audit



Non-Executive Director

David Archbold
45 years' of property experience



Non-Executive Director

Peter Church OAM FAICD
Extensive legal experience



DomaCom

FRACTIONAL PROPERTY INVESTING