

DomaCom Fund
ARSN 167 020 626

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

DomaCom Fund

ARSN 167 020 626

Condensed interim financial report

For the half-year ended 31 December 2019

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The Responsible Entity of the Fund is Melbourne Securities Corporation Limited ("the Responsible Entity") (ABN 57 160 326 545) (AFSL No. 428289).

Directors' Report

The Directors of Melbourne Securities Corporation Limited (ABN 57 160 326 545, AFSL 428289), the Responsible Entity of DomaCom Fund, present their report together with the condensed interim financial statements of the Fund for the half-year ended 31 December 2019 and the auditor's report thereon.

1 Directors

The names of Directors of the Responsible Entity in office at any time during or since the end of the half-year are:

Michael Peter Fleming
Matthew James Fletcher
Andrew Georgiou
Glenn David White (appointed 13 November 2019)

2 Principal activities

The principal activity of the Fund is fractional investment in real estate (residential and commercial), for the purpose of earning revenue in the form of rent and participate in capital growth. The Fund also provides the opportunity to invest in underlying mortgage funds which invest in a unit trust with underlying exposure to registered mortgages. The Fund seeks to offer a stable, tax effective income investment stream coupled with growth potential over the longer term for its investors.

3 Review and results of operations

There have been no significant changes to the operations of the Fund since the previous financial period. The Fund continued to invest funds in accordance with the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Net operating profit/(loss) before financing costs attributable to unitholders	37,708	(621,148)
Distribution paid and payable	698,577	262,367

Directors' Report (continued)

4 Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial half-year under review.

5 After Balance Date Events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

6 Environmental Issues

The Fund complied with all environmental regulations during the course of the half-year.

7 Indemnification and insurance of Officers and Auditors

During or since the end of the period, the Fund has not indemnified or agreed to indemnify, nor paid insurance premiums to insure any of the directors or officers of the Responsible Entity. The auditors of the Fund are not indemnified out of the assets of the Fund. Grant Thornton Audit Pty Ltd. continues to be the auditor in office.

8 Proceedings on Behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund, or intervene in any proceedings to which the Fund is a party, for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings. The Fund was not a party to any such proceedings during the half-year.

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors of Melbourne Securities Corporation Limited.



Director
Melbourne Securities Corporation Limited

Melbourne
11th March 2020

Auditor's Independence Declaration

To the Directors of the Responsible Entity of DomaCom Fund

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of DomaCom Fund for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 11 March 2020

ACN-130 913 594

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Condensed interim statement of profit or loss and other comprehensive income

	Note	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Revenue and other income			
Rental and other property income		501,033	377,000
Interest income		748,374	143,536
Changes in inventory of development assets		(126,206)	-
Change in fair value of investment properties		(424,131)	(320,294)
Total revenue and other income		699,070	200,242
Expenses			
Property outgoings		305,342	608,751
Management fees		206,108	140,009
Legal and professional fees		24,153	8,852
Finance Costs		125,759	63,778
Total expenses		661,362	821,390
Operating profit/(loss) for the half-year		37,708	(621,148)
Finance costs attributable to unit holders			
Distributions to unitholders	7	(698,577)	(262,367)
Decrease/(increase) in net assets attributable to unitholders	6	660,869	883,515
Operating profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half-year attributable to unitholders		-	-

The above condensed interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed interim statement of financial position

	Note	As at 31 December 2019 \$	As at 30 June 2019 \$
Assets			
Current assets			
Cash and cash equivalents		9,976,278	10,738,239
Trade and other receivables		267,285	86,298
Loan Receivable	3	2,007,000	2,007,000
Mortgage Securities	4	15,003,000	10,450,000
Other assets		219,141	233,087
Total current assets		27,472,704	23,514,624
Non-current assets			
Loan Receivable	3	2,716,887	948,000
Inventory of development assets		4,923,781	3,829,419
Investment properties	5	29,402,583	27,060,312
Total non-current assets		37,043,251	31,837,731
Total assets		64,515,955	55,352,355
Liabilities			
Current liabilities			
Distributions payable		10,554	12,030
Trade and other payables		772,195	115,189
Loan payable	3	5,237,000	4,007,000
Total current liabilities		6,019,749	4,134,219
Non-current liabilities			
Loan payable	3	1,470,000	948,000
Total non-current liabilities		1,470,000	948,000
Total liabilities		7,489,749	5,082,219
Net assets attributable to unit holders - liability	6	57,026,206	50,270,136
Liabilities attributable to unit holders		(57,026,206)	(50,270,136)
Net assets		-	-

The above condensed interim statement of financial position should be read in conjunction with the accompanying notes.

Condensed interim statement of changes in net assets attributable to unitholders

	Note	Half-year ended 31 December 2019 \$	Year ended 30 June 2019 \$
Beginning balance		50,270,136	33,906,394
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Applications / Reinvestments		8,683,689	25,109,538
Redemptions		(1,266,750)	(5,581,198)
Decrease in net assets attributable to unitholders		(660,869)	(3,164,598)
Total net assets attributable to unitholders at the end of the period	6	57,026,206	50,270,136

The above condensed interim statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
Cash flows from operating activities		
Rental and other property income received	466,910	377,000
Interest received	559,025	143,535
Property outgoings paid	(303,912)	(587,271)
Interest Paid	(125,759)	(63,778)
Other expenses paid	(262,103)	(145,378)
Net cash provided by operating activities	334,161	(275,892)
Cash flows from investing activities		
Payments for purchase of investment properties	(3,938,721)	(5,803,000)
Payments for purchase of mortgage securities	(4,553,000)	(1,950,000)
Net cash used in investing activities	(8,491,721)	(7,753,000)
Cash flows from financing activities		
Proceeds from applications by unitholders	8,683,689	8,136,495
Proceeds from borrowings	678,713	627,219
Payments for redemptions by unitholders	(1,266,750)	(4,130,936)
Distributions to unitholders	(700,053)	(262,803)
Net cash provided by financing activities	7,395,599	4,369,975
Net increase in cash and cash equivalents	(761,961)	(3,658,917)
Cash and cash equivalents at the beginning of the year	10,738,239	13,563,743
Cash and cash equivalents at the end of the year	9,976,278	9,904,826

The above condensed interim statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year financial statements

These general purpose financial statements for the interim half-year ended 31 December 2019 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2019 and any public announcements made in respect of the DomaCom Fund during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements were authorised for issue by the directors on 11th March 2020. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

The accounting policies adopted are consistent with those of the previous financial year.

Standards and Interpretations affecting the reported results or financial position

The following new and revised Standards were adopted in these financial statements. The impact of these new standards (to the extent relevant to the Fund) is set out below:

(i) AASB 16 Leases (effective from 1 January 2019)

For any new contracts entered into on or after 1 January 2019, the Fund considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Fund assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Fund
- the Fund has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Fund has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Fund recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Fund, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Fund depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Fund also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Fund measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Fund's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Fund has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included as lease liabilities.

The adoption of AASB16 has not had any impact on the Fund's accounting policies or the amounts recognised in the financial statements.

1 Basis of preparation of half-year financial statements (continued)

(ii) AASB Interpretation 23 Uncertainty over Income Tax Treatments

AASB Interpretation 23 Uncertainty over Income Tax Treatments became mandatorily effective for financial years beginning after 1 January 2019. It clarifies how to apply the recognition and measurement requirements in AASB 112 Income Taxes when there is uncertainty over income tax treatments.

As there are no uncertain tax positions within the Fund, the adoption of the interpretation did not have any impact on the disclosures or the amounts recognised in the Fund's financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

2 Fair value measurement

(a) Recognised fair value measurements

The Fund measures and recognises assets and liabilities at fair value on a recurring basis.

To provide an indication about the reliability of inputs used in determining fair value, the Fund classifies its assets and liabilities at fair value into three levels prescribed under the accounting standards. An explanation of each level is set out below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Fund's financial assets measured and recognised at fair value:

At 31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mortgage Securities	-	-	15,003,000	15,003,000
Total assets	-	-	15,003,000	15,003,000
At 30 June 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mortgage Securities	-	-	10,450,000	10,450,000
Total assets	-	-	10,450,000	10,450,000

The following table presents the Fund's non-financials assets measured and recognised at fair value:

At 31 December 2019	Level 1	Level 2	Level 3	Total
Non-financial assets				
Investment properties	-	-	29,402,583	29,402,583
Total assets	-	-	29,402,583	29,402,583
At 30 June 2019	Level 1	Level 2	Level 3	Total
Non-financial assets				
Investment properties	-	-	27,060,312	27,060,312
Total assets	-	-	27,060,312	27,060,312

There were no transfers between levels of fair value measurement during the half-year.

2 Fair value measurement (continued)

(a) Recognised fair value measurements (continued)

The following table presents the movement in level 3 assets for the half-year ended 31 December 2019 by class of asset.

	Mortgage Securities	
	Half-year ended 31 December 2019	Year ended 30 June 2019
Opening balance	10,450,000	-
Acquisitions/ additions	4,553,000	10,450,000
Disposals	-	-
Gains and losses recognised in profit or loss	-	-
Closing balance	15,003,000	10,450,000

	Investment properties	
	Half-year ended 31 December 2019	Year ended 30 June 2019
Opening balance	27,060,312	16,649,882
Acquisitions/ additions	2,766,402	12,110,668
Disposals	-	(157,000)
Losses recognised in profit or loss	(424,131)	(1,543,238)
Closing balance	29,402,583	27,060,312

(b) Valuation process

The Responsible Entity through the Fund's Manager conducts an investment property valuation process on a rolling 12 month basis. All independent valuations are performed by independent professionally qualified external valuers.

Existing properties

On an ongoing basis, the Responsible Entity through the Fund's Manager, assesses whether there has been a material change in the value of a property. External valuations are obtained within 2 months after the management form a view that there is a likelihood that there has been a material change in the valuation of the property.

To make this assessment, the following steps are performed by the Fund's Manager:

- 1 perform desktop assessments of current values through discussions with external valuers and by using external market data feeds to gauge the current market situation;
- 2 compare the initial assessment of current value to the most recent book value and determine the percentage movement; and
- 3 if the property has been acquired in the last 12 months, the valuation on acquisition may still be valid but is reviewed against comparable sales/market data.

Development properties

The total cost of a development property is generally capitalised to its carrying value until development is complete. At the commencement of a development project, an estimated valuation on completion is obtained and the capitalised costs during the project are monitored against this initial valuation.

At each reporting date, the carrying values of development properties are reviewed to determine whether they are in excess of their fair value. Where appropriate, a write-down is made to reflect fair value.

Mortgage Securities

Fair value of the mortgage funds is calculated from the net asset value determined and advised by the relevant external manager.

3 Loans Receivable and Payable

	As at 31 December 2019 \$	As at 30 June 2019 \$
<u>Loans receivable</u>		
Current:		
Loan Sub-Fund 8 Turnberry Close	509,000	509,000
Loan Sub-Fund Lot 108 Turnberry Close	498,000	498,000
Loan Sub-Fund 54 Watts Road	1,000,000	1,000,000
	2,007,000	2,007,000
Non-current:		
Loan Sub-Fund 66 Beaconsfield Parade, Northcote VIC 3070	948,000	948,000
Special Opportunity Sub-Fund Sapphire Wind Farm	1,768,887	-
	2,716,887	948,000
Total loans receivable	4,723,887	2,955,000
<u>Loans payable</u>		
Current:		
Property Development Sub-Fund 6B / 8 Averys Lane, Haddon Greta, NSW 2321	3,230,000	2,000,000
Property Sub-Fund 8 Turnberry Close	509,000	509,000
Property Sub-Fund Lot 108 Turnberry Close	498,000	498,000
Property Sub-Fund 54 Watts Road	1,000,000	1,000,000
	5,237,000	4,007,000
Non-current:		
Property Sub-Fund 66 Beaconsfield Parade, Northcote VIC 3070	948,000	948,000
Property Sub-Fund 4/27 Crombie Avenue, Bundall QLD 4217	522,000	-
	1,470,000	948,000
Total loans payable	6,707,000	4,955,000

In the current period, Special Opportunity Sub-Fund Sapphire Wind Farm has invested \$1,768,887 in a 10 year unsecured loan with Grassroots Finance invested in the Sapphire Wind Farm, a completed wind farm developed and managed by CWP Renewables.

In the current period, Property Sub-Fund 4/27 Crombie Avenue, Bundall entered into a \$522,000 secured loan with a third party lender at a rate of 5.99% and a term of 5 years.

Property sub-fund 66, Beaconsfield Parade entered into a loan agreement for \$948,000 with the DomaCom Loan Fund with a rate of interest of 5.5% and term of 5 years. The DomaCom Loan Fund is separate to the DomaCom Fund and was set up solely to enable loans between sub-Funds of the DomaCom Fund. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund 66, Beaconsfield Parade with a rate of interest of 5.5% and term of 5 years.

In the prior year, property development sub-fund Avery's Green entered into a loan agreement for \$2,000,000 with the DomaCom Loan Fund with a rate of interest of 14.0% and term of 1 year. The DomaCom Loan Fund separately entered into a loan with the Mortgage Sub-Fund DMC0170AU with a rate of interest of 14.0% and term of 1 year. In the current period, the loan was increased to \$3,230,000.

In the prior year, property sub-fund 8 Turnberry Close entered into a loan agreement for \$509,000 with the DomaCom Loan Fund with a rate of interest of 8.00% and term of 1 year. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund 8 Turnberry Close with a rate of interest of 8.0% and term of 1 year.

In the prior year, property sub-fund Lot 108 Turnberry Close entered into a loan agreement for \$498,000 with the DomaCom Loan Fund with a rate of interest of 8.0% and term of 7 months. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund Lot 108 Turnberry Close with a rate of interest of 8.0% and term of 7 months.

In the prior year, Property sub-fund 54 Watts Road entered into a loan agreement for \$1,000,000 with the DomaCom Loan Fund with a rate of interest of 10.0% and term of 1 year. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund 54 Watts Road with a rate of interest of 10.0% and term of 1 year.

The loans payable are secured only on the respective assets above.

4 Mortgage Securities

	As at December 2019 \$	As at 30 June 2019 \$
Mortgage Securities	15,003,000	10,450,000
	15,003,000	10,450,000

The sub-fund allows investors to participate in multiple commercial and residential loans backed by first registered mortgages.

5 Non-current assets - investment properties

Below is the list of properties fully owned by the Fund:

	As at 31 December 2019 \$	As at 30 June 2019 \$
811/127-133 Leicester Street, Carlton VIC 3053	175,000	175,000
806/127-133 Leicester Street, Carlton VIC 3053	175,000	175,000
803/127-133 Leicester Street, Carlton VIC 3053	175,000	161,000
808/127-133 Leicester Street, Carlton VIC 3053	175,000	170,000
606/127-133 Leicester Street, Carlton VIC 3053	170,000	170,000
14 Ceres Street, Wulkuraka QLD 4305	410,000	430,000
1/388-390 Burwood Highway, Burwood VIC 3125	110,000	125,000
Lot 42 Parkfield Loop, Paralowie SA 5108	325,000	320,000
Lot 43 Parkfield Loop, Paralowie SA 5108	325,000	320,000
604/127-133 Leicester Street, Carlton VIC 3053	170,000	170,000
6/18 Workshops Street, Brassall QLD 4305	300,000	300,000
5 Prospect Street, Silkstone QLD 4304	320,000	355,000
Lot 45 Parkfield Loop, Paralowie SA 5108	325,000	320,000
15 Pommer Street, Brassall QLD 4305	375,000	375,000
Lot 18 Fazzolari Circuit, Paralowie SA 5110	320,000	320,000
202/51-53 Gaffney Street, COBURG VIC 3058	415,000	415,000
Lot 44 Parkfield Loop, Paralowie SA 5108	320,000	320,000
Lot 47 Parkfield Loop, Paralowie SA 5108	320,000	320,000
Lot 56 Parkfield Loop, Paralowie SA 5108	320,000	320,000
Lot 20 Stacey Court, Munno Para West SA 5115	260,000	260,000
117/36 Queen Victoria Street, Fremantle WA 6160	500,000	600,000
Lot 40/33 Junction Drive, Redbank Plains QLD 4301	300,000	300,000
Lot 15/225 Sutton Street, Warragul VIC 3820	360,000	345,000
Lot 64 Athena Drive, Risdon Vale TAS 7016	380,000	400,000
7/37 Wildey Street, Raceview QLD 4305	270,000	270,000
Lot 27 Isla Court, Munno Para West SA 5115	260,000	260,000
421/6 Aqua Street, Southport QLD 4215	410,000	425,000
"Doyles", Lower Coleraine Road, Muntham VIC 3315	1,000,000	1,000,000
Lot 821 Celestial Way, Coomera QLD 4209	450,000	450,000
APT 2419/27-41 Appleton Street, Richmond VIC 3121	435,000	-
Lot 47/21 Springfield Parkway, Springfield QLD 4300	335,000	375,000
Lot 66 Athena Drive, Risdon Vale TAS 7016	390,000	350,000
Unit 8/37 Wildey Street, Raceview QLD 4305	265,000	265,000
Lot 21 Chellaston Road, Munno Para West SA 5115	260,000	260,000
Lot 440 Fernbrooke NA, Redbank Plains QLD 4301	380,000	380,000
Lot 123/64 Devonshire Road, Rossmore NSW 2557	3,500,000	3,500,000
Unit 18/37 Wildey Street, Raceview QLD 4305	270,000	270,000
66 Beaconsfield Parade, Northcote VIC 3070	1,660,000	1,660,000
3/157 Walcott Street, Mount Lawley WA 6050	460,000	450,000
7/157 Walcott Street, Mount Lawley WA 6050	350,000	340,000
Lot 1241/60 Devonshire Road, Rossmore NSW 2557	4,235,000	4,235,000
LOT 102 Matthias Way, Leichhardt, QLD 4305	410,000	380,573
LOT 107 Turnberry Close, Fletcher Way, NSW 2287	688,545	424,936
Lot 54 Athena Drive, Risdon Vale TAS 7016	400,000	329,300
LOT 108 Turnberry Close, Fletcher Way, NSW 2287	336,603	309,503
54 Watts Road, Kemps Creek NSW 2178	3,960,000	3,960,000
4/27 Crombie Avenue, Bundall QLD 4217	920,000	-
3/227 High Forest Road, Omeo VIC 3898	165,000	-
LOT 111 St Andrews Way, Fletcher NSW 2287	567,435	-
	29,402,583	27,060,312

6 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unit holders during the year were as follows:

	Half-year ended 31 December 2019		Year ended 30 June 2019	
	Units	\$	Units	\$
Opening balance	60,569,577	50,270,136	44,281,707	33,906,394
Applications and unit class conversion	8,395,508	8,611,957	21,698,545	24,939,015
Redemptions	(1,266,750)	(1,266,750)	(5,581,198)	(5,581,198)
Units issued upon reinvestment of distributions	71,732	71,732	170,523	170,523
Increase/(decrease) in net assets attributable to unit holders	-	(660,869)	-	(3,164,598)
Closing balance	67,770,067	57,026,206	60,569,577	50,270,136

7 Distributions

Distributions paid/payable to unitholders

The distributions for the period were:

	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Distributions paid	688,023	248,912
Distributions payable	10,554	13,455
	698,577	262,367

8 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2019 and 30 June 2019.

9 Events subsequent to reporting date

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

10 Responsible Entity details

The registered office and the principal place of business of the Responsible Entity is Level 2, Professional Chambers, 120 Collins Street, Melbourne VIC 3000.

Directors' declaration

In the opinion of the Directors of Melbourne Securities Limited, the Responsible Entity of DomaCom Fund ("the Fund"):

- a. the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in net assets attributable to unitholders, statement of cash flows, and accompanying notes, are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and
- b. there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of the Responsible Entity, made pursuant to s303(5) of the Corporations Act 2001.



Director
Melbourne Securities Corporation Limited

Melbourne
11th March 2020

Independent Auditor's Report

To the Members of DomaCom Fund

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of DomaCom Fund (the 'Scheme'), which comprises the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable for unitholders and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of DomaCom Fund does not give a true and fair view of the financial position of the Scheme as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DomaCom Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner – Audit & Assurance

Melbourne, 11 March 2020